IFRS Core Tools

# Good General Insurance (International) Limited

Illustrative consolidated financial statements for the year ended 31 December 2025

International GAAP®

The better the question.
The better the answer.
The better the world works.

Shape the future with confidence

# Contents

**Abbreviations and key** ..... **2**

**Introduction** ..... **4**

**Consolidated statement of profit or loss** ..... **12**

**Consolidated statement of comprehensive income** ..... **14**

**Consolidated statement of financial position** ..... **16**

**Consolidated statement of changes in equity** ..... **18**

**Consolidated statement of cash flows** ..... **21**

**Appendix 1 Information in other illustrative financial statements available** ..... **150**

# Abbreviations and key

The following styles of abbreviation are used in this set of Illustrative Financial Statements:

| | |
|---|---|
| 12mECL | 12 month expected credit loss |
| CSM | Contractual service margin |
| EAD | Exposure at default |
| ECL | Expected credit loss |
| EIR | Effective interest rate |
| FVOCI | Fair value through other comprehensive income |
| FVPL | Fair value through profit or loss |
| GAAP | Generally Accepted Accounting Principles/ Practice |
| GMM | General Measurement Model |
| IAS | International Accounting Standards |
| IAS 1.41 | International Accounting Standard No. 1, paragraph 41 |
| IAS 1.BC13 | International Accounting Standard No. 1, Basis for Conclusions, paragraph 13 |
| IAS 32.AG3 | International Accounting Standard No. 32 – Appendix A – Application Guidance, paragraph AG3 |
| IASB | International Accounting Standards Board |
| IAS ® | International Accounting Standards |
| IFIE | Insurance finance income or expenses |
| IFRIC Interpretations | Interpretations by the IFRS Interpretations Committee (formerly IFRIC) |
| IFRS ® Accounting Standards | IFRS Accounting Standards issued by the IASB |
| IFRS Interpretations Committee | IFRS Interpretations Committee (IFRS IC)<br>(formerly International Financial Reporting Interpretations Committee (IFRIC®)) |
| IFRIC 5.6 | IFRS Interpretations Committee (formerly IFRIC) Interpretation No. 5, paragraph 6 |
| IFRS 9.5.4.1 | International Financial Reporting Standard No. 9, Chapter 5.4, paragraph 1 |
| IFRS 17 Appendix A | International Financial Reporting Standard No. 17, Appendix A |
| IFRS 17.44 | International Financial Reporting Standard No. 17, paragraph 44 |
| IFRS 17.B5 | International Financial Reporting Standard No. 17, Appendix B (Application guidance), paragraph 5 |
| LFRC | Liability for remaining coverage |
| LFIC | Liability for incurred claims |
| LGD | Loss given default |
| LTECL | Lifetime expected credit loss |
| OCI | Other comprehensive income |
| PAA | Premium allocation approach |
| PD | Probability of default |
| SIC® | Standing Interpretations Committee (SIC) |
| SIC Interpretations | Interpretations by the SIC |
| SPPI | Solely payments of principal and interest |
| VFA | Variable fee approach |

| | |
|---|---|
| Commentary on IFRS accounting standards | The commentary explains how the requirements of IFRS accounting standards have been implemented in arriving at the illustrative disclosure |
| Commentary on climate-related matters | The commentary explains how the impact from climate change has been considered in preparing the illustrative financial statements and what factors an entity may need to consider in this regard |
| Commentary on macroeconomic and geopolitical uncertainty | The commentary explains which issues an entity may need to consider in relation to the current macroeconomic and geopolitical uncertainty |

# Introduction

This publication contains an illustrative set of consolidated financial statements for Good General Insurance (International) Limited (the parent, the Company, or Good General) and its subsidiaries (the Group) for the year ended 31 December 2025 that is prepared in accordance with IFRS accounting standards. Good General Insurance and its subsidiaries are fictitious entities and Good General Insurance is incorporated and listed in a fictitious country in Euroland. The presentation currency of the Group is the euro (€).

The names of people and corporations, and also descriptions of events related to Good General Insurance (International) Limited included in these illustrations are fictitious and have been created for the purpose of illustration only. Any resemblance to any person or business is purely coincidental.

## Objective

This set of illustrative financial statements is one of a number of model financial statements available on ey.com/ifrs to assist you in preparing your own financial statements. The illustrative financial statements are intended to reflect transactions, events and circumstances that we consider to be most common in the general insurance industry. The illustrative disclosures have been written to reflect the specific circumstances of Good General Insurance and should not be used for the financial statements of other general insurers without extensive tailoring. Certain disclosures are included in these financial statements merely for illustrative purposes, even though they may be regarded as items, transactions or accounting policy information that are not material for the Group.

## How to use these illustrative financial statements to prepare entity-specific disclosures

**Users of this publication are encouraged to prepare entity-specific disclosures. Transactions and arrangements other than those applicable to the Group may require additional disclosures. It should be noted that the illustrative financial statements of the Group are not designed to satisfy any stock market or country-specific regulatory requirements, nor is this publication intended to reflect disclosure requirements that apply mainly to regulated or specialised industries.**

Notations shown in the right-hand margin of each page are references to paragraphs in IFRS accounting standards that describe the specific disclosure requirements. Commentaries are provided to explain the basis for the disclosure or to address alternative disclosures not included in the illustrative financial statements. For a more comprehensive list of disclosure requirements, please refer to EY's International GAAP® Disclosure Checklist If questions arise as to the disclosure requirements in IFRS accounting standards, it is essential to refer to the relevant source material and, where necessary, to seek appropriate professional advice.

## Improving disclosure effectiveness

Terms such as 'disclosure overload' and 'cutting the clutter', and more precisely 'disclosure effectiveness', describe a problem in financial reporting that has become a priority issue for the International Accounting Standards Board (IASB or Board), local standard setters, and regulatory bodies. The growth and complexity of financial statement disclosure is also drawing significant attention from financial statement preparers, and more importantly, the users of financial statements.

### Notes structure

Considering the purpose of *Good General Insurance (International) Limited – Illustrative consolidated financial statements for the year ended 31 December 2025* the notes largely follow the order in which items are presented in the primary financial statements. Paragraph 113 of IAS 1 *Presentation of Financial Statements* requires the notes to be presented in a systematic manner, and paragraph 114 provides examples of different systematic orderings and groupings that preparers may consider. An alternative notes structure that some may find more effective in permitting the users to identify the relevant information more easily involves reorganising the notes according to their nature and perceived importance. An illustrative ordering of the alternative structure that is based on seven different notes sections is summarised in the table below:

| Sections | Content: |
|---|---|
| Corporate and Group information | ▪ Corporate information<br>▪ Group information |
| Basis of preparation and other accounting policies | ▪ Basis of preparation<br>▪ Summary of other accounting policies<br>▪ Changes in accounting policies and errors<br>▪ Fair value measurement<br>▪ Climate-related matters<br>▪ Standards issued but not yet effective |

| Sections | Content: |
|---|---|
| Group business, operations and management | ▪ Financial instruments risk management objectives and policies<br>▪ Capital management<br>▪ Distributions made and proposed<br>▪ Segment information<br>▪ Basis of consolidation and information on material partly owned subsidiaries<br>▪ Investment in an associate |
| Significant transactions and events | ▪ Business combinations and goodwill<br>▪ Related party disclosures<br>▪ Events after the reporting period |
| Detailed information on statement of profit or loss and OCI items | ▪ Insurance revenue<br>▪ Insurance service expense<br>▪ (Re) Insurance finance income or expense<br>▪ Operating expenses<br>▪ Finance costs<br>▪ Interest revenue<br>▪ Other interest and similar income<br>▪ Other investment income<br>▪ Depreciation, amortisation and impairment expense<br>▪ Employee benefits expense<br>▪ Share-based payments<br>▪ Earnings per share (EPS) |
| Detailed information on statement of financial position items | ▪ Insurance contract assets<br>▪ Reinsurance contract assets<br>▪ Property and equipment<br>▪ Investment properties<br>▪ Intangible assets and goodwill<br>▪ Financial assets and liabilities<br>▪ Cash and short-term deposits<br>▪ Issued capital and reserves<br>▪ Insurance contract liabilities<br>▪ Reinsurance contract liabilities<br>▪ Provisions<br>▪ Pensions and other post-employment benefits<br>▪ Other payables<br>▪ Income tax<br>▪ Deferred tax<br>▪ Leases |
| Commitments and contingencies | ▪ Commitments<br>▪ Other contingent liabilities |

By structuring the notes according to their nature and perceived importance, users may find it easier to extract the relevant information. In addition, information about the accounting policies, judgements, key estimates and assumptions could alternatively be placed within the same note as the related qualitative and quantitative disclosures to provide a more holistic discussion to users of the financial statements. The alternative structure summarised above has been applied in *Good Group (International) Limited – Alternative Format*. As the key difference between the illustrative financial statements herein and in the alternative format illustrative financial statements is the structuring of the notes, *Good Group (International) Limited –*

*Alternative Format* is a useful tool for entities exploring ways to enhance the effectiveness of their financial statements' disclosures.

**Entities may find that other structures are better for enhancing disclosure effectiveness, and the approach summarised above and illustrated in *Good Group (International) Limited – Alternative Format* is only intended to illustrate that IFRS accounting standards allow for alternative notes structures. Entities should carefully assess their specific circumstances and the preferences of the primary users before deciding on notes' structure. Engagement of key stakeholders will be a critical part of any process to make significant changes to the financial statements.**

### Materiality assessments

Applying the concept of materiality requires judgement, in particular, in relation to matters of presentation and disclosure, and inappropriate application of the concept may be another cause of the perceived disclosure problem. IFRS accounting standards set out a set of minimum disclosure requirements which, in practice, is too often complied with without consideration of the information's relevance for the specific entity. That is, if the transaction or item is immaterial to the entity, then it is not relevant to users of financial statements, in which case, IFRS accounting standards do not require the item to be disclosed (IAS 1.31). If immaterial information is included in the financial statements, the amount of information may potentially reduce the transparency and usefulness of the financial statements as the material and, thus, relevant information, loses prominence.

IFRS Practice Statement 2 *Making Materiality Judgements* provides practical guidance and examples that entities may find helpful in deciding whether information is material. Entities are encouraged to consider it when making materiality judgements.

For an illustration of how the materiality assessment could be performed for disclosures of accounting policies, please refer to Appendix 4 of Good Group (International) Limited.

**As explained above, the primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. Therefore, they include disclosures that may, in practice, be deemed not material to the Group. It is essential that entities consider their own specific circumstances when determining which disclosures to include. These financial statements are not intended to act as guidance for making the materiality assessments, they must always be tailored to ensure that an entity's financial statements reflect and portray its specific circumstances and its own materiality considerations. Only then will the financial statements provide decision-useful financial information.**

## Alternative performance measures

The use of alternative performance measures (APMs or "non-GAAP measures") is popular in communicating financial information to investors. APMs are financial measures that are not defined in the applicable reporting framework. The number of APMs in use is large and varied depending on the message the entities are trying to convey. The IASB has recognised that management-defined performance measures (MPMs), which are a subset of alternative performance measures that are subtotals based on income and expenses and meet certain criteria, can provide useful information about entities' financial performance. IFRS 18 *Presentation and Disclosure in Financial Statements*, which will become effective on 1 January 2027, will require entities to provide disclosures about MPMs in a single note in the financial statements. MPMs, according to IFRS 18, represent a subset of APMs.

Entities that are considering to present APMs in their financial statements should refer to our publications, Applying IFRS: Alternative Performance Measures (October 2018). For more information on MPMs, please refer to our publication, Applying IFRS – A closer look at IFRS 18 (Updated April 2026).

## Climate-related matters

Stakeholders are increasingly interested in the impact of climate change on entities' business models, cash flows, financial position and financial performance. Climate-related risks include both physical risks and transition risks. Physical risks include the risk of loss due to specific weather events (such as storms or wildfires), so-called acute physical risks, and risks due to longer-term changes (so called 'chronic risks', such as rising sea levels). Transition risks relate to the risk of financial loss due to the economic transition towards a more sustainable economy. While IFRS accounting standards do not explicitly refer to climate-related matters, entities must consider them in applying IFRS accounting standards when the effect of those matters is material.

Where relevant, climate-related matters have been addressed in separate commentaries and illustrative disclosures in these financial statements. Note 2.7 has been added to provide an overview of areas in the financial statements that have been impacted by climate-related matters. As the impact of climate-related matters differs significantly across entities and industries, entities need to consider carefully any specific impacts on their business, arising from physical and transition risks when preparing their financial statements.

The level of disclosure provided may also be impacted by the expectations of regulators, depending on the jurisdiction. For example, regulators may require disclosure of climate-related matters that have not traditionally been considered material in financial statements.

Reporting on climate-related matters outside the financial statements may be included in what is commonly referred to as "sustainability reporting", which refers to reporting on environmental, social and governance (ESG) matters. Sustainability reporting is not illustrated nor addressed in this publication.

As part of its work on sustainability reporting and climate-related matters' impact on financial statements, the IFRS Foundation's standard-setting bodies – the IASB and the International Sustainability Standards Board (ISSB) – have emphasised the concept of connectivity between financial statements and sustainability disclosures. This concept includes, but is not limited to, financial statements providing investors with holistic, comprehensive and coherent information about an entity. Regulators have also highlighted the need for consistency in how climate-related matters are treated in IFRS financial statements and in other financial and non-financial information provided by entities.

Entities considering the requirements for potential climate-related impact on financial statements and disclosures should refer to our publication *Applying IFRS – Connected Financial Reporting: Accounting for Climate Change* (updated May 2025).

Entities should also consider recent IFRS IC agenda decisions dealing with climate-related matters, including *Climate-related Commitments* (April 2024) and *Recognition of Intangible Assets from Climate-related Expenditure* (April 2025).

## Macroeconomic and geopolitical uncertainty

In recent years, there has been significant commodity price volatility, high inflation, changes in interest rates and increasing energy prices linked to geopolitical uncertainty and tensions that have significantly affected the current economic environment. The accounting issues that entities will need to pay special attention to as a result include, but are not limited to: going concern; impairment of assets; expected credit losses; pensions; determination of fair values; assessment of events as either adjusting or non-adjusting; disclosures (e.g., liquidity disclosures); and hyperinflation.

Where relevant, these accounting issues have been addressed in commentary boxes throughout this publication. However, as the impact largely depends on the nature of an entity's business and the extent to which it has been affected, relevant accounting issues have not been illustrated in these consolidated financial statements themselves.

Entities should consider the impact of macroeconomic and geopolitical events and related transactions that are significant to their financial statements. For instance, the current macroeconomic and geopolitical environment affects the assumptions and estimation uncertainty associated with the measurement of assets and liabilities. Therefore, entities should carefully consider whether additional disclosures are necessary to help users of financial statements understand the impact of those uncertainties and corresponding judgements applied in the financial statements.

The purpose of the commentaries on macroeconomic and geopolitical uncertainty is to aid entities in making assessments as to the impact of current macroeconomic and geopolitical environment on recognition, measurement, presentation, and disclosures. Entities that are considering macroeconomic and geopolitical uncertainty should refer to our publication, Applying IFRS – Accounting consideration related to geopolitical events and uncertainty (April 2026). Entities should also consider the latest local guidance released in their jurisdiction along with other publications available on ey.com/ifrs.

## Illustrative financial statements

The following industry-specific illustrative financial statements and illustrative financial statements addressing specific circumstances that you may consider are available on ey.com/ifrs.

- Good Group (International) Limited
- Good Group (International) Limited –*Alternative Format*
- Good Group- IFRS 18
- Good Group (International) Limited — Illustrative interim condensed consolidated financial statements
- Good First-time Adopter (International) Limited
- Good Investment Fund Limited (Equity)
- Good Investment Fund Limited (Liability)
- Good Real Estate Group (International) Limited
- Good Mining (International) Limited
- Good Petroleum (International) Limited
- Good Bank (International) Limited
- Good Life Insurance (International) Limited
- Good Group (International) Limited – Agriculture: Supplement to Illustrative Consolidated Financial Statements

## IFRS accounting standards

The abbreviation IFRS Standards is defined in paragraph 2 of the *Preface to International Financial Reporting Standards* to include "standards and interpretations approved by the IASB, and International Accounting Standards (IAS Standards) and Standing Interpretations Committee interpretations issued under previous Constitutions". This is also noted in paragraph 7 of IAS 1 and paragraph 5 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Following the formation of the IFRS Foundation's separate standard-setting body for IFRS Sustainability Disclosure Standards, the International Sustainability Standards Board (ISSB™), the IFRS Foundation has clarified that the standards issued by the IASB should be referred to as 'IFRS Accounting Standards'.[1] Thus, when financial statements are described as complying with IFRS accounting standards, this means that they comply with the entire body of pronouncements sanctioned by the IASB. This includes the IAS Standards, IFRS accounting standards and Interpretations originated by the IFRS Interpretations Committee (IFRS IC), referred to as IFRIC interpretations and SIC interpretations.

## International Accounting Standards Board (IASB)

The IASB is the independent accounting standard-setting body of the IFRS Foundation (an independent not-for-profit private sector organisation working in the public interest) responsible for the development and publication of IFRS accounting standard. This includes the *IFRS for SMEs accounting standard*, and approving Interpretations of IFRS accounting standard as developed by the IFRS IC.

In fulfilling its standard-setting duties, the IASB follows a due process, of which the publication of consultative documents, such as discussion papers and exposure drafts, for public comment is an important component.

## The IFRS Interpretations Committee (IFRS IC)

The IFRS IC is a committee, appointed by the IFRS Foundation Trustees that assists the IASB in maintaining and supporting the consistent application of IFRS accounting standards for the benefit of users, preparers and auditors of financial statements.

The IFRS IC addresses issues of reasonably widespread importance, rather than issues of concern to only a small set of entities. These include any identified financial reporting issues not addressed in IFRS accounting standards. The Committee also advises the IASB on issues to be considered in the annual improvements to IFRS accounting standards projects.

For an overview of all upcoming changes in standards and interpretations, please refer to our quarterly *IFRS Update* publication, available on ey.com/ifrs.

## IFRS accounting standards as at 30 June 2025

As a general approach, these illustrative financial statements do not early adopt standards, amendments or interpretations before their effective date.

The standards applied in these illustrative financial statements are those that were in issue as at 30 June 2025 and effective for annual periods beginning on or after 1 January 2025. It is important to note that these illustrative financial statements will require continual updating as standards are issued and/or revised.

Users of this publication are cautioned to check that there has been no change in requirements of IFRS accounting standards between 30 June 2025 and the date on which their financial statements are authorised for issue. In accordance with paragraph 30 of IAS 8, specific disclosure requirements apply for standards and interpretations issued but not yet effective (see Note 2.6 Changes in accounting policies of these illustrative financial statements). Furthermore, if the financial year of an entity is other than the calendar year, new and revised standards applied in these illustrative financial statements may not be applicable. For instance, the Group has adopted Lack of Exchangeability - Amendments to IAS 21 in its 2025 illustrative financial statements. An entity with a financial year that commences on, for example, 1 October and ends on 30 September would have to adopt the amendments in its annual financial statements beginning on 1 October 2025. Therefore, the amendments would not have been applicable in the financial statements of an entity with a year-end of 30 September 2025, unless it voluntarily chose to early adopt the standard.

## IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit and loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 *Statement of Cash Flows,* and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*.

These new requirements are expected to impact all reporting entities. IFRS 18 and all consequential amendments are effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective

[1] *IFRS Foundation® Trade Mark Guidelines*. IFRS Foundation, 2023

application is required. Entities are strongly encouraged to begin analysing the new requirements. Many entities will need to identify and collect information, which, in some cases, may necessitate changes to their internal information systems.

For additional information on IFRS 18, please refer to our publication, *Applying IFRS - A closer look at IFRS 18 (Updated July 2025)*

This edition of Good General Insurance does not illustrate any of the changes resulting from IFRS 18. For an IFRS 18 illustrative set of financial statements, refer to Good Group (International) Limited - IFRS 18.

## Accounting policy choices

Accounting policies are broadly defined in IAS 8 and include not just the explicit elections provided for in some standards, but also other conventions and practices that are adopted in applying principle-based standards.

In some cases, IFRS accounting standards permit more than one accounting treatment for a transaction or event.

IAS 8 requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an IFRS accounting standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an IFRS accounting standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policies should only be made if required by a standard or interpretation, or if the change results in the financial statements providing reliable and more relevant information.

In this publication, when a choice is permitted by IFRS accounting standards, the Group has adopted the treatments that we have concluded to be appropriate to the circumstances of the Group. In such cases, we provide commentary regarding the policy that has been selected, and the reasons for this selection.

## Financial review by management

Many entities present a financial review by management that is outside the financial statements. IFRS accounting standards do not require the presentation of such information, although paragraph 13 of IAS 1 gives a brief outline of what may be included in an annual report. IFRS Practice Statement 1, *Management Commentary* provides a non-binding framework for the presentation of a management commentary that relates to financial statements prepared in accordance with IFRS accounting standards. If a company decides to follow the guidance in the Practice Statement, management is encouraged to explain the extent to which the Practice Statement has been followed. A statement of compliance with the Practice Statement is only permitted if it is followed in its entirety. The content of a financial review by management is often determined by local market requirements or issues specific to a particular jurisdiction.

No financial review by management has been included for the Group.

## Changes in the 2025 edition of *Good General Insurance (International) Limited* annual financial statements

The previous Good General Insurance (International) Limited publication provided focused illustrative disclosures to meet the presentation and disclosure requirements of IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* that impact a non-life insurance entity applying the premium allocation approach (the PAA). The publication was not a full set of illustrative financial statements in accordance with International Financial Reporting Standards (IFRS).

This publication is now intended to illustrate a comprehensive set of financial statements in accordance with International Financial Reporting Standards (IFRS) for a non-life insurance entity applying the PAA to its insurance contracts.

## Changes to IFRS Accounting Standards

The following amendments became effective as at 1 January 2025: Lack of Exchangeability- Amendments to IAS 21

## Disclosure about uncertainties in the Financial Statements

In November 2025, the IASB issued Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements ('the examples'), which added illustrative examples to several IFRS accounting standards.

The Illustrative Examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general purpose financial reports, and to ensure sufficient information is provided on climate-related risks and other uncertainties in the financial statements.

The examples illustrate how entities apply existing requirements in IFRS accounting standards to report the effects of uncertainties in the financial statements. The examples primarily use climate-related scenarios to show how such uncertainties should be considered, but the underlying principles and requirements are relevant to other types of uncertainties.

The Illustrative Examples accompany existing IFRS accounting standards. However, adding them to the relevant standards does not add to, or change, the requirements in the IFRS accounting standards. As such, they do not have an effective date or transition requirements. Nevertheless, the IASB expects entities to be entitled to sufficient time to implement any changes to their financial statements. There is no definition of 'sufficient time'; this term is used in relation to IFRS IC agenda decisions. In that context, the Board indicated that it had in mind months, rather than years, when referring to sufficient time.

The final Illustrative Examples were issued around the time of preparing this edition of Good General, as such, the illustrative financial statements have not been updated to fully reflect their application, other than for the effect of climate risk. For this edition of Good General Insurance, in addition to climate risk, we have identified macroeconomic and geopolitical uncertainty as an additional area for which considerations have been included in commentary boxes, where relevant and applicable.

For further guidance, please refer to our publication, *IFRS Developments- Disclosures about Uncertainties in the Financial Statements*

# Good General Insurance (International) Limited

Consolidated financial statements
31 December 2025

# Consolidated statement of profit or loss

## for the year ended 31 December 2025

| | Notes | 2025 €000 | 2024 €000 | IAS 1.10(b) IAS 1.51(c) |
|---|---|---|---|---|
| Insurance revenue | | 10,829 | 10,727 | *IAS 1.82(a)(ii), IFRS 17.83* |
| Insurance service expense | 9 | (9,421) | (9,641) | *IAS 1.82(ab), IFRS 17.84* |
| **Insurance service result before reinsurance contracts held** | | **1,408** | **1,084** | |
| Allocation of reinsurance premiums | | (633) | (966) | *IFRS 17.86* |
| Amounts recoverable from reinsurers for incurred claims | | 625 | 934 | *IFRS 17.86* |
| **Net expense from reinsurance contracts held** | | **(8)** | **(32)** | ***IAS 1.82(ac), IFRS 17.82*** |
| **Insurance service result** | | **1,400** | **1,052** | *IFRS 17.80(a)* |
| Interest revenue calculated using the effective interest method | | 582 | 535 | *IAS 1.82(a)(i)* |
| Other interest and similar income | | 557 | 435 | |
| Net fair value gains/ (losses) on financial assets at fair value through profit or loss | | 78 | (74) | *IFRS 7.20(a)(i)* |
| Net fair value gains/ (losses) on derecognition of financial assets measured at fair value through other comprehensive income | | 6 | – | *IAS 1.82(cb)* |
| Impairment loss on financial assets | | (5) | (2) | *IAS 1.82(ba)* |
| Other investment income | | 163 | 118 | |
| **Investment income** | 10 | **1,381** | **1,012** | |
| Insurance finance expenses for insurance contracts issued | | (265) | (237) | *IAS 1.82(bb), IFRS 17.87* |
| Reinsurance finance income for reinsurance contracts held | | 36 | 9 | *IAS 1.82(bc), IFRS 17.82* |
| **Insurance finance result** | 10 | **(229)** | **(228)** | |
| Finance costs | 11 | (149) | (140) | *IAS 1.82(b), IFRS 7.20* |
| **Net financial result** | | **(149)** | **(140)** | |
| Share of profit of associate | 8 | 73 | 81 | *IAS 1.82(c)* |
| Operating expenses | 12 | (295) | (259) | |
| **Profit before tax** | | **2,181** | **1,520** | |
| Income tax expense | 13 | (593) | (396) | *IAS 1.82(d), IAS 12.77* |
| **Profit for the year** | | **1,588** | **1,124** | |
| | | | | *IAS 1.81A(a)* |
| Attributable to: | | | | |
| Equity holders of the parent | | 1,603 | 1,148 | *IAS 1.81B(a)(ii)* |
| Non-controlling interests | | (15) | (24) | *IAS 1.81B(a)(i)* |
| | | **1,588** | **1,124** | |
| Earnings per share | 14 | | | *IAS 33.66* |
| ▪ Basic, profit for the year attributable to ordinary equity holders of the parent | | €0.19 | €0.13 | |
| ▪ Diluted, profit for the year attributable to ordinary equity holders of the parent | | €0.19 | €0.13 | |

## Commentary on IFRS accounting standards

IAS 1.10 suggests titles for the primary financial statements, such as 'statement of profit or loss and other comprehensive income' or 'statement of financial position'. Entities are, however, permitted to use other titles, such as 'income statement' or 'balance sheet'. The Group applies the titles suggested in IAS 1 *Presentation of Financial Statements*.

Paragraph 81 of IFRS 17 *Insurance Contracts* gives entities the option to disaggregate the change in risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. If entities do not make such a disaggregation, they must include the entire change in the risk adjustment for non-financial risk as part of the insurance service result. The Group elected not to disaggregate the change in risk adjustment for non-financial risk and includes the entire change as part of the insurance service result.

IFRS 17.86 allows entities to select one of the following presentation options: (i) to present the income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses, as a single amount; or (ii) to present separately the amounts to be recovered from the reinsurer and an allocation of the premiums paid that together give a net amount equal to that single amount. The Group has elected to present the amounts recoverable from the reinsurer and an allocation of the premiums paid separately. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts issued are included as amounts recoverable from the reinsurer.

Paragraph 82(a) of IAS 1 explicitly requires that entities present a specific line called, "Interest revenue, calculated using the effective interest method" within revenue, implying that interest revenue calculated using the effective interest rate method (EIR) is differentiated from interest revenue calculated using other methods, and presented separately.

The IFRS IC stated in 2018 that this interest revenue line may only include interest arising from amortised cost, fair value through other comprehensive income (FVOCI) instruments, interest on derivatives in formal hedge accounting relationships and amortisation of fair value hedge adjustments along with recycling from the cash flow hedge reserves which relate to EIR items. Although not specifically mentioned by the IFRS IC, we believe that it is permissible to include additional line items, such as "Other interest income" on the face of the Consolidated income statement and with appropriate disclosure.

IFRS 17.88 provides an accounting policy choice relating to insurance finance income or expenses (IFIE). Total IFIE may either be presented in profit or loss as a whole, or it can be disaggregated between profit or loss and other comprehensive income (OCI). The amount presented in profit or loss is determined by a systematic allocation of the expected total IFIE over the duration of the group of insurance contracts.

For groups of contracts to which an entity chooses to disaggregate IFIE between profit or loss and OCI, IFRS 17 specifies the mechanism for determining amounts recognised in profit or loss in a period. The standard requires that this accounting policy choice is applied at a portfolio level.

IFIE comprises the change in the carrying amount of the group of insurance contracts arising from:

a) The effect of the time value of money and changes in the time value of money; and

b) The effect of financial risk and changes in financial risk.

Insurers will usually be able to identify assets held to back specific portfolios of insurance contracts. If the related assets are predominantly measured at amortised cost or fair value through other comprehensive income (FVOCI), then insurers might choose to disaggregate IFIE for the related portfolio of insurance contracts issued or held between profit or loss and OCI. If the related assets are predominantly measured at fair value through profit or loss (FVPL), entities might not choose to disaggregate IFIE between profit or loss and OCI.

For groups of personal accident insurance contracts, the Group systematically allocates expected total IFIE over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the liability for incurred claims for the group of contracts (see Note 24.3 for current discount rates (i.e., the discount rates at the end of the period). In the event of transfer of a group of insurance contracts or the modification of an insurance contract that results in its derecognition, any remaining accumulated IFIE amount is reclassified to profit or loss. For other groups of insurance contracts, the Group does not disaggregate IFIE between profit or loss and OCI.

# Consolidated statement of comprehensive income

## for the year ended 31 December 2025

| | Notes | 2025 €000 | 2024 €000 | |
|---|---|---|---|---|
| **Profit for the year** | | **1,588** | **1,124** | |
| **Other comprehensive income that will be reclassified to the income statement in subsequent periods** | | | | *IAS 1.82A(a)(ii)* |
| Net fair value gains/ (losses) on debt instruments held at fair value through other comprehensive income | 10 | 124 | (28) | *IFRS 7.20(a)(viii)* |
| Net fair value gains/ (losses) on debt instruments at fair value through other comprehensive income reclassified to profit or loss | 10 | (1) | 2 | *IFRS 7.20(a)(viii)* |
| Net foreign currency gain on hedge of a net investment | 17 | 27 | 14 | *IFRS 9.6.5.13* |
| Exchange differences on translation of foreign operations | 17 | (40) | (22) | *IAS 21.32, IAS 21.52(b)* |
| Insurance finance income/ (expense) for insurance contracts issued | 10 | (13) | 4 | *IFRS 17.88(b), 89(b)* |
| Share of other comprehensive income of an associate | 8 | 10 | - | *IAS 1.82A(b)* |
| Income tax relating to items that will be reclassified | 13 | (35) | 8 | *IAS 1.90, IAS191(b), IAS 12.61A* |
| **Total items that will be reclassified to the income statement** | | **75** | **(22)** | *IAS 1.82A* |
| **Other comprehensive income that will not be reclassified to the income statement in subsequent periods** | | | | |
| Remeasurement gain/ (loss) on defined benefit plans | 25 | 26 | (28) | *IAS 19.120(c), IAS 19.122* |
| Revaluation of office properties in Euroland | 20 | 22 | 18 | *IAS 16.39* |
| Income tax effect relating to OCI components | 13 | (13) | 8 | *IAS 1.90, IAS191(b), IAS 12.61A* |
| **Total items that will not be reclassified to the income statement** | | **35** | **3** | *IAS 1.82A* |
| **Other comprehensive income for the year, net of tax** | | **110** | **(19)** | *IAS 1.81A(b)* |
| **Total comprehensive income for the year, net of tax** | | **1,698** | **1,105** | *IAS 1.81A(c)* |
| Attributable to: | | | | |
| Equity holders of the parent | | 1,703 | 1,129 | |
| Non-controlling interests | | (5) | (24) | |
| | | **1,708** | **1,105** | |

## Commentary on IFRS accounting standards

The Group has elected as an accounting policy to present two statements, a statement of profit or loss and a statement of comprehensive income, rather than a single statement of profit or loss and other comprehensive income which combines the two elements. If a two-statement approach is adopted, the statement of profit or loss must be followed directly by the statement of comprehensive income.

In practice, many entities use the same financial statement format year on year. Therefore, they opt to name financial statement line items or similar items in the Notes as 'gains/(losses)' so that they do not need to update the lines every year to reflect whether that item is a gain or loss for that year. The same approach is taken in this publication.

IFRS 17.88 provides an accounting policy choice relating to insurance finance income or expenses (IFIE). Total IFIE may either be presented in profit or loss as a whole, or it can be disaggregated between profit or loss and other comprehensive income (OCI).

The amount included in OCI in a period is the difference between total IFIE and the amount recognised in profit or loss.

Insurers are likely to identify the assets they hold that relate to different portfolios of insurance contracts. If the related assets are predominantly measured at amortised cost or fair value through other comprehensive income (FVOCI), then they might choose to disaggregate IFIE for the related portfolio of insurance contracts issued or held between profit or loss and OCI.

With the exception of groups of personal accident insurance contracts, the Group does not disaggregate IFIE between profit or loss and OCI.

IAS 1.90 requires an entity to disclose the amount of income tax relating to each item of other comprehensive income (OCI), including reclassification adjustments, either in the statement of comprehensive income or in the notes. Another alternative provided by IAS 1.91 is to present the different items of OCI before the related tax effects with one amount shown for the aggregate amount of income tax relating to those items. An entity electing this alternative must allocate the tax between those items that 'will be reclassified to profit or loss' and 'will not be reclassified to profit or loss' in subsequent periods. The Group has presented this alternative approach.

IAS 1.82A requires a presentation split in 'OCI' between the items that may be reclassified subsequently to profit or loss, when specific conditions are met, and those items that will not be subsequently reclassified to profit or loss. In order to make these disclosures, an entity must analyse whether its OCI items are eligible to be subsequently reclassified to profit or loss under IFRS accounting standards.

Under the requirements of IAS 1.82A and the Implementation Guidance to IAS 1, entities must present the share of the OCI items of equity method investees (i.e., associates and joint ventures), in aggregate as single line items within the 'will be reclassified' and the 'will not be reclassified' groups. As at 31 December 2025, the Group's associate has financial assets at fair value through OCI. Consequently, the Group presents items of other comprehensive income related to the associate in one line in the consolidated statement of comprehensive income.

# Consolidated statement of financial position

## as at 31 December 2025

| | Notes | 2025 €000 | 2024 €000 | IAS 1.10(a) IAS 1.10(f) IAS 1.51(c) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and short-term deposits | 15 | 2,030 | 1,988 | *IAS 1.54(i)* |
| Other assets | | 80 | 101 | *IAS 1.55* |
| Investments | 16 | 19,629 | 17,200 | *IAS 1.54(d), IFRS 7.8* |
| Insurance contract assets | 24 | 35 | 49 | *IAS 1.54(da); IFRS 17.78(a)* |
| Reinsurance contract assets | 24 | 808 | 1,408 | *IAS 1.54(da); IFRS 17.78(a)* |
| Investment in associate | 8 | 108 | 96 | *IAS 1.54(e), IAS 28.38* |
| Investment properties | 19 | 1,258 | 1,130 | *IAS 1.54(b)* |
| Property, equipment and right-of-use assets | 20 | 521 | 540 | *IAS 1.54(a) IFRS 16.47* |
| Deferred tax assets | 13 | 55 | 62 | *IAS 1.54(o)* |
| Intangible assets and goodwill | 21 | 538 | 557 | *IAS 1.54(c)* |
| **Total assets** | | **25,062** | **23,131** | |
| **Equity and liabilities** | | | | |
| **Equity** | 22 | | | *IAS 1.54(r), IAS 1.78(e)* |
| Issued capital | 22 | 640 | 540 | |
| Share premium | 22 | 52 | 2 | |
| Treasury shares | 22 | (18) | (22) | |
| Other reserves | 22 | 241 | 151 | |
| Retained earnings | | 5,425 | 4,090 | |
| **Equity attributable to equity holders of the parent** | | **6,340** | **4,761** | |
| Non-controlling interests | 6.1 | 181 | 186 | *IAS 1.54(q)* |
| **Total equity** | | **6,521** | **4,947** | |
| **Liabilities** | | | | |
| Other payables | 23 | 250 | 120 | *IAS 1.55* |
| Current tax liabilities | 13 | 504 | 595 | *IAS 1.54(n)* |
| Insurance contract liabilities | 24 | 14,560 | 14,085 | *IAS 1.54(ma); IFRS 17.78(b)* |
| Defined benefit obligation | 25 | 99 | 153 | *IAS 1.55, IAS 1.78(d)* |
| Interest-bearing loans and borrowings | 27 | 2,078 | 2,226 | *IAS 1.54(m), IFRS 7.8* |
| Derivatives | 27 | 755 | 732 | |
| Provisions | 29 | 194 | 128 | *IAS 1.54(l)* |
| Deferred tax liabilities | 13 | 101 | 145 | *IAS 1.54(o)* |
| **Total liabilities** | | **18,541** | **18,184** | |
| **Total equity and liabilities** | | **25,062** | **23,131** | |

## Commentary on IFRS accounting standards

IAS 1.60 requires entities to present assets and liabilities either in order of their liquidity, or by a separate classification on the face of the statement of financial position for current and non-current assets and current and non-current liabilities, whichever provides information that is most reliable and relevant. The Group has presented its assets and liabilities in order of liquidity. A distinction based on expectations regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in the Note 4.2.1.1

The statement of financial position has been compressed by aggregating some financial statement lines items (e.g., investments, other reserves), with the breakdown shown separately in the relevant disclosure notes.

As per paragraph 79 of IFRS 17, any assets for insurance acquisition cash flows recognised are included in the carrying amount of the related portfolios of insurance contracts issued.

IAS 1 requires an entity to present a statement of financial position at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or when it reclassifies items in its financial statements (IAS 1.10(f)), and the change has a material effect on the statement of financial position. In these situations, IAS 1.40B states that an entity must present, at a minimum, three statements of financial position, two of each of the other statements and the related notes. The three statements of financial position include the statement of financial position as at the current annual period year-end, the statement of financial position as at the previous annual period year-end, and the statement of financial position as at the beginning of the previous annual period (also known as 'the opening balance sheet', often referred to as the 'third balance sheet'). However, the notes related to the third balance sheet are not required, nor are additional statements of profit or loss and other comprehensive income, changes in equity or cash flows (IAS 1.40C).

# Consolidated statement of changes in equity

## for the year ended 31 December 2025

| | Issued capital (Note 22) €000 | Share premium (Note 22) €000 | Treasury shares (Note 22) €000 | Share-based payment reserve €000 | Fair value reserve of financial assets at FVOCI €000 | Foreign currency translation reserve €000 | Asset revaluation surplus €000 | Insurance/ reinsurance finance reserve €000 | Retained Earnings €000 | Total equity attributable to owners of parent €000 | Non-controlling interest €000 | Total equity €000 | *IAS 1.10(c)* *IAS 1.49* *IAS 1.51(b),(c)* *IAS 1.106(d)* *IAS 1.51(d),(e)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2025** | **540** | **2** | **(22)** | **23** | **133** | **(49)** | **37** | **6** | **4,090** | **4,761** | **186** | **4,947** | |
| Profit for the period | – | – | – | – | – | – | – | – | 1,603 | 1,613 | (15) | 1,598 | *IAS 1.106(d)(i)* |
| Other comprehensive income (Note 22) | - | – | – | – | 86 | (13) | 22 | (7) | 25 | 110 | 10 | 120 | *IAS 1.106(d)(ii)* |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **86** | **(13)** | **22** | **(7)** | **1,628** | **1,723** | **(5)** | **1,718** | *IAS 1.106(a)* |
| Issue of share capital (Note 22) | 100 | 50 | – | – | – | – | – | – | – | 150 | – | 150 | *IAS 1.106(d)(iii)* |
| Exercise of options (Note 22) | – | 1 | 4 | – | – | – | – | – | – | 5 | – | 5 | *IAS 1.106(d)(iii),* |
| Share based payments (Note 26) | – | - | - | 11 | – | – | – | – | – | 11 | – | 11 | *IFRS 2.50* |
| Transaction costs related to issue of share capital (Note7) | – | (1) | – | – | – | – | – | – | – | (1) | – | (1) | *IAS 32.39, IAS 1.109* |
| Cash dividends (Note 22) | – | – | – | – | – | – | – | – | (300) | (300) | – | (300) | *IAS 1.107* |
| Depreciation transfer of office properties (Note 20) | – | – | – | – | – | – | (6) | – | 6 | – | – | – | |
| **At 31 December 2025** | **640** | **52** | **(18)** | **34** | **219** | **(62)** | **53** | **(1)** | **5,425** | **6,340** | **181** | **6,521** | |

# Consolidated statement of changes in equity

## for the year ended 31 December 2024

| | Issued capital (Note 22) €000 | Share premium (Note 22) €000 | Treasury shares (Note 22) €000 | Share-based payment reserve €000 | Fair value reserve of financial assets at FVOCI €000 | Foreign currency translation reserve €000 | Asset revaluation surplus €000 | Insurance/ reinsurance finance reserve €000 | Retained Earnings €000 | Total equity attributable to owners of parent €000 | Non-controlling interest €000 | Total equity €000 | *IAS 1.10(c)* *IAS 1.49* *IAS 1.51(b),(c)* *IAS 8.28* *IAS 1.106(d)* *IAS 1.51(d),(e)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2024** | **540** | – | **(26)** | **12** | **152** | **(41)** | **23** | **3** | **3,169** | **3,834** | **210** | **4,044** | |
| Profit for the period | – | – | – | | – | – | | | 1,148 | 1,148 | (24) | 1,124 | *IAS 1.106(d)(i)* |
| Other comprehensive income (Note 22) | – | – | – | | (19) | (8) | 18 | 3 | (20) | (25) | – | (25) | *IAS 1.106(d)(ii)* |
| **Total comprehensive income** | **-** | **-** | **-** | | **(19)** | **(8)** | **18** | **3** | **1,128** | **1,123** | **(24)** | **1,099** | *IAS 1.106(a)* |
| Exercise of options (Note 22) | – | 2 | 4 | – | – | – | – | – | **–** | 6 | – | 6 | *IAS 1.106(d)(iii),* |
| Share-based payments (Note 26) | – | – | – | 11 | – | – | – | – | **–** | 11 | – | 11 | *IFRS 2.50* |
| Dividends (Note 22) | – | – | – | – | – | – | – | – | **(213)** | (213) | – | (213) | *IAS 1.107* |
| Depreciation transfer of office properties (Note 20) | **–** | **–** | **–** | **–** | **–** | **–** | **(4)** | **–** | **6** | – | – | – | |
| **At 31 December 2024** | **540** | **2** | **(22)** | **23** | **133** | **(49)** | **37** | **6** | **4,090** | **4,761** | **186** | **4,947** | |

## Commentary on IFRS accounting standards

The statement of changes in equity includes an insurance/ reinsurance finance reserve for the impact of changes in market discount rates on the insurance contract liabilities in the personal accident insurance product line. The Group has presented its statement of changes in equity net of tax, but presentation gross of tax and a corresponding line for related taxation is also acceptable.

For equity-settled share-based payment transactions, IFRS 2.7 requires entities to recognise an increase in equity when goods or services are received. However, IFRS 2 *Share-based Payment* does not specify where in equity this should be recognised. The Group has chosen to recognise the credit in 'share based-payment reserve'. In some jurisdictions, it is common to transfer amounts recognised in other capital reserves to share premium or retained earnings when the share options are exercised or expire. Such transfer is also permitted by IFRS 2.23. However, the transfer to share premium is subject to legal restrictions that are in force in each jurisdiction. The Group has elected to continue to present other capital reserves separately. The Group provided treasury shares to employees exercising share options and elected to recognise the excess of cash received over the acquisition cost of those treasury shares in share premium.

The Group recognises remeasurement gains and losses arising on defined benefit pension plans in OCI in accordance with IAS 19 *Employee Benefits*. As they will never be reclassified into profit or loss, they are immediately recorded in retained earnings (refer to the statement of comprehensive income). IAS 19 does not require separate presentation of those components in the statement of changes in equity, but an entity may choose to present the remeasurement gains and losses in a separate reserve within the statement of changes in equity.

The amounts presented as change in the asset revaluation surplus and the fair value reserve of financial assets at FVOCI include a revaluation of an office building in Euroland, a revaluation gain seen in the group's associate, and the remeasurement of debt instruments at fair value through OCI.

IFRS 9.B5.7.1 states that accumulated gains and losses recognised in OCI for equity financial assets must not be subsequently transferred to profit or loss. However, the entity may transfer the cumulative gain or loss within equity. The Group transfers the accumulated gain on its equity financial assets from OCI to retained earnings upon derecognition of the financial asset.

The Group recognises exchange gains/losses on its foreign subsidiary, Marine Insurance Limited in the United States, and related net gains/losses on hedging the net investment within the foreign currency translation reserve (FCTR).

# Consolidated statement of cash flows

## for the year ended 31 December 2025

| | Notes | 2025 €000 | 2024 €000 | |
|---|---|---|---|---|
| | | | | *IAS 1.49* |
| | | | | *IAS 1.51(c)* |
| | | | | *IAS 1.10(d)* |
| | | | | *IAS 1.51(d),(e)* |
| **Operating activities** | | | | |
| Profit before tax | | 2,181 | 1,520 | |
| Adjustments to reconcile profit before tax to net cash flows: | | | | *IAS 7.20(b)* |
| Depreciation of property, equipment and right-of-use assets | 20 | 52 | 49 | |
| Amortisation and impairment of intangible assets and impairment of goodwill | 21 | 59 | 54 | |
| Share-based payment expense | 26 | 15 | 18 | |
| Net foreign exchange differences | 12.3 | (8) | (9) | |
| Interest revenue calculated using the effective interest method | 10 | (582) | (535) | |
| Other interest and similar income | 10 | (557) | (435) | |
| Net fair value gains/ (losses) on financial assets at fair value through profit or loss | 10 | (78) | 74 | |
| Net fair value gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income | 10 | (6) | – | |
| Impairment loss on financial assets | 10 | 5 | – | |
| Other investment income | 10 | 35 | 77 | |
| Share of profit of associate | 8 | (73) | (81) | |
| Working capital changes: | | | | *IAS 7.20(a)* |
| Increase/ (Decrease) in insurance contracts | | 124 | 384 | |
| (Increase)/ Decrease in reinsurance contracts | | 600 | (7) | |
| (Increase)/ Decrease in other assets | | 21 | (35) | |
| Increase/ (Decrease) in other payables | | 130 | (57) | |
| Increase/ (Decrease) in provisions | | 66 | 31 | |
| Increase in investments | 16 | (2,476) | (1,920) | *IAS 7.16(c)* |
| (Decrease) in investments | 16 | 625 | 1,409 | *IAS 7.16(d)* |
| | | (910) | (195) | |
| Interest received | 10 | 1,064 | 796 | |
| Income tax paid | 13 | (546) | (460) | *IAS 7.35* |
| **Net cash flows from operating activities** | | **651** | **873** | |
| **Investing activities** | | | | *IAS 7.10, IAS 7.21* |
| Purchase equipment | 20 | (3) | (2) | *IAS 7.16(a)* |
| Purchase of investment properties | 9 | (171) | (169) | *IAS 7.16(a)* |
| Acquisition of a subsidiary, net of cash acquired | 8 | 30 | – | *IAS 7.39* |
| **Net cash flows used in investing activities** | | **(144)** | **(171)** | |
| **Financing activities** | | | | *IAS 7.10, IAS 7.21* |
| Proceeds from exercise of share options | 26 | 5 | 6 | *IAS 7.17(a)* |
| Transaction costs on issue of shares | 22 | (1) | – | *IAS 7.17(a)* |
| Payment of principal portion of lease liabilities | 28 | (39) | (32) | *IAS 7.17(e)* |
| Proceeds from borrowings | 27 | 35 | 25 | *IAS 7.17(c)* |
| Repayment of borrowings | 27 | (165) | (150) | *IAS 7.17(d)* |
| Dividends paid to equity holders of the parent | 22 | (300) | (213) | *IAS 7.31* |
| **Net cash flows from/(used in) financing activities** | | **(465)** | **(364)** | |
| Net increase in cash and cash equivalents | | 42 | 338 | |
| Net foreign exchange difference | | – | – | *IAS 7.28* |
| Cash and cash equivalents at 1 January | | 1,988 | 1,650 | |
| **Cash and cash equivalents at 31 December** | 15 | **2,030** | **1,988** | *IAS 7.45* |

### Commentary on IFRS accounting standards

IAS 7.18 allows entities to report cash flows from operating activities using either the direct method or the indirect method. The Group presents its cash flows using the indirect method. A statement of cash flows prepared using the direct method for operating activities has been included in Appendix C of Good Group (International) Limited for your reference.

The Group has reconciled profit before tax to net cash flows from operating activities. However, reconciliation from profit after tax is also acceptable under IAS 7 *Statement of Cash Flows*.

The purchase and sales of investments can also be presented as investing cash flows.

The statement of cash flows can be compressed by aggregating some financial statement line items (ie the individual investment income line items), with the breakdown shown in a separate disclosure note. For illustrative and consistency purposes, we have not done this.

IAS 7.31 requires the cash flows from interest and dividends received and paid to be disclosed separately.

IAS 7.33 permits interest paid to be shown as operating or financing activities and interest received to be shown as operating or investing activities, as deemed relevant for the entity. The Group has elected to classify interest and dividends received under investing activities, whilst interest paid (comprising interest on loans and borrowings and lease liabilities) as cash flows from financing activities.

## Index to notes to the consolidated financial statements


1. Corporate information ..... 25
2. Accounting policies ..... 25
    2.1 Basis of preparation ..... 25
    2.2 Statement of compliance ..... 26
    2.3 Presentation of financial statements ..... 26
    2.4 Basis of consolidation ..... 27
    2.5 Summary of accounting policies ..... 28
    2.6 Changes in accounting policies and disclosures ..... 55
    2.7 Climate-related matters ..... 59
3. Significant accounting judgements, estimates and assumptions ..... 60
    3.1 Insurance and reinsurance contracts ..... 60
    3.2 Impairment of financial assets ..... 62
    3.3 Fair value ..... 63
    3.4 Deferred tax assets ..... 63
    3.5 Revaluation of property and equipment and investment properties ..... 64
    3.6 Impairment of non-financial assets ..... 64
    3.7 Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee) ..... 64
    3.8 Defined benefit plans (pension benefits) ..... 65
    3.9 Share-based payments ..... 65
4. Financial risk and capital management ..... 66
    4.1 Insurance risk ..... 66
    4.2 Financial risk ..... 71
    4.3 Capital management ..... 86
5. Segment information ..... 87
6. Group information ..... 91
    6.1 Partly owned subsidiaries ..... 91
    6.2 Interests in unconsolidated structured entities ..... 93
7. Business combinations ..... 94
8. Investment in an associate ..... 96
9. Insurance service expense ..... 97
10. Total investment income and net insurance financial result ..... 98
11. Finance costs ..... 100
12. Operating expenses ..... 100
    12.1 Depreciation, amortisation and impairment expense ..... 100
    12.2 Employee benefits expense ..... 100
    12.3 Other operating and administrative expenses ..... 101
13. Income tax ..... 101
14. Earnings per share (EPS) ..... 104

15. Cash and short-term deposits ..... 105
16. Investments ..... 106
17. Hedge accounting ..... 107
18. Fair value measurement ..... 109
19. Investment properties ..... 114
20. Property, equipment and right-of-use assets ..... 116
21. Intangible assets and goodwill ..... 118
22. Issued capital and reserves ..... 121
23. Other payables ..... 123
24. Insurance and reinsurance contracts ..... 123
    24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims ..... 123
    24.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims ..... 136
    24.3 Discount rates ..... 138
    24.4 Risk adjustment for non-financial risk ..... 139
25. Pension plans ..... 139
26. Share-based payments ..... 143
27. Interest-bearing loans and borrowings and derivatives ..... 145
28. Leases ..... 146
29. Provisions ..... 148
30. Commitments and contingencies ..... 148
31. Related party disclosures ..... 148
32. Events after the reporting period ..... 149

# Notes to the consolidated financial statements

## 1. Corporate information

*IAS 1.10(e)*
*IAS 1.49*
*IAS 1.113*

The consolidated financial statements of Good General Insurance (International) Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 31 January 2026. Good General Insurance (International) Limited (the Company or the parent) is a limited company incorporated and domiciled in Euroland and whose shares are publicly traded. The registered office is located at Britannia House, 1 Holland Square, Goodville, Euroland.

*IAS 1.51(a)*
*IAS 1.51(b)*
*IAS 1.51(c)*
*IAS 1.138(a)*
IAS 10.17
*IAS1.138(b)*
*IAS 1.138(c)*

The Group is principally engaged in the provision of general insurance contracts, comprising personal accident, marine, property and liability reinsurance product lines. Information on the Group's structure is provided in Note 6. Information on other related party relationships of the Group is provided in Note 31.

## 2. Accounting policies

### Commentary on IFRS accounting standards

Effective for annual periods starting on or after 1 January 2023, IAS 1 was amended to replace the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information' (IAS 1.117). The explicit requirement to disclose measurement bases has also been removed.

The replacement of 'significant' with 'material' accounting policy information may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires the use of significant judgement. Therefore, entities will have to revisit their accounting policy information disclosures to ensure compliance with the amended standard.

The identification of an entity's material accounting policy information is an important aspect of the financial statements. Entities must carefully consider whether "standardised information, or information that only duplicates or summarises the requirements of the IFRSs" is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

The accounting policy information disclosed in this note illustrate some of the more commonly applicable accounting policies. However, as these are illustrative financial statements, they include disclosures that may, in practice, be considered not material to the Group. It is essential that entities consider their specific circumstances when determining which accounting policy information is material and relevant and therefore needs to be disclosed. Entities may find the publication, *Applying IFRS: Disclosure of accounting policy information* helpful in assessing the impact of the amended standard on their accounting policy disclosures.

### 2.1 Basis of preparation

*IAS 1.112(a)*

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets, which have been measured at fair value, and insurance contracts measured in accordance with the requirements of IFRS 17.

*IAS 1.51(d),(e)*

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

## 2. Accounting policies *continued*

### 2.1 Basis of preparation *continued*

**Commentary on macroeconomic and geopolitical uncertainty**

*Going concern*

When making the going concern assessment, management takes into consideration the existing and anticipated effects of the current macroeconomic and geopolitical uncertainties on the entity's activities. These effects may result in material uncertainties that cast doubt on the entity's ability to operate as a going concern. IAS 1.25 requires management, when preparing financial statements, to assess an entity's ability to continue as a going concern, and whether the going concern assumption is appropriate. In assessing whether the going concern assumption is appropriate, the standard requires an entity to consider all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. When an entity is aware, in making its going concern assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, it must disclose those uncertainties.

Entities will need to disclose the significant judgements made in the assessment of the existence of a material uncertainty.

When making that assessment, management takes into consideration the existing and anticipated effects of the macroeconomic and geopolitical uncertainty on the entity's activities. Management should consider all available information about the future that was obtained after the reporting date, up until the date of which the financial statements are issued in their assessment of going concern. As the IASB clarified in the educational material Going concern - a focus on disclosure published in May 2025, if management concludes that there are material uncertainties relating to the entity's ability to continue as a going concern, IAS 1.25 requires the entity to disclose those uncertainties. If there are no material uncertainties, but significant judgement was required to arrive at this conclusion, this judgement is required to be disclosed in line with IAS 1.122.

**Commentary on climate-related matters**

Insurers should consider the impact of climate-related matters on their going concern assessment. In making their going concern assessments, entities are required, under IAS 1, to take into account all available information about the future for at least, but not limited to, twelve months beyond the end of the reporting period. Thus, even though most entities will not be subject to acute physical risk or other climate-related effects that may cause doubts about their ability to continue operating as a going concern, climate-related matters beyond the initial twelve-month period may create material uncertainties related to events or conditions that cast significant doubt upon an entity's ability to continue as a going concern. An example of such events or conditions could be an obstacle to obtaining replacement financing due to an insurers exposure to climate events or climate-related legislation or regulations that result in an insurer's business model no longer being feasible. In their educational material, Effects of climate-related matters on financial statements, the IASB clarifies that entities also need to consider any planned mitigating actions in the assessment.

*IAS 1.26*

### 2.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

*IAS 1.16*

### 2.3 Presentation of financial statements

The Group presents its statement of financial position in order of liquidity based on the Insurer's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 4.2.1 Liquidity risk

*IAS 1.60*

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

*IAS 1.38*
*IAS 1.38A*
*IAS 1.40A*
*IAS 1.10 (f)*

## 2. Accounting policies *continued*

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. The Group consolidates an investee that it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has: *IFRS 10.7*

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control unless the voting rights are not substantive. The Group may also have power with less than a majority of the voting rights of the investee To support the presumption of control when a majority of voting rights are held and to determine whether the Group has control when less than a majority of the voting or similar rights of an investee are held, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: *IFRS 10.B38*

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. *IFRS 10.B80 IFRS 10.B86 IFRS 10.B99*

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. *IFRS 10.B94 IFRS 10.B87 IFRS 10.B86*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. *IFRS 10.B96 IFRS 10.B98 IFRS 10.B99*

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, whilst any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## 2. Accounting policies *continued*

## 2.5 Summary of accounting policies

### a) Foreign currencies

#### i. Functional and presentation currency

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

*IAS1.51(d)*
*IAS 21.9*

**Commentary on IFRS accounting standards**

The differentiation between the 'direct' and 'step-by-step' consolidation methods is explained in IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*: "The direct method is the method of consolidation in which the financial statements of the foreign operation are translated directly into the functional currency of the ultimate parent.

The step-by-step method is the method of consolidation in which the financial statements of the foreign operation are first translated into the functional currency of any intermediate parent(s) and then translated into the functional currency of the ultimate parent (or the presentation currency if different)."

*IFRIC16.17*

#### ii. Transactions and balances

*IAS 21.21*

Transactions in foreign currencies are initially recorded in the functional currency at the spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are re-translated into the functional currency at the spot rates of exchange at the reporting date.

*IAS 21.23(a)*
*IFRS 17.30;*
*IFRS 17.92*

Differences arising on settlement or translation of monetary items are recognised in profit or loss, unless the exchange differences on changes in the carrying amount relate to groups of insurance contracts that are included in other comprehensive income (OCI), which would be recognised in OCI. Monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation are recognised in OCI until the disposal of the net investment, at which time, the cumulative amount is reclassified to profit or loss.Related tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

*IAS 21.28*
*IAS 21.32*
*IFRS 17.92*
*IFRS 9.6.5.13*
*IFRS9.6.5.14*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

*IAS 21.23(b)*
*IAS 21.23(c)*

*IAS 21.30*

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

*IFRIC 22.8*
*IFRIC 22.9*

#### iii. Group companies

On consolidation, the assets and liabilities in foreign operations are translated into euros at the spot rate of exchange prevailing at the reporting date and their income statements are translated at spot exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

*IAS 21.39(a)*
*IAS 21.39(b)*
*IAS 21.39(c)*
*IAS 21.48*

*IAS 21.47*

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and are translated at the spot rate of exchange at the reporting date.

## 2. Accounting policies *continued*

## 2.5 Summary of accounting policies *continued*

### b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in operating expenses.

*IFRS 3.4*
*IFRS 3.18*
*IFRS 3.19*
*IFRS 3.53*
*IFRS 3.B64(m)*

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

*IFRS 3.B8*
*IFRS 3.B12*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

*IFRS 3.15*
*IFRS 3.16*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

*IFRS 3.39*
*IFRS 3.58*
*IFRS 3.32*
*IFRS 3.36*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

*IFRS 3.B63(a)*
*IAS 36.80*

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

*IAS 36.86*

Refer to measurement section of d) insurance and reinsurance contracts for the initial recognition and measurement of insurance contracts and any assets for insurance acquisition cash flows acquired as part of a business combination.

*IFRS 3.31A*

### c) Investment in associates

The group holds an interest in an associate, Euroland Commercial Insurance Limited.

*IAS 28.3*

The financial statements of Euroland Commercial Insurance Limited are prepared for the same reporting period as the Group. The accounting policies for the company is aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting policies *continued*

#### c) Investment in associates *continued*

**Commentary on IFRS accounting standards**

The Group does not have an interest in a joint venture nor joint operation. If the Group had an interest in:

1) A joint venture, it would recognise in relation to its interest in a joint venture: *IFRS 11.24 IAS 28.17*
   - An investment using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures,* unless the Group is exempted from applying the equity method as specified in that standard
2) A joint operation, it would recognise in relation to its interest in a joint operation: *IFRS 11.20*
   - Assets, including its share of any assets held jointly
   - Liabilities, including its share of any liabilities incurred jointly
   - Revenue from the sale of its share of the output arising from the joint operation
   - Share of the revenue from the sale of the output by the joint operation
   - Expenses, including its share of any expenses incurred jointly

The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate is shown in the statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. *IAS 1.82(c)*

Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate in the statement of profit or loss. *IAS 28.10* *IAS 28.26-29*

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss. *IAS 28.40-43*

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. *IAS 28.22(b)*

#### d) Insurance and reinsurance contracts

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing, on a present value basis, the benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include property, marine, and personal accident. These products offer protection of a policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. *IFRS 17.B18- B20*

The Group also issues liability reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group does not issue any contracts with direct participating features.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting policies *continued*

#### d) Insurance and reinsurance contracts *continued*

**Commentary on IFRS accounting standards**

*IFRS 17 Appendix A*

The definition of an insurance contract in IFRS 17 is 'a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'.

*IFRS 17.BC67*

*IFRS 17.B20*

The definition of an insurance contract refers to 'insurance risk' which is defined as 'risk, other than financial risk, transferred from the holder of a contract to the issuer'.

This definition determines which contracts are within the scope of IFRS 17 rather than other standards.

Insurance risk is significant if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e., no discernible effect on the economics of the transaction). If an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, the condition in the previous sentence can be met even if the insured event is extremely unlikely, or even if the expected (i.e., probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

*IFRS 17.BC77*

The additional amounts described above are determined on a present value basis. If an insurance contract requires payment when an event with uncertain timing occurs and if the payment is not adjusted for the time value of money, there may be scenarios in which the present value of the payment increases, even if its nominal value is fixed.

No quantitative guidance supports the determination of 'significant' in IFRS 17. This was a deliberate decision because the IASB considered that if quantitative guidance was provided, it would create an arbitrary dividing line that would result in different accounting treatments for similar transactions that fall marginally on different sides of that line. This would therefore create opportunities for accounting arbitrage.

This lack of a quantitative definition means that insurers must apply their own judgement as to what constitutes significant insurance risk. Although the IASB did not want to create an 'arbitrary dividing line', the practical impact of this lack of guidance is that insurers have to apply their own criteria to what constitutes significant insurance risk. As such, there will likely be differing practices as to what these dividing lines are, at least at the margins.

*IFRS 17.BC347-348*

There is no specific requirement under IFRS 17 for insurers to disclose any thresholds used in determining whether a contract contains significant insurance risk. However, IFRS 17 requires an entity to disclose the significant judgements made in applying IFRS 17, whilst IAS 1 requires an entity to disclose the judgements that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

IFRS 17 requires the assessment of whether a contract transfers significant insurance risk to be made only once (unless the terms of the contract are modified). The Basis for Conclusions on IFRS 17 states that this assessment is made at inception.

As the assessment of significant insurance risk is made only once, a contract that qualifies as an insurance contract remains an insurance contract until all rights and obligations are extinguished (i.e., discharged, cancelled or expired), unless the contract is derecognised because of a modification.

##### i. Separating components from insurance and reinsurance contracts

*IFRS 17.10*

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct non-insurance components which must be accounted for under another IFRS accounting standard instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

*IFRS 17.B32*

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting policies *continued*

#### d) Insurance and reinsurance contracts *continued*

ii. Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. *IFRS 17.14* *IFRS 17.14*

However, the Group makes an evaluation of whether a series of contracts need to be treated together as one group of contracts based on reasonable and supportable information, or whether a single contract contains insurance components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. *IFRS 17.126, IFRS 17.20*

The Group has elected to group together those contracts that would fall into different profitability groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. *IFRS 17.20*

The Group applied a full retrospective approach for transition to IFRS 17.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on: *IFRS 17.18*

- Pricing information
- Results of similar contracts it has recognised
- External factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

iii. Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following: *IFRS 17.25*

- The beginning of the coverage period of the group of contracts *IFRS 17.62, IFRS 17.62A*
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held

And

- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date *IFRS 17.28*

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting policies *continued*

#### d) Insurance and reinsurance contracts *continued*

**Commentary on IFRS accounting standards**

The issue date of a contract is when an entity has a contractual obligation to accept risk. The issue date is typically before the beginning of coverage period and due date for the initial premium. However, IFRS 17 only requires recognition of issued insurance contracts before the earlier of the coverage period and the initial premium due date if facts and circumstances indicate that the contracts in the group to which the PAA applies are onerous. *IFRS 17.BC 140-145*

The recognition requirements for reinsurance contracts held that provide proportionate coverage are intended to simplify recognition for proportionate reinsurance contracts held. Circumstances in which the first underlying attaching contract is issued, shortly after the reinsurance contracts are written, will result in similar timing of recognition for proportionate and 'other-than-proportionate' reinsurance contracts. In other cases, there may be a greater difference in the timing of recognition.

##### iv. Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when: *IFRS 17.33 IFRS 17.34*

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

- Both of the following criteria are satisfied: *IFRS 17.B64*
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
  - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

##### v. Measurement

**Insurance contracts -initial measurement**

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as: *IFRS 17.53 (a),(b), IFRS 17.97(a) IFRS 17.69*

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer to section iv. Contract boundary.) *IFRS 17.55*

Or

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general measurement model (GMM). In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example: *IFRS 17.54*

- The extent of future cash flows related to any derivatives embedded in the contracts *IFRS 17.54(a)*
- The length of the coverage period of the group of contracts *IFRS 17.54(b)*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting policies *continued*

*IFRS 17.97(c)*

#### d) Insurance and reinsurance contracts *continued*

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

*IFRS 17.55(a)*

- The premiums, if any, received at initial recognition

*IFRS 17.B66A*

- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows, and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

*IFRS 17.69*

For marine and personal accident insurance, the liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. For all other business, there is no allowance for time value of money as the premiums are received within one year of the coverage period.
Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to section Loss component.

**Subsequent measurement**

**Insurance contracts- subsequent measurement**

*IFRS 17.55 (b)*

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows*
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group*
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

*With the exception of the property insurance product line, as the Group chooses to expense insurance acquisition cash flows as they occur. (Refer to section Insurance contracts - initial measurement)

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is, or has become, onerous (see section insurance contracts- initial measurement), the Group recognises a loss in profit or loss for the shortfall, resulting in the carrying amount of the liability for remaining coverage for the group being equal to the fulfilment cash flows. A loss component is established by the Group as part of the liability for remaining coverage for such an onerous group of contracts depicting the losses recognised. For additional disclosures on the loss component, please refer to section Loss component

*IFRS 17.59 (b), IFRS 17.97(b)*

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

For some claims within the property product line, the Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of the liability for incurred claims as they are expected to be paid within one year of being incurred. For all other product lines, the Group adjusts the future cash flows for the time value of money and the effect of financial risk.

With the exception of the property product line for which insurance acquisition costs are expensed as incurred, insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### d) Insurance and reinsurance contracts *continued*

**Reinsurance contracts held - subsequent measurement**

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. *IFRS 17.66A, IFRS 17.70A*

Where the Group has established a loss-recovery component(see section reinsurance contracts- initial measurement), the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. *IFRS 17.B119F*

**Commentary on IFRS accounting standards**

IFRS 17 does not include guidance on the subsequent measurement of a loss-recovery component when the group of reinsurance contracts held is accounted for under the PAA.

Following the requirements for the loss-recovery component under the GMM, the carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that an entity expects to recover from the group of reinsurance contracts held and should, therefore, be nil if the loss component of the onerous group of underlying insurance contracts is nil. On this basis, the loss-recovery component recognised at initial recognition should be reduced to nil in line with reductions in the onerous group of underlying insurance contracts. *IFRS 17.B119F*

Furthermore, analogising from the requirements for the loss-recovery component under the GMM, an entity would not be precluded from subsequently recording or increasing a loss-recovery component for changes in the loss component of an onerous group of underlying contracts when a group of reinsurance contracts held is accounted for under the PAA. In doing so, an entity would need to determine the loss-recovery component in way that is adapted to the specific mechanics of the PAA but consistent with the principles of the loss-recovery component under the GMM.

**vi. Insurance acquisition cash flows**

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. *IFRS 17 Appendix A*

With the exception of the property insurance product line, for which the Group chooses to expense insurance acquisition cash flows as they occur, the Group uses a systematic and rational method to allocate: *IFRS 17.28A, IFRS 17.B35A*

a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

   i. To that group

   ii. To groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group *IFRS 17.28B, IFRS 17.28C*

b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. *IFRS 17.B35B*

When the Group acquires insurance contracts issued in a business combination within the scope of IFRS 3 or in a transfer of insurance contracts that do not form a business, the Group recognises an asset for insurance acquisition cash flows at the date of acquisition for the fair value of the rights to obtain both future insurance contracts that are renewals of insurance contracts acquired and other future insurance contracts to be recognised after the acquisition date where the acquired entity already paid insurance acquisition cash flows. IFRS 17.B95E, IFRS 17.B95F

The asset for insurance acquisition cash flows is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts. The time bands when the Group expects to derecognise the above asset for insurance acquisition cash flows are disclosed in Note 24. *IFRS 17.28E, IFRS 17.B35D*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### d) Insurance and reinsurance contracts *continued*

*IFRS 17.28F*

At the end of each reporting period, the Group revises the amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

##### vii. Insurance contracts - modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

*IFRS 17.B25*
*IFRS 17.74*

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

*IFRS 17.72*

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

*IFRS 17.73*

**Commentary on IFRS accounting standards**

IFRS 17 does not contain guidance on how contracts accounted for under the premium allocation approach must apply
the requirements of IFRS 17 in circumstances in which the derecognised contracts are part of a group which has a liability for remaining coverage but no separate contractual service margin (as a contractual service margin is not recognised separately under the premium allocation approach).

*IFRS 17.76*
*IFRS 17.77*

##### viii. Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

*IFRS 17.78*
*IFRS 17.79*

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

*IFRS 17.80*

The Group disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

*IFRS 17.81*

The Group separately presents insurance revenue and insurance service expense in the statement of profit or loss and, furthermore, presents income or expenses from reinsurance contracts held separately from the expenses or income from insurance contracts issued.

*IFRS 7.82-84*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### d) Insurance and reinsurance contracts *continued*

**Insurance revenue**

The insurance revenue for the period is the amount of expected premium receipts allocated to the period (excluding any investment component). The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. *IFRS 17.B126* *IFRS 17.B127*

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

**Loss components**

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned in section ii. level of aggregation indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined in section insurance contracts - subsequent measurement. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero. *IFRS 17.18* *IFRS 17.57*

**Commentary on IFRS accounting standards**

When entities apply the premium allocation approach for a group of contracts which is assessed as onerous, then a loss component should be established for the difference between the carrying amount of the liability for the remaining coverage and the fulfilment cash flows that relate to the remaining coverage of the group of contracts. *IFRS 17.57*

**Loss-recovery components**

As described in section reinsurance contracts - initial measurement above, where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses. *IFRS 17.66A, IFRS 17. 70A* *IFRS 17.B119F*

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

**Insurance finance income or expenses**

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from: *IFRS 17.87*

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

The Group disaggregates insurance finance income or expenses on insurance contracts issued for its personal accident product line between profit or loss and OCI based on the discount rate at the date of the incurred claims. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets backing the personal accident insurance portfolios are predominantly measured FVOCI. For all other business, the Group does not disaggregate finance income and expenses because the related financial assets are managed on a fair value basis and measured at FVPL. *IFRS 17.88* *IFRS 17.B33* *IFRS 17.118*

**Net income or expense from reinsurance contracts held**

The Group presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held. *IFRS 17.86*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### d) Insurance and reinsurance contracts *continued*

The Group excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

#### e) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. *IAS 7.6 IAS 7.7*

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management *IAS 7.46*

#### f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. *IAS 32.11*

**Commentary on IFRS accounting standards**

For the purposes of these illustrative financial statements, it has been assumed that the Group has portfolios of non-complex, low risk financial assets.

The following illustrative disclosures are considered appropriate for the Group. Entities will need to ensure that their disclosures are specific to their individual circumstances and address the nature and terms of all relevant financial assets and liabilities held by an entity.

**Financial assets**

**i. Initial recognition**

The classification of financial assets at initial recognition depends on the financial asset's contractual terms and the business model for managing the instruments, as described in the business model assessment and the SPPI test sections. *IFRS 9.5.1.1*

Financial assets are initially recognised on the trade date (the date on which the Group becomes a party to the contractual provisions of the instrument) at their fair value. Except for financial assets recorded at FVPL, transaction costs are added to this amount. *IFRS 9.5.1.1A*

**ii. Measurement categories**

The classification of the Group's financial assets is based on the contractual terms of the asset and the business model for managing the assets. The categories include the following: *IFRS 9.4.1.1*

- Financial assets at amortised cost (debt instruments, other receivables, cash and short-term deposits) as explained in section financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments), as explained in section financial assets at FVOCI
- Financial assets at fair value through PL (derivatives, debt and equity instruments), as explained in section financial assets at FVPL

*Business model assessment*

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. *IFRS 9.B4.1.2*

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as: *IFRS 9.B4.1.2B*

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### f) financial instruments *continued*

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of asset sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward. *IFRS 9.B4.1.2A*

*The SPPI test*

As a second step of its classification process, the Group assesses the contractual terms to identify whether they meet the SPPI test. *IFRS 9.4.1.2*

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). *IFRS 9.4.1.3 IFRS 9. B4.1.7B*

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. *IFRS 9.4.1.3(b) IFRS 9.B4.1.9A*

**Financial assets measured at amortised cost**

Financial assets are held at amortised cost if both of the following conditions are met: *IFRS 9.4.1.2A*

- The instruments are held within a business model with the objective of holding the asset to collect the contractual cash flows
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions have been outlined above.

The Group's financial assets at amortised cost includes government debt instruments, cash and short-term deposits and other receivables.

**Financial assets measured at fair value through other comprehensive income**

The Group measures debt instruments at FVOCI when both of the following conditions are met: *IFRS 9.4.1.2A*

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

Debt instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or in response to changes in market conditions, and, therefore, satisfy the SPPI conditions.

The Group's financial assets at fair value through OCI include investments in government bonds and other debt instruments with financial and non-financial institutions.

**Financial assets measured at fair value through profit or loss**

Financial assets in this category are those that have been designated by management upon initial recognition, or are measured at fair value mandatorily under IFRS 9. This category includes debt and equity instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell. *IFRS 9.4.1.5*

## 2. Accounting policies *continued*

## 2.5 Summary of accounting *policies continued*

### f) financial instruments *continued*

Financial assets at fair value through profit or loss include government debt instruments, other debt instruments, listed equity securities (which the Group had not irrevocably elected to classify at fair value through OCI), and derivative instruments (such as foreign currency swaps). Derivative instruments are entered into by the Group for the purposes of managing some of its currency exposures (economic hedging) and are entered into for periods consistent with the foreign currency exposure, generally from 1 to 24 months.

#### iii. Subsequent measurement

**Debt instruments at amortised cost**

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Expected credit losses are recognised in profit or loss.

*IFRS 9.5.4.1*
*IFRS 9.5.4.2*

**Financial assets measured at fair value through other comprehensive income**

**Debt instruments at fair value through other comprehensive income**

*IFRS 9.5.7.10 -11*

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in section (g)(i) The effective interest method The ECL calculation for debt instruments at FVOCI is explained in section calculation of ECLs- Debt instruments measured at fair value through OCI. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

**Financial assets at fair value through profit or loss**

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on financial assets measured at FVPL is recorded using contractual interest rate, as explained in section (g)(ii) Other interest and similar income. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as 'Other investment income' when the right to the payment has been established.

*IFRS 9.5.2.1*
*IFRS 9.5.7.1*
*IFRS 9.5.7.1A*
*IFRS 7.B5(e)*

#### iv. Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

*IFRS 9.4.4.2*
*IFRS 9.B4.4.1*

#### v. Derecognition

**Derecognition other than for substantial modification**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

*IFRS 9.3.2.2*

- The rights to receive cash flows from the asset have expired

*IFRS 9.3.2.3(a)*

Or

- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
  a) The Group has transferred substantially all the risks and rewards of the asset; or
  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

*IFRS 9.3.2.3,(b)*
*IFRS 9.3.2.6*

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

*IFRS 9.3.2.9*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### f) financial instruments *continued*

*IFRS 9.3.2.15*

When the Group has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

*IFRS 9.3.2.16(a)*

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

**Derecognition due to substantial modification of terms and conditions**

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In the case of debt instruments at amortised cost, the newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise an instrument, amongst others, the Group considers the following factors:

- Change in currency of the debt instrument
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion

*IFRS 9.5.4.3*

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss.

*IFRS 9.5.5.1*

**vi. Impairment of financial assets**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Impairment losses on financial instruments – Note 4.2.4 Credit risk
- Disclosures for significant judgements and estimates – Note 3

*IFRS 9.5.5.1*

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the appropriate effective interest rate.

*IFRS 9.5.5.3*
*IFRS 9.5.5.5*

The calculation of ECL is based on either the 12 month expected credit losses, or lifetime expected credit losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition (contractual payments are more than 30 days past due), a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

*IFRS 7.35F(a)*
*IFRS 7.35G(a)(ii)*
*IFRS 9.B5.5.22-24*
*IAS 34.16A(d)*

The Group's debt instruments comprise solely of quoted bonds that are graded in the top two investment categories (Very Good and Good) by the *Euroland Credit Agency* and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Group will sell the bond and purchase bonds meeting the required investment grade.

*IFRS 7.35F(b)*
*IFRS 9.5.5.9*
*IFRS 9.B5.5.37*

The Group considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### f) financial instruments *continued*

**The calculation of ECLs**

The Group calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the entity expects to receive.

When estimating the ECLs, the Group considers four scenarios (a base case, an upside, a mild downside and a more extreme downside). When relevant, the assessment of multiple scenarios also incorporates the probability that the defaulted loans will cure.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

| | |
|---|---|
| **PD** | The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information. |
| **EAD** | The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments. |
| **LGD** | The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive. It is usually expressed as a percentage of the EAD. |

The Group allocates its assets subject to ECL calculations to one of these categories, determined as follows:

| | | |
|---|---|---|
| 12mECL | The 12mECL is calculated as the portion of long term ECLs (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR. This calculation is made for each of the four scenarios, as explained above. | *IFRS 9.5.5.1*<br>*IFRS 9.B5.5.44* |
| LTECL | When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR | *IFRS 9.5.5.3*<br>*IFRS 9.B5.5.44* |
| Impairment | For debt instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%. | *IFRS 9.5.5.3*<br>*IFRS 9.B5.5.44* |

**Debt instruments measured at fair value through other comprehensive income**

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### f) financial instruments *continued*

**Forward looking information**

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates
- Inflation rates
- Currency exchange rates
- House price indices

**Commentary on IFRS accounting standards**

The above are general inputs to be factored into the forward-looking information that we have chosen for illustrative purposes only. In practice, further indicators such as commodity price and government budget deficits may be used too. For further detail on ECL disclosures, reference is made to Good Bank (International) Limited.

The illustrative disclosure is provided on the assumptions:

- That it is the Group's business model to invest in debt instruments that are quoted and that are graded in the top investment category
- Where the credit risk of any debt instrument deteriorates, the Group will sell the instrument and purchase instruments meeting the required investment grade

Entities need to ensure that their disclosures adequately reflect the nature of ECL calculations relevant for their financial assets to comply with the requirements of IFRS 9.

**Write-offs**

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

*IFRS 7.35F(e)*
*IFRS 9.5.4.4*

**Financial liabilities**

**i. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost, except for those financial liabilities that are at profit or loss (mandatorily due to held for trading, or designated for the purposes of accounting mismatches avoidance), or a derivative designated as a hedging instrument in an effective hedge.

*IFRS 7.6*
*IFRS 7.21*

All financial liabilities are recognised initially at fair value and, in the case of those financial liabilities at amortised cost, are recognised net of directly attributable transaction costs.

*IFRS 9.5.1.1*

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (derivatives)
- Financial liabilities at amortised cost (other payables, interest- bearing loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

*IFRS 9.4.2.1(a)*

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments (foreign currency swaps) that the Group has entered into for the purposes of managing some of its currency exposures (economic hedging). Derivatives are entered into for periods consistent with the foreign currency exposure, generally from 1 to 24 months.

## 2. Accounting policies *continued*

## 2.5 Summary of accounting *policies continued*

### f) financial instruments *continued*

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. *IFRS 9.5.7.1*

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (interest-bearing loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. *IFRS 9.4.2.1* *IFRS 9.5.7.2*

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 27.

**iii. Modification and Derecognition**

For financial liabilities, the Group considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. Such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss. *IFRS 9.3.3.1* *IFRS 9.3.3.3* *IFRS 9.3.3.2* *IFRS 9.B3.3.6*

If the modification does not result in cash flows that are substantially different, then it does not result in derecognition. The amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in the statement of profit or loss.

A financial liability is otherwise derecognised when the obligation under the liability is discharged or cancelled or expires.

**iv. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported only if there is an enforceable legal right to offset the recognised amounts and there is also an intention of settling on a net basis. *IAS 32.42*

### g) Recognition of interest income

**i. The effective interest rate method**

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost, and interest-bearing financial assets measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset. *IAS 1.82(a)* *IFRS 9 Appendix A*

The EIR (and, therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any other discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument. *IFRS 9.B5.4.1* *IFRS 9.B5.4.4*

If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding profit or loss impact. *IFRS 9.B5.4.4-7*

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability. *IFRS 9.B5.4.5*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### g) Recognition of interest income *continued*

ii. Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately in the statement of profit or loss.

In its Interest revenue calculated using the effective interest method the Group only includes interest on financial instruments at amortised cost or FVOCI. *IFRS 9.5.4.1* *IFRS 9.5.7.11*

Other interest income includes interest on all financial assets measured at FVPL, using the contractual interest rate.

The Group calculates interest revenue on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. *IFRS 9.5.4.1(b)* *IFRS 9.5.4.2*

#### h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction of an asset (property and equipment, or investment property) that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. *IAS 23.8* *IAS 23.5*

#### i) Hedge accounting

i. Initial recognition and subsequent measurement

The Group has designated foreign currency denominated borrowings to hedge its USD exposures relating to its net investment in its foreign subsidiary, Marine Insurance Limited. *IFRS 9.5.1.1* *IFRS 7.21*

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. *IFRS 9.6.4.1*

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements: *IFRS 9.6.4.1*

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The accounting for hedges of a net investment in a foreign operation that meet the qualifying criteria for hedge accounting are detailed below:

ii. Hedges of a net investment in a foreign operation

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investment in a foreign subsidiary.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI whilst any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss. Refer to Note 17 for more details. *IFRS 9.6.5.13* *IFRS 9.6.5.13*

## 2. Accounting policies *continued*

## 2.5 Summary of accounting *policies continued*

### j) Fair value measurement

The Group measures financial instruments such as derivatives, debt and equity instruments, and non-financial assets such as investment properties at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: *IFRS 13.9*

- In the principal market for the asset or liability *IFRS 13.16*

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. *IFRS 13.22*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. *IFRS 13.27*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. *IFRS 13.61*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: *IFRS 13.73*

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable *IFRS 13.95*

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement. The Valuation Committee is comprised of the head of investments, heads of the Group's internal mergers and acquisitions team, the head of the risk management department and chief finance officers. *IFRS 13.93(g)*

External valuers are involved for valuation of significant assets, such as investment properties and financial assets. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Group's external valuers present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

*IFRS 13.94*

#### j) Fair value measurement *continued*

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions — Notes 3, 17, 18
- Quantitative disclosures of fair value measurement hierarchy — Note 18
- Investments — Note 16
- Investment properties — Note 19
- Property and equipment (Office properties) under revaluation model — Note 20

**Commentary on IFRS accounting standards**

*IFRS 13.48*
*IFRS 13.96*

An entity that holds a group of financial assets and financial liabilities is exposed to market risks and to the credit risk of each of the counterparties. If the entity manages that group of financial assets and financial liabilities on the basis of its net exposure (either market or credit risk), the entity is permitted to apply an exception to IFRS 13 for measuring fair value ('The portfolio exception'). The portfolio exception provides an entity with the accounting policy choice to measure the fair value of the group of financial assets and financial liabilities consistently with how market participants would price the net risk exposure at the measurement date.

The Group has not elected to apply the portfolio exception.

If an entity makes an accounting policy decision to use the exception, this fact is required to be disclosed.

#### k) Investment properties

*IAS 40.20*
*IAS 40.33*
*IAS 40.75(a)*
*IAS 40.35*
*IAS 40.75(e)*

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

*IAS 40.66*
*IAS 40.69*
*IAS 40.70*

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

*IAS 40.57*
*IAS 40.60*
*IAS 40.61*

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

**Commentary of IFRS accounting standards**

The Group has elected to state investment properties at fair value in accordance with IAS 40 *Investment Property*. As an alternative, IAS 40 permits investment properties to be carried at historical cost less accumulated depreciation and impairment. IAS 40 requires disclosure of the fair value of investment property recorded at cost. Therefore, entities would still need to determine the fair value of investment properties regardless of the policy choice.

*IAS 16.73(a)*

#### l) Property and equipment

*IAS 16.30*
*IAS 16.15-16*
*IFRIC 18.11*
*IAS 16.24*

Property and equipment is stated at cost, less accumulated depreciation and impairment losses, if any.

*IAS 16.73(a)*
*IAS 16.31*

Office properties held for own use in Euroland are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

*IAS 16.39*
*IAS 16.40*

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the

### 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### l) Property and equipment *continued*

increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the assets. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings. *IAS 16.41*

**Commentary on IFRS accounting standards**

Under IAS 16 *Property, Plant and Equipment,* an entity has a policy choice for the measurement of property and equipment after initial recognition. An entity may choose either the cost model or the revaluation model for entire classes of property and equipment. The Group has elected to use the revaluation model for office properties in Euroland, whilst other classes of equipment is measured using the cost model. The Group has also elected to transfer the revaluation surplus to retained earnings as the asset is being used. Alternatively, the amount could have been transferred, in full, upon disposal of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Euroland office properties 15 to 20 years
- Other equipment 5 to 15 years

*IAS 16.73(b)*
*IAS 16.73(c)*

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. *IAS 16.51*

**Commentary on climate-related matters**

Entities are required to review the residual values and useful lives of items of property and equipment at least at each financial year-end. In performing these reviews, entities need to consider whether climate-related matters have an impact on the residual values and useful lives of the property and equipment. If relevant, entities should include both physical risks, e.g., recurring floods, rising sea levels and wildfires, and transitional risks, such as legal or regulatory restrictions on the future use of assets and the potential obsolescence of assets due to changes in consumer demand. *IAS 16.51*

A growing number of entities have developed highly detailed roadmaps or plans to achieve specific ESG-targets, such as targets for reductions in emissions from their operations. The impact of such plans and potential changes in an entity's business models must also be considered when reviewing useful lives and residual values, as this might change the Group's future use of the related asset, the related depreciation and the amount to be obtained from their disposal.

In addition, entities need to consider whether climate-related matters impact the fair value of property, plant and equipment, which is relevant for the application of the revaluation method and for determining fair value less costs of disposal in the context of impairment testing.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. *IAS 16.67*
*IAS 16.68*
*IAS 16.71*

**Commentary on IFRS accounting standards** *IAS 16.69*

On disposal of property and equipment: *IAS 16.72*

- The date of disposal of the asset is the date the recipient obtains control of the asset in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15
- The amount of consideration to be included in the gain or loss arising from the derecognition is determined in accordance with the requirements for determining the transaction price in IFRS 15. Subsequent changes to the estimated amount of the consideration included in the gain or loss shall be accounted for in accordance with the requirements for changes in transaction price in IFRS 15

*IAS 40.67;*
*IAS 40.70;*
*IAS 38.114;*
*IAS 38.116*

The above requirements also apply to disposals of investment properties and intangible assets

## 2. Accounting policies *continued*

## 2.5 Summary of accounting *policies continued*

### m) Leases

*IFRS 16.9*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### i. Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

*IFRS 16.23*
*IFRS 16.24*
*IFRS 16.30*
*IFRS 16.32*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office premises 10-12 years
- Equipment 3 to 5 years

*IFRS 16.33*

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section o) Impairment of non-financial assets.

**Commentary on IFRS accounting standards**

*IFRS 16.24(d)*

Under IFRS 16 *Leases*, the cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The Group's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

**Lease liabilities**

*IFRS 16.26*
*IFRS 16.27*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

*IFRS 16.38(b)*

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 27).

**Short-term leases and leases of low-value assets**

*IFRS 16.5*
*IFRS 16.6*

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### ii. Group as a lessor

*IFRS 16.61*
*IFRS 16.62*
*IFRS 16.81*
*IFRS 16.83*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases are accounted for on a straight-line basis over the lease term and is included in 'Other investment income.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### m) Leases *continued*

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other investment income in the period in which they are earned.

**Commentary on IFRS accounting standards**

There are no leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset that would classify as a finance lease for the Group. An illustrative example of finance leases as a lessor are available in Good Group (International) Limited- December 2025

#### n) Intangible assets

*IAS 38.24*
*IAS 38.74*
*IAS 38.54*
*IAS 38.57*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

*IAS 38.97*
*IAS 36.9*
*IAS 38.104*

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

*IAS 38.107*
*IAS 38.108*
*IAS 38.109*

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

*IAS 38.113*

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**A summary of the policies applied to the Group's intangible assets is, as follows:**

| | Goodwill | Distribution channels |
|---|---|---|
| **Useful lives** | Indefinite | Finite- 10 years |
| **Amortisation** | No amortisation | Amortised on a straight line basis over the period of the distribution channels. |
| **Internally generated/ acquired** | Acquired | Acquired |

*IAS 38.118(a),(b)*

#### o) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 3
- Property and equipment & Right-of-use assets — Note 20
- Intangible assets and goodwill — Note 21

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### o) Impairment of non-financial assets *continued*

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset forms part of a CGU (does not generate cash inflows that are largely independent of those from other assets or groups of assets). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

*IAS 36.6*
*IAS 36.9*
*IAS 36.66*
*IAS 36.59*

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

*IAS 36.30*
*IAS 36.55*
*IAS 36.6*

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

*IAS 36.33*
*IAS 36.35*

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

*IAS 36.60*
*IAS 36.61*

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

*IAS 36.110*
*IAS 36.114*
*IAS 36.117*
*IAS 36.119*

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

*IAS 36.10(b)*
*IAS 36.104*

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

*IAS 36.124*

The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts. See Note 21 for further discussion of the impact of climate-related risks on the value in use.

**Commentary on IFRS accounting standards**

IAS 36 *Impairment of Assets* permits the annual impairment test for a CGU to which goodwill has been allocated to be performed at any time during the year, provided it is at the same time each year. Different CGUs and intangible assets may be tested at different times.

*IAS 36.96*

The Group does not hold any intangible assets with indefinite useful lives other than goodwill. If there were such assets, IAS 36 requires these assets to be tested annually for impairment.

*IAS 36.10(a)*

#### p) Employee benefits

**Pensions and other post-employment benefits**

The Group operates a defined benefit pension plan in Euroland, which requires contributions to be made to a separately administered fund. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

*IAS 19.135*
*IAS 19.67*

## 2. Accounting policies *continued*

*IAS 19.120(c)*
*IAS 19.127*
*IAS 19.122*

### 2.5 Summary of accounting *policies continued*

#### p) Employee benefits *continued*

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

*IAS 19.102*
*IAS 19.103*

- The date of the plan amendment or curtailment
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.
The Group recognises the following changes in the net defined benefit obligation in profit or loss:

*IAS 19.123*
*IAS 19.134*

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

**Commentary on IFRS accounting standards**

Entities are required to state their policy for termination benefits, employee benefit reimbursements and benefit risk sharing. Since these are not applicable to the Group, the disclosures related to such benefits have not been made. Entities need to assess the nature of their employee benefits and make the relevant disclosures.

IAS 19 *Employee Benefits* does not specify where in the statement of profit or loss service costs or net interest should be presented. IAS 1 allows, but does not require, disaggregation of the employee benefits cost components in profit or loss. The net interest cost component is different from the unwinding of interest component and return on asset component in the previous version of IAS 19. Entities must apply the requirement in IAS 8.10 when developing a presentation policy for net interest cost.

#### q) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions). Employees on a more junior level are granted Share Appreciation Rights, which are settled in cash (cash-settled transactions).

##### i. Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 26.

*IFRS 2.7*
*IFRS 2.10*

That cost is recognised as an employee benefits expense (Note 12.2), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

*IFRS 2.19*
*IFRS 2.20*

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

*IFRS 2.21*

*IFRS 2.21A*
*IFRS 2.27*

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

*IFRS 2.28*
*IFRS 2.B42-B44*
*IAS 33.45*

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### q) Share-based payments *continued*

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 14).

##### ii. Cash-settled transactions

*IFRS 2.30*
*IFRS 2.32*
*IFRS 2.33*

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense (see Note 12.2). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 26. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

#### r) Provisions

*IAS 37.14*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

*IAS 37.53*
*IAS 37.54*

Where the probability of outflow is considered remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice the outcome, it does not include detailed, case-specific disclosures in its financial statements. Further disclosures are provided in note 29.

*IAS 37.92*

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

*IAS 37.45*

#### s) Taxes

##### i. Current income tax

*IAS 12.46*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

*IAS 12.61A(b)*

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

## 2. Accounting policies *continued*

### 2.5 Summary of accounting *policies continued*

#### s) Taxes *continued*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences *IAS 12.22(c)* *IAS 12.39*
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: *IAS 12.34*

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences *IAS 12.24* *IAS 12.44*
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. *IAS 12.56* *IAS 12.37*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. *IAS 12.47*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. *IAS 12.61A*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss. *IAS 12.68*

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. *IAS 12.74*

#### t) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. *IAS 32.33*

#### u) Dividend on ordinary shares

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws of Euroland, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. *IFRIC 17.10*

## 2. Accounting policies *continued*

## 2.5 Summary of accounting *policies continued*

### v) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

*IAS 10.21*
*IAS 10.10*

### w) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

*IAS 33.10*

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

*IAS 33.31*

## 2.6 Changes in accounting policies and disclosures

*IAS 8.14*

### a) New and amended standards and interpretations

*IAS 8.28*

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Lack of exchangeability – Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

### b) Standards issued but not yet effective

*IAS 8.31*

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**IFRS 18 *Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. While much of IAS 1 is carried forward to the new standard with only limited wording changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, of which the first three are new. There are specific presentation requirements and options for entities, such as the Group, that have specified main business activities (of either providing finance to customers or investing in specific type of assets, or both).

The standard also requires disclosure of newly defined management-defined performance measures, a subset of alternative performance measures, and it includes enhanced requirements for aggregation, disaggregation, location and labelling of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

## 2. Accounting policies *continued*

### 2.6 Changes in accounting policies and *disclosures continued*

#### b) Standards issued but not yet effective*continued*

In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively, including for interim reporting under IAS 34.

The Group is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The Group considers its main business activities to include the specified main business activity of investing in assets (including financial assets and investment properties). In accordance with IFRS 18, some of the income and expenses related to this activity are classified in the operating category as an exception to the general requirements that would otherwise have resulted in their classification in the investing categories.

The initial expected material impacts on Group's financial statements are, as follows:

- The inclusion of three new categories – operating, investing and financing:
  - The Group expects to have a main business activity of investing in assets, as such investment related returns and interest on cash and cash equivalents will be included in the operating category within the statement of profit or loss along with the Group's insurance service result and insurance finance result.
  - The Group's share of profit or loss of an associate will be classified in the investing category within the statement of profit or loss.
  - Finance costs are expected to be included within the financing category within the statement of profit or loss
- Foreign exchange difference will generally be classified in the same category as the related income and expense from the item giving rise to the foreign exchange difference.
- New disclosure will be added for: (a) management-defined performance measures; (b) specified information about the nature of expense presented by function in the operating category of the statement of profit or loss; and (c) for the first year of adoption, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the operating activities and financing activities, respectively, on the statement of cash flows.

**Disclosures about Uncertainties in the Financial Statements**
In November 2025, the IASB issued Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements ('the examples'), which added illustrative examples to several IFRS accounting standards. These Illustrative Examples accompany IFRS accounting standards, however, adding them to the relevant standards does not add to, or change, requirements in IFRS accounting standards. As such, they do not have an effective date or transition requirements.

For this edition of Good General, in addition to climate risk, we have identified macroeconomic and geopolitical uncertainty as an additional area for which considerations have been included in commentary boxes, where relevant and applicable.

For further guidance, please refer to our publication, 244: Disclosures about Uncertainties in the Financial Statements

**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**
On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
-

## 2. Accounting policies *continued*

### 2.6 Changes in accounting policies and *disclosures continued*

#### b) Standards issued but not yet effective*continued*

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The derecognition requirements in IFRS 17 are intended to be consistent with the requirements in other IFRS accounting standards, including the derecognition requirements for financial liabilities in IFRS 9. However, when the IFRS 9 financial liability derecognition criteria were changed in these amendments, no consequential amendments were made to IFRS 17. These amendments to IFRS 9 also clarified that a financial liability is derecognised on the settlement date (unless an electronic payment system exemption applies). Considering the absence of consequential amendments to IFRS 17, more than one approach may be applied in determining the derecognition of insurance liabilities accounted for under IFRS 17 in this context by continuing existing practices. If the application of an insurer's accounting policy for derecognition of insurance contract liabilities results in a material judgement that can significantly affect the amounts recognised as insurance contract liabilities and amounts recognised as cash, insurers must disclose that judgement in accordance with IAS 1.

In addition, the Group has assessed the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the assessments performed, the amendments in these areas are not expected to have a material impact on the financial statements.

**Annual Improvements to IFRS Accounting Standards - Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure* and its accompanying Guidance on implementing IFRS 7, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

**IFRS 19 *Subsidiaries without Public Accountability: Disclosures***

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

## 2. Accounting policies *continued*

### 2.6 Changes in accounting policies and *disclosures continued*

#### b) Standards issued but not yet effective *continued*

**Commentary on IFRS accounting standards**

For illustrative purposes, the Group has only listed the disclosures of new and amended standards and interpretations that are effective from 1 January 2025 that are relevant and applicable to the Group.

An entity is also required to disclose standards that have been issued but are not yet effective. These disclosures are required to provide known or reasonably estimable information to enable users to assess the possible impact of the application of such IFRS accounting standards on an entity's financial statements. In some jurisdictions, the adoption of IFRS accounting standards for reporting purposes may be subject to a specific legal process (e.g., in the European Union or Australia). In those jurisdictions, the effective dates may, therefore, be different from the IASB's effective dates. Nevertheless, all new standards and interpretations must be considered for disclosure as standards issued but not yet effective, in accordance with IAS 8, when an entity provides a complete set of financial statements, irrespective of whether the legal process referred to above has been completed.

*IAS 8.30*

## 2. Accounting policies *continued*

### 2.7 Climate-related matters

The Group considers climate-related matters in its estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements.

Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The Group and its insurance customers are mainly exposed to the physical risks from climate change and risks of transitioning to a net-zero economy. These risks may involve the impact on the frequency and trend factors seen within the insurance claims experience and also reinsurance.

The items and considerations that are most directly impacted by climate-related matters for the Group are:

- Insurance/ Reinsurance contract liabilities:
  - The Group's Insurance and reinsurance contract assets and liabilities may be impacted through the effects of climate change experienced through for example, increased claims costs, reduced or limited reinsurance cover
  - Risk assumptions used within the IFRS 17 measurement models are regularly updated to reflect management's best estimates of climate related developments (e.g., increased frequency or magnitude of insured events such as business interruption, property damage or death)
  - Consideration has been given to the need for additional disclosure over significant judgments and changes in judgment related to climate-change in determining estimates of fulfilment cash flows and sensitivities.
- Financial instruments:
  - The effect of climate-related factors may increase the volatility in fair value measurements of financial instruments
  - The Group has considered the effect of climate-related matters on the measurement of expected credit losses (are climate change amendments to credit loss models, forward-looking information and credit experience/ trends required) or on concentrations of credit risk, but has determined that due to the low credit risk of debt instruments held, there is not a material risk to adjust for.
- Property and equipment and Investment Property fair value measurement:

  For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. See Note 18 for further information.

## 3. Significant accounting judgements, estimates and assumptions

*IAS 1.122*
*IAS 1.125*

The preparation of the Group's consolidated financial statements requires management to make judgements in applying the Group's accounting policies, and to make estimates and assumptions that affect the reported amount of insurance revenues, expenses, assets and liabilities, as well as non-insurance incomes, expenses, assets and liabilities, and the accompanying disclosures.

The following are the judgements applied, the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Such changes are reflected in the assumptions when they occur.

The Group disaggregates information to disclose major product lines namely, marine, property, personal accident insurance and liability reinsurance issued. This disaggregation has been determined based on how the Group is managed.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management — Note 4.3
- Risk management and policies — Note 4.
- Sensitivity analyses disclosures — Note 4.1.1

### 3.1 Insurance and reinsurance contracts

The Group applies the PAA to simplify the measurement of liabilities for remaining coverage. In determining whether a group of contracts is eligible to apply the PAA, the Group uses assumptions around fulfilment cash flows appropriate at the date of testing.

**a) Liability for remaining coverage**

*IFRS 17.59(a)*

i. Insurance acquisition cash flows

For the property insurance product line, the Group is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less.

For personal accident insurance, marine insurance and liability reinsurance products, where groups are not eligible to recognise an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised and is included in the measurement liability for remaining coverage upon initial recognition of the group.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There is a higher charge to profit or loss on incurring the expense against an increase in profit released during the remaining coverage period.

## 3. Significant accounting judgements, *estimates* and assumptions *continued*

### 3.1 Insurance and reinsurance contracts *continued*

#### ii. Onerous groups

*IFRS 17.56*

For a group of insurance contracts to which the premium allocation approach applies, the entity assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

*IFRS 17.18*

For groups of contracts that are assessed as onerous (expected future cash outflows exceeding expected future cash inflows), the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

#### iii. Time value of money and discount rates

When measuring liabilities for incurred claims, the Group discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

For the marine and personal accident insurance product lines, the Group adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. Refer to note 24.4 for further details on the discount rates used.

*IFRS 17.117(cX iii)*

Where applicable, the liability for remaining coverage and liability for incurred claims are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rate of a reference portfolio of assets based on the assets the Group holds. s.

*IFRS 17.120*

Further details regarding discount rates applied for discounting of future cash flows are provided in Note 24.3 Discount rates

#### b) Liability for incurred claims

*IFRS 17.117(a)*

In determining the future cash flow for the liability for incurred claims, the ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that an entity's past claims development experience can be used to project future claims development and, hence, ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Examples of such qualitative judgements are: one-off events, changes in external or market factors (public attitudes to claiming), economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors (portfolio mix, policy features and claims handling procedures).

Some of the insurance contracts that have been written in the property line of business permit the Group to sell property acquired in settling a claim. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as recoveries in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

## 3. Significant accounting judgements, estimates and assumptions *continued*

### 3.1 Insurance and reinsurance contracts *continued*

#### b) Liability for incurred claims *continued*

i. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk for insurance contracts is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. *IFRS 17.117(c)(ii)* *IFRS 17.119*

The risk adjustment for non-financial risk for reinsurance contracts is the amount of risk being transferred by the Group to the issuers of those contracts,

Further details regarding risk adjustment for non-financial risk are provided in Note 24.4.

**Commentary on IFRS accounting standards**

Entities are required to disclose any changes in methods and processes for estimating inputs used to measure insurance contracts. The reason of the change and type of contracts affected should be disclosed. For example, an entity may have changes in approach used to estimate the yield curve due to new market data or information becoming available. *IFRS 17.117(b)*

ii. Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period. *IFRS 17.B35A*

At the end of each reporting period, the Group revisits the assumptions made to allocate insurance acquisition cash flows to groups and, where necessary, revises the amounts of assets for insurance acquisition cash flows accordingly. *IFRS 17.B35B*

In the current year, the Group revisited its inputs into its allocation methodology for the marine insurance product line and reduced the expected number of renewal contracts expected to be included in groups starting in 2027 and 2028. As a result, the assets for insurance acquisition cash flows for those groups were reduced, and allocations to 2026 groups were increased by €4,000. This change in allocation did not have an impact on current year profit or loss. In the prior year no changes were made. *IAS 8.39* *IFRS 17.28E*

Assets for insurance acquisition cash flows relating to the marine business were tested for impairment in the current year and a loss of €19,000 was recognised. No impairment was recognised in the prior year.

In the current and prior year, for other product lines, the Group did not identify any facts and circumstances indicating that the assets may be impaired.

### 3.2 Impairment of financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

**Commentary on IFRS accounting standards**

An entity must disclose how forward-looking information has been incorporated in the determination of the ECL, including the use of macroeconomic information. The Group did not provide detailed information on how the forecast economic conditions have been incorporated in the determination of ECL, because the impact of economic conditions is not significant. Entities are expected to provide more detailed information if the forward-looking information has a significant impact on the calculation of ECL. *IFRS 7.35G(b)*

### 3. Significant accounting judgements, estimates and assumptions *continued*

### 3.2 Impairment of financial assets *continued*

**Commentary on relevant current macroeconomic and geopolitical uncertainty**

Increased risks and uncertainties in the macroeconomic and geopolitical environment may result in deterioration in the credit quality of financial assets which may not be adequately reflected by existing models and/or may increase the level of uncertainty around specific inputs. Insurers need to consider the impact of such risks on their forward-looking information inputs, the application of judgemental adjustments (post-model adjustments and overlays), etc., and incorporate the relevant information in their disclosures that explain the impact and sensitivities. *IAS 1.125*

Insurers should consider the following in updating their ECL calculations:

- The use of reasonable and supportable information. It is critical that entities provide transparent disclosure of the critical assumptions and judgements used to measure the ECL
- Significant changes to the economic outlook and the impact on macroeconomic scenarios and assumptions
- Individual and collective assessment of investments, receivables and other financial assets. In order to accelerate the detection of changes in credit quality not yet detected at an individual level, it may be appropriate to adjust ratings and the probabilities of default on a collective basis, considering risk characteristics
- Recent trends on credit risk indicators, such as default, as well as recent trends in respect of vulnerable sectors to determine their impact on the ECL estimate.

### 3.3 Fair value

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Assumptions and estimates include considerations of liquidity and model inputs related to items such as credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 18 for further disclosures.

Significant judgement is exercised in the classification of fair value instruments as level 3 as the valuation of such instruments is driven by significant unobservable inputs. The Group considers an instrument to be classified as valued using significant unobservable inputs where more than 10% of the instrument's valuation is determined by unobservable inputs.

### 3.4 Deferred tax assets

Deferred tax assets are recognised in respect of unused tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Although in Euroland tax losses can be utilised indefinitely, judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies. *IAS 12.34*

The Group has €187,000 (2024: €205,000) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. *IAS 12.81(e)*

If the Group had been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by €56,100. Further details on taxes are disclosed in Note 13.

## 3. Significant accounting judgements, estimates and assumptions *continued*

### 3.5 Revaluation of property and equipment and investment properties

*IFRS 13.9*
*IFRS 13.24*

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. In addition, the Group measures the office properties in Euroland (property and equipment) at revalued amounts, with changes in fair value being recognised in OCI. The office properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 31 December 2025 for the investment properties and Euroland office properties.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 19 and 20.

### 3.6 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 21.

**Commentary on macroeconomic and geopolitical uncertainty**

As the current environment remains uncertain, it is important that entities continue to provide detailed disclosure of the assumptions made, including any updates since prior period, the evidence they are based on and the impact of a change in the key assumptions (sensitivity analysis).

Given the inherent level of uncertainty and the sensitivity of judgements and estimates, the key assumptions used, and judgements made in estimating recoverable amounts are important to understand.

It is possible that macroeconomic and geopolitical uncertainty is a triggering event for some entities that requires them to perform an impairment test in accordance with IAS 36. Entities will need to assess the key assumptions used to determine the recoverable amount for the different CGUs. Key inputs to both the value in use and the fair value less cost of disposal models used to undertake the impairment assessment should be reassessed to factor in any impact.

The non-financial assets that may be subject to such impairment triggers include: property and equipment; investment property; right-of-use assets; intangible assets and goodwill.

### 3.7 Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

*IFRS 16.18-19*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

## 3. Significant accounting judgements, estimates and assumptions *continued*

### 3.8 Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are provided in Note 25.

### 3.9 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model for Senior Executive Plan (SEP) and a Monte-Carlo simulation model for General Employee Share Option Plan (GESP). The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26.

**Commentary on IFRS accounting standards**

IAS 1 requires an entity to disclose significant judgements applied in preparing the financial statements (IAS 1.122) and significant estimates that involve a high degree of estimation uncertainty (IAS 1.125). The disclosure requirements go beyond the requirements that exist in some other IFRS, such as IAS 37.

These disclosures represent an important source of information in the financial statements because they highlight the areas in the financial statements that are most prone to change in the foreseeable future. Therefore, any information given should be sufficiently detailed to help readers of the financial statements understand the impact of possible significant changes.

The Group has, for illustrative purposes, included disclosures about significant judgements and estimates beyond what is normally required, and potentially also beyond what is decision useful. Under IAS 1, it is only those judgements that have the most significant effect on the amounts recognised in the financial statements and those estimates that have a significant risk of resulting in material adjustments in respect of assets and liabilities within the next financial year that should be addressed in this section.

It is important that entities carefully assess which judgements and estimates are most significant as required by IAS 1 and make the disclosures accordingly, to allow the users of the financial statements to appreciate the impact of the judgements and estimation uncertainties. Disclosures of judgements and estimation uncertainties that do not have a significant risk of resulting in material adjustments may clutter the financial statements in a way that reduces the users' ability to identify the key judgements and estimation uncertainties.

### 3. Significant accounting judgements, estimates and assumptions *continued*

**Commentary on climate-related matters**

Entities should consider the impact of climate-related matters if those matters create uncertainties that affect assumptions used to develop estimates. IAS 1 requires disclosure of information about the assumptions an entity makes about the future and other sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. This information is intended to allow users to understand the judgements entities make about the future.

Entities also need to consider expectations of their local regulators, as the expected level of disclosures may vary between different jurisdictions. For example, some regulators might expect disclosures of the impact of climate-related matters that go beyond the typical disclosures required by IAS 1.123 and IAS 1.125, based on a broad understanding of the requirements in IAS 1.112 (c).

The impact of climate-related matters has been illustrated throughout this publication, but is not on its own determined to be a significant judgement or a major source of estimation uncertainty for the Group. Entities, however, need to make this judgement in light of their specific circumstances, please see our publication, *Connected Financial Reporting: Accounting for Climate Change | EY - Global* for further guidance

**Commentary on macroeconomic and geopolitical uncertainty**

Given the level of uncertainty and the sensitivity of judgements and estimates, clear disclosure of the key assumptions used, and judgements made is particularly important in financial statements prepared during the current period of macroeconomic and geopolitical uncertainty. Although assumptions may already have been updated in the previous year, entities should again carefully reconsider their existing judgements and estimates as they may find additional areas in which they will need to make judgements and estimates.

### 4. Financial risk and capital management

#### 4.1 Insurance risk

The Group principally issues the following types of non-life insurance contracts: personal accident; marine; property; and liability reinsurance.

*IFRS 17.121*
*IFRS 17.124*

For these contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Group purchases reinsurance for the marine insurance line as part of its risk mitigation programme. Reinsurance held is placed on a proportional basis. Proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group to its marine business.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

## 4. *Financial* risk and capital management *continued*

### 4.1 Insurance risk *continued*

The following tables show the concentration of net insurance contract liabilities by type of contract:

*IFRS 17.127*
*IFRS 17.125(a)*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Insurance €000 | Reinsurance held €000 | Net €000 | Insurance €000 | Reinsurance held €000 | Net €000 |
| Personal accident insurance | 6,278 | – | 6,278 | 6,820 | – | 6,820 |
| Marine insurance | 4,005 | (808) | 3,197 | 3,830 | (1,408) | 2,422 |
| Property insurance | 3,244 | – | 3,244 | 2,379 | – | 2,379 |
| Liability reinsurance issued | 998 | – | 998 | 1,007 | – | 1,007 |
| **Total net insurance contracts** | **14,525** | **(808)** | **13,717** | **14,036** | **(1,408)** | **12,628** |

*IFRS 17.127*
*IFRS 17.125(a)*

The geographical concentration of the Group's insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written:

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance €000 | Total €000 |
| **Euroland** | **6,278** | **–** | **3,244** | **998** | **10,520** |
| Contracts issued | 6,278 | – | 3,244 | 998 | 10,520 |
| Reinsurance held | – | – | – | – | – |
| **United States** | **–** | **2,618** | **–** | **–** | **2,618** |
| Contracts issued | – | 3,224 | – | – | 3,224 |
| Reinsurance held | – | (606) | – | – | (606) |
| **Canada** | **–** | **579** | **–** | **–** | **579** |
| Contracts issued | – | 781 | – | – | 781 |
| Reinsurance held | – | (202) | – | – | (202) |
| **Total net insurance contracts** | **6,278** | **3,197** | **3,244** | **998** | **13,717** |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance €000 | Total €000 |
| **Euroland** | **6,820** | **–** | **2,379** | **1,007** | **10,206** |
| Contracts issued | 6,820 | – | 2,379 | 1,007 | 10,206 |
| Reinsurance held | – | – | – | – | – |
| **United States** | **–** | **2,175** | **–** | **–** | **2,175** |
| Contracts issued | – | 2,622 | – | – | 2,622 |
| Reinsurance held | – | (447) | – | – | (447) |
| **Canada** | **–** | **247** | **–** | **–** | **247** |
| Contracts issued | – | 1,208 | – | – | 1,208 |
| Reinsurance held | – | (961) | – | – | (961) |
| **Total net insurance contracts** | **6,820** | **2,422** | **2,379** | **1,007** | **12,628** |

#### 4.1.1 Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

*IFRS 17.128(b)*

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions (refer to Note 3.1. Insurance and reinsurance contracts) held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

*IFRS 17.128(c)*
*IFRS 17.128(a)(i)*

## 4. *Financial* risk and capital management *continued*

### 4.1 Insurance risk *continued*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Change in assumptions % | Impact on profit before tax gross of reinsurance €000 | Impact on profit before tax net of reinsurance €000 | Impact on equity gross of reinsurance €000 | Impact on equity net of reinsurance €000 |
| Weighted average term to settlement | + 10 % | 42 | 40 | 38 | 37 |
| Expected loss | + 10 % | (733) | (712) | (718) | (704) |
| Inflation rate (Percentage point) | + 1 % | (110) | (107) | (81) | (78) |
| Weighted average term to settlement | - 10 % | (42) | (40) | (38) | (37) |
| Expected loss | - 10 % | 733 | 712 | 718 | 704 |
| Inflation rate (Percentage point) | - 1 % | 110 | 107 | 81 | 78 |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Change in assumptions % | Impact on profit before tax gross of reinsurance €000 | Impact on profit before tax net of reinsurance €000 | Impact on equity gross of reinsurance €000 | Impact on equity net of reinsurance €000 |
| Weighted average term to settlement | + 10 % | 44 | 41 | 40 | 39 |
| Expected loss | + 10 % | (775) | (741) | (764) | (733) |
| Inflation rate (Percentage point) | + 1 % | (119) | (115) | (85) | (83) |
| Weighted average term to settlement | - 10 % | (44) | (41) | (40) | (39) |
| Expected loss | - 10 % | 775 | 741 | 764 | 733 |
| Inflation rate (Percentage point) | - 1 % | 119 | 115 | 85 | 83 |

#### 4.1.2 Claims development tables

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

## 4. *Financial* risk and capital management *continued*

### 4.1 Insurance risk *continued*

*Gross undiscounted liabilities for incurred claims for 2025 - Personal accident insurance*

*IFRS 17.130*

| Accident year | 2023* | 2024 | 2025 | Total |
|---|---|---|---|---|
| | €000 | €000 | €000 | €000 |
| At end of accident year | 1,209 | 1,115 | 1,109 | 1,109 |
| One year later | 1,223 | 1,088 | | 1,088 |
| Two years later | 1,225 | | | 1,225 |
| **Gross estimates of the undiscounted amount of the claims** | **1,225** | **1,088** | **1,109** | **3,422** |
| At end of accident year | (345) | (381) | (316) | (316) |
| One year later | (956) | (925) | | (925) |
| Two years later | (1,214) | | | (1,214) |
| **Cumulative payments to date** | **(1,214)** | **(925)** | **(316)** | **(2,455)** |
| Gross undiscounted liabilities for incurred claims | 11 | 163 | 793 | 967 |
| Effect of discounting | | | | (76) |
| **Total gross liabilities for incurred claims** | | | | **891** |

*IFRS 17.130*

| | Note | Estimates of the present value of future cash flows | Risk adjustment | Total |
|---|---|---|---|---|
| **Total gross liabilities for incurred claims** | | 869 | 22 | 891 |
| Related to | | | | |
| Personal accident insurance | 24.1.1 | 869 | 22 | 891 |

*For this product line, there are only open claims for the past three years, and thus no open claims prior to 2023.

*Gross undiscounted liabilities for incurred claims for 2025 - Marine Insurance*

*IFRS 17.130*

| Accident year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|---|---|---|---|---|---|---|---|---|
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| At end of accident year | 1,193 | 1,202 | **1,209** | 1,264 | 1,359 | 1,448 | 2,332 | |
| One year later | 1,203 | 1,235 | **1,249** | 1,304 | 1,378 | 1,636 | | |
| Two years later | 1,215 | 1,257 | **1,271** | 1,300 | 1,384 | | | |
| Three years later | 1,232 | 1,278 | **1,284** | 1,342 | | | | |
| Four years later | 1,248 | 1,295 | **1,323** | | | | | |
| Five years later | **1,264** | **1,309** | | | | | | |
| Six years later | **1,294** | | | | | | | |
| **Gross estimates of the undiscounted amount of the claims** | **1,294** | **1,309** | **1,323** | **1,342** | **1,384** | **1,636** | **2,332** | **10,620** |
| At end of accident year | (275) | (293) | (304) | (319) | (411) | (511) | (544) | |
| One year later | (753) | (785) | (801) | (839) | (961) | (984) | | |
| Two years later | (1,017) | (1,023) | (1,031) | (1,080) | (1,167) | | | |
| Three years later | (1,097) | (1,106) | (1,168) | (1,203) | | | | |
| Four years later | (1,144) | (1,189) | (1,215) | | | | | |
| Five years later | (1,193) | (1,222) | | | | | | |
| Six years later | (1,230) | | | | | | | |
| **Cumulative payments to date** | **(1,230)** | **(1,222)** | **(1,215)** | **(1,203)** | **(1,167)** | **(984)** | **(544)** | **(7,565)** |
| Gross undiscounted liabilities for incurred claims | 64 | 87 | 108 | 139 | 217 | 652 | 1,788 | 3,055 |
| Effect of discounting | | | | | | | | (205) |
| **Total gross liabilities for incurred claims** | | | | | | | | **2,850** |

*IFRS 17.130*

| | Note | Estimates of the present value of future cash flows | Risk adjustment | Total |
|---|---|---|---|---|
| **Total gross liabilities for incurred claims** | | 2,780 | 70 | 2,850 |
| Related to | | | | |
| Marine insurance | 24.1.2 | 2,780 | 70 | 2,850 |

## 4. *Financial* risk and capital management *continued*

### 4.1 Insurance risk *continued*

*Net undiscounted liability for incurred claims for 2025 - Marine insurance*

*IFRS 17.130*

| Accident year | 2019 €000 | 2020 €000 | 2021 €000 | 2022 €000 | 2023 €000 | 2024 €000 | 2025 €000 | Total €000 |
|---|---|---|---|---|---|---|---|---|
| At end of accident year | 858 | 887 | 902 | 923 | 992 | 1,086 | 1,665 | |
| One year later | 871 | 901 | 918 | 952 | 1,006 | 1,275 | | |
| Two years later | 887 | 912 | 931 | 949 | 1,074 | | | |
| Three years later | 903 | 921 | 942 | 999 | | | | |
| Four years later | 918 | 935 | 987 | | | | | |
| Five years later | **932** | **975** | | | | | | |
| Six years later | **963** | | | | | | | |
| **Net estimates of the undiscounted amount of the claims** | **963** | **975** | **987** | **999** | **1,074** | **1,275** | **1,665** | **7,938** |
| At end of accident year | (321) | (362) | (393) | (191) | (247) | (307) | (312) | (327) |
| One year later | (672) | (698) | (657) | (503) | (576) | (591) | | |
| Two years later | (775) | (764) | (843) | (648) | (700) | | | |
| Three years later | (801) | (823) | (859) | (735) | | | | |
| Four years later | (830) | (841) | (887) | | | | | |
| Five years later | (842) | (876) | | | | | | |
| Six years later | (873) | | | | | | | |
| **Cumulative payments to date** | **(873)** | **(876)** | **(887)** | **(735)** | **(700)** | **(591)** | **(312)** | **(5,301)** |
| Net undiscounted liability for incurred claims | 90 | 99 | 100 | 264 | 374 | 684 | 1,353 | 2,637 |
| Effect of discounting | | | | | | | | (127) |
| **Total net liabilities for incurred claims** | | | | | | | | **2,510** |

*IFRS 17.130*

| | Note | Estimates of the present value of future cash flows | Risk adjustment | Total |
|---|---|---|---|---|
| **Gross liabilities for incurred claims** | 24.1.2 | 2,780 | 70 | 2,850 |
| Amounts recoverable from reinsurers | 24.2.1 | (332) | (8) | (340) |
| **Total net liabilities for incurred claims** | 24.1.2 | **2,448** | **62** | **2,510** |
| Marine insurance | 24.2.1 | 2,448 | 62 | 2,510 |

*Gross undiscounted liabilities for incurred claims for 2025 - Liability reinsurance issued*

*IFRS 17.130*

| Accident year | 2022* €000 | 2023 €000 | 2024 €000 | 2025 €000 | Total €000 |
|---|---|---|---|---|---|
| At end of accident year | 1,344 | 1,296 | 1,232 | 1,190 | |
| One year later | 1,333 | 1,329 | 1,224 | | |
| Two years later | 1,345 | 1,334 | | | |
| Three years later | 1,349 | | | | |
| **Gross estimates of the undiscounted amount of the claims** | **1,349** | **1,334** | **1,224** | **1,190** | **4,997** |
| At end of accident year | (758) | (731) | (795) | (615) | |
| One year later | (1,159) | (1,131) | (1,163) | | |
| Two years later | (1,300) | (1,271) | | | |
| Three years later | (1,340) | | | | |
| **Cumulative payments to date** | **(1,340)** | **(1,271)** | **(1,163)** | **(615)** | **(4,389)** |
| Gross undiscounted liabilities for incurred claims | 9 | 63 | 61 | 475 | 608 |
| Effect of discounting | | | | | (104) |
| **Total gross liabilities for incurred claims** | | | | | **504** |

## 4. *Financial* risk and capital management *continued*

### 4.1 Insurance risk *continued*

*IFRS 17.130*

| | Note | Estimates of the present value of future cash flows | Risk adjustment | Total |
|---|---|---|---|---|
| **Total gross liabilities for incurred claims** | | 493 | 11 | 504 |
| Related to | | | | |
| Liability reinsurance issued | 24.1.4 | 493 | 11 | 504 |

*For this product line, there are only open claims for the past four years, and thus no open claims prior to 2022.

**Commentary on IFRS accounting standards**

The following should be noted in respect of the disclosure provided above:

1) The disclosure is provided for each product line in accordance with the Group's decision to provide disaggregated disclosures on this basis.

2) The Group presents its claims development on an accident year basis as this is consistent with how the business is managed. IFRS 17 does not prescribe the format of the disclosure of claims development and the presentation of this information by underwriting or reporting year may also be permissible.

3) IFRS 17 specifically requires the previous estimates of amounts of claims to be presented on an undiscounted basis.

4) Upon adoption of IFRS 17 in the year ended 31 December 2023, the Group elected to use the practical expedient for transition in IFRS 17.C28 to not disclose previously unpublished information about its claims development for Marine Insurance, that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17. As such, for Marine insurance, the tables reflect seven years of development. For the Property insurance product line, for which uncertainty about the amount and timing of all claims payments is typically resolved within one year, the Group has not disclosed development information.

5) For product lines with some longer tail claims, in respect of claims for which uncertainty about the amount and timing of the claims payments is typically resolved within one year, the Group has disclosed full development information. It could also be acceptable to not disclose the full information and rather to include the related liability for incurred claims amount as a reconciling item. Entities should carefully consider which approach provides appropriate information for their users.

6) The tables are reflective of the complete balance of the liability for incurred claims, which may include claims handling costs and other incurred insurance expenses outstanding at year end. An entity may choose to exclude such other incurred insurance expenses from the main development disclosure, but include the amount as a reconciling item to the total of the liability for incurred claims balance.

7) Both gross and net claims development disclosure has been presented for illustrative purposes.

8) Amounts reflected are inclusive of the related risk adjustment. Alternatively, an entity may decide to present the tables excluding risk adjustment, and reflect the risk adjustment as a reconciling item.

9) IFRS 17 requires the reconciliation of the claims development disclosure with the aggregate carrying amount of the groups of insurance contracts. This is provided below the claims development table.

*IFRS 17.130*
*IFRS 17.100(c)*

## 4.2 Financial risk

**Commentary on IFRS accounting standards**

The disclosure included below in respect of financial assets is considered appropriate given the non-complex lower risk financial assets held by the Group. Entities will need to ensure that their disclosures are specific to their individual circumstances and address the nature of risks and terms of all relevant financial assets and liabilities held.

### 4.2.1 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the Group's exposure to liquidity risk. The Group's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. *IFRS 17.124(a),(b)*

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs.

#### 4.2.1.1 Maturity analysis

Maturity analysis - Insurance and reinsurance contracts

Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis) *IFRS 17.132(b)* *IFRS 17.127*

The following table summarises the maturity profile of portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented. *IFRS 17.125(a)*

**Commentary on IFRS accounting standards**

IFRS 17 provides entities with two options for completing the maturity profile- to provide an analysis, by estimated timing, of the remaining contractual undiscounted net cash flows, or the estimates of the present value of the future cash flows. The Group has provided an analysis of maturity profiles based on the estimates of the present value of future cash flows by estimated timing as it is in line with the Group's current accounting policy and industry's best practice. *IFRS 17.132*

The disclosure below only includes liabilities for incurred claims. As per IFRS 17, the inclusion of amounts for the liabilities for remaining coverage is not required. Due to the nature of the contracts held, there are no amounts relating to insurance contracts that are payable on demand. Therefore, no disclosure has been provided in respect of these disclosures as required by IFRS 17. *IFRS 17.132(b)* *IFRS 17.132(c)*

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | >5 years | Total |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| Personal accident insurance | 495 | 374 | – | – | – | – | 869 |
| Marine insurance | 1,402 | 445 | 417 | 185 | 108 | 223 | 2,780 |
| Property insurance | 3,244 | – | – | – | – | – | 3,244 |
| Liability reinsurance | 389 | 74 | 30 | – | – | – | 493 |
| **Total** | **5,530** | **893** | **447** | **185** | **108** | **223** | **6,871** |

## 4. Financial risk and capital managemet *continued*

### 4.2 Financial risk *continued*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | >5 years | Total |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| Personal accident insurance | 489 | 369 | – | – | – | – | 858 |
| Marine insurance | 1,058 | 336 | 315 | 140 | 82 | 168 | 2,099 |
| Property insurance | 1,942 | – | – | – | – | – | 1,942 |
| Liability reinsurance | 379 | 72 | 29 | – | – | – | 480 |
| **Total** | **3,869** | **778** | **344** | **140** | **82** | **168** | **5,380** |

Maturity analysis - Financial liabilities

The table below summarises the maturity analysis of the Group's financial liabilities based on contractual undiscounted payments:

| Year ended 31 December 2025 | On demand €000 | Less than 3 months €000 | 3 to 12 months €000 | 1 to 5 years €000 | > 5 years €000 | Total €000 | |
|---|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings (excluding items below) | – | – | 200 | 1,249 | 191 | 1,640 | *IFRS 7.39(a)(b)* |
| Lease liabilities (Note 27) | – | 12 | 30 | 260 | – | 302 | |
| Other payables (Note 23) | – | – | 110 | – | – | 110 | |
| Derivatives (Note 27) | 280 | 390 | 55 | 170 | 190 | 1,085 | *IFRS 16.58* |
| | **280** | **402** | **395** | **1,679** | **381** | **3,137** | |

| Year ended 31 December 2024 | On demand €000 | Less than 3 months €000 | 3 to 12 months €000 | 1 to 5 years €000 | > 5 years €000 | Total €000 | |
|---|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings (excluding items below) | – | – | – | 979 | 588 | 1,567 | |
| Lease liabilities (Note 27) | – | 11 | 29 | 244 | – | 284 | |
| Other payables (Note 23) | – | – | 50 | – | – | 50 | |
| Derivatives (Note 27) | 120 | 340 | 22 | 85 | 150 | 717 | *IFRS 16.58* |
| | **120** | **355** | **101** | **1,308** | **738** | **2,619** | |

**Commentary on IFRS accounting standards** *IFRS 16.58*

The maturity analysis for lease liabilities is required to be presented separately from the maturity analyses of other financial liabilities. As such, the Group presented a separate line item for lease liabilities in the maturity analysis of its financial liabilities.

The maturity analysis should include the remaining contractual maturities for derivative financial liabilities, for which contractual maturities are essential to an understanding of the timing of the cash flows.

The financial derivative instruments disclosed in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.

The following table shows the corresponding reconciliation of those amounts to their carrying amounts:

| Year ended 31 December 2025 | On demand €000 | Less than 3 months €000 | 3 to 12 months €000 | 1 to 5 years €000 | Over 5 years €000 | Total €000 | |
|---|---|---|---|---|---|---|---|
| Inflows | 114 | 142 | 35 | 100 | 136 | 527 | *IFRS 7.39(a)(b)* |
| Outflows | (280) | (390) | (55) | (170) | (190) | (1,085) | |
| Net | (166) | (248) | (20) | (70) | (54) | (558) | |
| Discounted at the applicable interbank rates | (166) | (240) | (20) | (68) | (53) | (547) | |

## 4. Financial risk and capital managemet *continued*

### 4.2 Financial risk *continued*

| Year ended 31 December 2024 | On demand €000 | Less than 3 months €000 | 3 to 12 months €000 | 1 to 5 years €000 | Over 5 years €000 | Total €000 |
|---|---|---|---|---|---|---|
| Inflows | 109 | 271 | 14 | 50 | 105 | 549 |
| Outflows | (120) | (340) | (22) | (85) | (150) | (717) |
| Net | (11) | (69) | (8) | (35) | (45) | (168) |
| Discounted at the applicable interbank rates | (11) | (67) | (8) | (35) | (44) | (165) |

*IFRS 7.39(a)(b)*

Changes in liabilities arising from financing activities

*IAS 1.38*
*IAS 7.44B*
*IAS 7.44D*

| | 1 January 2025 €000 | Cash flows €000 | Foreign exchange movement €000 | Changes in fair values €000 | New leases €000 | Other €000 | 31 December 2025 €000 |
|---|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings (excluding items listed below) | 1,942 | 35 | 8 | – | – | (209) | 1,776 |
| Lease liabilities (Note 28) | 284 | (56) | – | – | 57 | 17 | 302 |
| Derivatives | 732 | – | 103 | (80) | – | – | 755 |
| **Total liabilities from financing activities** | **2,958** | **(21)** | **160** | **(80)** | **57** | **(241)** | **2,833** |

*IAS 1.38*
*IAS 7.44B,*
*IAS 7.44D*

| | 1 January 2024 €000 | Cash flows €000 | Foreign exchange movement €000 | Changes in fair values €000 | New leases €000 | Other €000 | 31 December 2024 €000 |
|---|---|---|---|---|---|---|---|
| Interest-bearing loans and borrowings (excluding items listed below) | 1,998 | (65) | 9 | – | – | – | 1,942 |
| Lease liabilities (Note 28) | 295 | (50) | – | | 21 | 18 | 284 |
| Derivatives | 764 | – | 23 | (55) | – | – | 732 |
| **Total liabilities from financing activities** | **2,999** | **(115)** | **90** | **(55)** | **21** | **18** | **2,958** |

The 'Other' column includes the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

**Commentary on IFRS accounting standards**

An entity is required to provide disclosures that will enable the users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Group provided a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, which include the changes identified in IAS 7.44B as applicable. *IAS 7.44A*

This reconciliation provides a link to the amounts recognised in the statement of cash flows.

An entity may provide the disclosure required by IAS 7 in combination with disclosures of changes in other assets and liabilities. However, it is required to disclose the changes in liabilities arising from financing activities separately from the changes in those other assets and liabilities. *IAS 7.44D*

There is no prescribed format for this disclosure, but Good Group (International) Limited has selected a tabular format as it considered it the most efficient and meaningful way of meeting the requirement in IAS 7 and its objective, given the facts and circumstances. *IAS 7.44A* *IAS 7.44E*

*IAS 7.44A*

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

**Maturity analysis for financial assets (contractual undiscounted cash flow basis)**

The following table summarises the maturity profile of financial assets of the Group based on remaining undiscounted contractual cash flows, including interest receivable: *IFRS 7.B11E*

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Up to 1 year €000 | 1-2 years €000 | 2-3 years €000 | 3-4 years €000 | 4-5 years €000 | >5 years €000 | No maturity €000 | Total €000 |
| **Financial assets** | | | | | | | | |
| Cash and short-term deposits | 2,030 | – | – | – | – | – | – | 2,030 |
| Other assets | 80 | – | – | – | – | – | – | 80 |
| Equity and debt instruments at FVPL | 6,551 | 936 | 781 | 314 | 184 | 377 | 725 | 9,868 |
| Debt instruments at FVOCI | 1,869 | 1,592 | 1,554 | 1,539 | 1,323 | 1,051 | - | 8,928 |
| Debt instruments at amortised cost | 260 | 239 | 209 | 162 | 215 | - | - | 1,085 |
| Derivatives | 413 | 50 | 45 | 25 | 100 | 134 | | 768 |
| **TOTAL** | **9,713** | **2,997** | **2,810** | **2,417** | **2,089** | **1,656** | **507** | **22,189** |

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Up to 1 year €000 | 1-2 years €000 | 2-3 years €000 | 3-4 years €000 | 4-5 years €000 | >5 years €000 | No maturity €000 | Total €000 |
| **Financial assets** | | | | | | | | |
| Cash and short-term deposits | 1,988 | – | – | – | – | – | – | 1,988 |
| Other assets | 101 | – | – | – | – | – | – | 101 |
| Equity and debt instruments at FVPL | 4,549 | 515 | 428 | 172 | 100 | 206 | 1,138 | 7,108 |
| Debt instruments at FVOCI | 1,935 | 1,644 | 1,593 | 1,385 | 1,261 | 1,026 | – | 8,844 |
| Debt instruments at amortised cost | 249 | 214 | 187 | 203 | 163 | – | – | 1,016 |
| Derivatives | 365 | 45 | 41 | 23 | 101 | 121 | – | 696 |
| **TOTAL** | **9,087** | **2,418** | **2,249** | **1,783** | **1,625** | **1,353** | **1,138** | **19,590** |

### Commentary on IFRS accounting standards

An entity is required entity to disclose a maturity analysis of financial assets that it holds for managing liquidity risk (e.g., financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities) if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk. *IFRS 7.B11E*

Although this disclosure requirement is in respect of liquidity risk pertaining to financial liabilities, financial assets have also been included in this note, given that it is anticipated that this information is relevant for evaluating the nature and extent of liquidity risk relating to the Group's insurance and reinsurance contract liabilities.

It should be noted that IFRS 17 provides two bases for reflecting maturity analyses for insurance and reinsurance contract liabilities (present value of future cash flows or undiscounted contractual maturity), whereas IFRS 7 only allows for undiscounted contractual maturity. *IFRS 17.132*

## 4. Financial risk and capital management *continued*

## 4.2 Financial risk *continued*

Current and non-current assets and liabilities

The table below summarises the expected utilisation or settlement of assets and liabilities:

*IAS 1.61*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | No more than 12 months | More than 12 months | Total | No more than 12 months | More than 12 months | Total |
| | €000 | €000 | €000 | €000 | €000 | €000 |
| **Financial assets** | **9,420** | **11,845** | **21,265** | **7,965** | **11,050** | **19,015** |
| Cash and short-term deposits | 2,030 | – | 2,030 | 1,988 | – | 1,988 |
| Other assets | 80 | – | 80 | 101 | – | 101 |
| Equity and debt instruments at FVPL | 6,393 | 3,032 | 9,425 | 4,401 | 2,387 | 6,788 |
| Debt instruments at FVOCI | 1,814 | 6,714 | 8,528 | 1,927 | 6,918 | 8,845 |
| Debt instruments at amortised cost | 254 | 782 | 1,036 | 231 | 756 | 987 |
| Foreign currency swaps | 344 | 296 | 640 | 304 | 276 | 580 |
| **Financial liabilities** | **956** | **1,951** | **2,907** | **655** | **2,048** | **2,703** |
| Other payables | 210 | – | 210 | 120 | – | 120 |
| Interest-bearing loans and borrowings | 200 | 1,440 | 1,640 | – | 1,567 | 1,567 |
| Lease liabilities | 42 | 260 | 302 | 43 | 241 | 284 |
| Foreign currency swaps | 504 | 251 | 755 | 492 | 240 | 732 |
| **Insurance contract assets** | **437** | **406** | **843** | **744** | **713** | **1,457** |
| Insurance issued | 22 | 13 | 35 | 24 | 25 | 49 |
| Reinsurance held | 415 | 393 | 808 | 720 | 688 | 1,408 |
| **Insurance contract liabilities** | **(8,982)** | **(5,082)** | **(14,064)** | **(8,407)** | **(5,678)** | **(14,085)** |
| Insurance issued | (8,982) | (5,082) | (14,064) | (8,407) | (5,678) | (14,085) |
| Reinsurance held | – | – | – | – | – | – |

### 4.2.2 Market risk

**Commentary on IFRS accounting standards**

The sensitivity analysis in IFRS 17 requires each type of market risk to be disclosed in a way that explains the relationship between the sensitivities to changes in risk variables arising from insurance contracts and those arising from financial assets held by an entity.

*IFRS 17.128(a)(ii)*

IFRS 17 allows entities that use alternative methods to manage the sensitivity to risks arising from contracts within the scope of IFRS 17 to disclose such alternative sensitivities. Further narrative information is also required to explain the method used to prepare such sensitivity, the main parameters, assumptions, objective and any limitations. The use of alternative methods could result in inconsistencies between asset and liability information presented and reduce the usefulness of disclosure for users.

*IFRS 17.129*

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk).

The Group's market risk policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Group's contractual requirements.

*IFRS 17.124(c)*
*IFRS 7.33(c)*

The nature of the Group's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

## 4. Financial risk and capital management *continued*

## 4.2 Financial risk *continued*

### 4.2.2.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

*IFRS 17.124(a),(b)*
*IFRS 7.33-34*

The Group's principal transactions are carried out in euros and its exposure to foreign exchange risk arises primarily with respect to the US dollar and there is also some (albeit limited) exposure to the Canadian dollar. The Group's financial assets are primarily denominated in the same currencies as its insurance contract liabilities.

*IFRS 17.128(a)(ii)*

The Group mitigates some of the foreign currency risk by holding foreign currency swaps used for economic hedging purposes, and, to hedge the foreign currency risk relating to the US subsidiary, by making use of a USD denominated loan that is designated as a hedge of net investment in foreign operation.

The table below summarises the Group's financial assets and insurance contract assets and liabilities by major currencies:

*IFRS 17.125(a),*
*IFRS 17.127*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Euro €000 | US dollar €000 | Total €000 | Euro €000 | US dollar €000 | Total €000 |
| **Financial assets** | **21,167** | **738** | **21,905** | **17,834** | **1,254** | **19,088** |
| Cash and short-term deposits | 1,985 | 45 | 2,030 | 1,965 | 23 | 1,988 |
| Other assets | 80 | – | 80 | 101 | – | 101 |
| Equity and debt instruments at FVPL | 9,425 | – | 9,425 | 6,788 | – | 6,788 |
| Debt instruments at FVOCI | 7,835 | 693 | 8,528 | 7,614 | 1,231 | 8,845 |
| Debt instruments at amortised cost | 1,036 | – | 1,036 | 987 | – | 987 |
| Foreign currency swap | 640 | – | 640 | 580 | – | 580 |
| **Financial liabilities** | **2,379** | **318** | **2,679** | **2,263** | **320** | **2,583** |
| Other payables | 210 | – | 210 | 120 | – | 120 |
| Interest-bearing loans and borrowings | 1,322 | 318 | 1,640 | 1,247 | 320 | 1,567 |
| Lease liabilities | 302 | – | 302 | 284 | – | 284 |
| Foreign currency swaps | 755 | – | 755 | 732 | – | 732 |
| **Insurance contract assets** | **235** | **608** | **843** | **494** | **963** | **1,457** |
| Personal accident insurance | – | – | – | – | – | – |
| Marine insurance | 33 | 2 | 35 | 47 | 2 | 49 |
| Property insurance | – | – | – | – | – | – |
| Liability reinsurance | – | – | – | – | – | – |
| Reinsurance held | 202 | 606 | 808 | 447 | 961 | 1,408 |
| **Insurance contract liabilities** | **(13,779)** | **(781)** | **(14,560)** | **(12,877)** | **(1,208)** | **(14,085)** |
| Personal accident insurance | (6,278) | – | (6,278) | (6,820) | – | (6,820) |
| Marine insurance | (3,224) | (781) | (4,005) | (2,622) | (1,208) | (3,830) |
| Property insurance | (3,244) | – | (3,244) | (2,379) | – | (2,379) |
| Liability reinsurance | (1,033) | – | (1,033) | (1,056) | – | (1,056) |
| Reinsurance held | – | – | – | – | – | – |

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

*IFRS 17.128(b)*

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency-sensitive monetary assets and liabilities, including those relating to insurance and reinsurance contracts. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The method used for deriving sensitivity information and significant variables did not change from the previous period.

*IFRS 17.128(c)*

*IFRS 17.128(b)*

| | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | Change in exchange rate | Impact on profit before tax | Impact on equity | Impact on profit before tax | Impact on equity |
| | €000 | €000 | €000 | €000 | €000 |
| **Euro/US dollar exchange rate** | | | | | |
| Insurance and reinsurance contracts | + 10% | (16) | (17) | (25) | (26) |
| Financial liabilities | +10% | (9) | (12) | (13) | (17) |
| Financial assets | +10% | 106 | 83 | 149 | 119 |
| Insurance and reinsurance contracts | - 10% | 16 | 17 | 25 | 26 |
| Financial liabilities | -10% | 9 | 12 | 13 | 17 |
| Financial assets | -10% | (106) | (83) | (149) | (119) |

We have not performed a similar analysis for the euro/ Canadian dollar exchange rate as this is limited and not considered a material part of the Group's operations.

#### 4.2.2.2 Interest rate risk

*IFRS 17.124(a),(b)*
*IFRS 7.33(a)*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest rate risk.

There is no direct contractual relationship between financial assets and insurance contracts. However, the Group's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest bearing financial assets.

*IFRS 17.127*
*IFRS 7.34(c)*

The Group has no significant concentration of interest rate risk.

The Group is exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred. The Group's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

*IFRS 17.125(a)*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| **Insurance contract assets** | **340** | **442** |
| Personal accident insurance | – | – |
| Marine insurance | – | – |
| Property insurance | – | – |
| Liability reinsurance | – | – |
| Reinsurance held | 340 | 442 |
| **Insurance contract liabilities** | **(4,142)** | **(3,437)** |
| Personal accident insurance | (869) | (858) |
| Marine insurance | (2,780) | (2,099) |
| Property insurance | – | – |
| Liability reinsurance | (493) | (480) |
| Reinsurance held | – | – |
| **Debt instruments at FVOCI** | **7,835** | **7,614** |
| **Debt instruments at amortised cost** | **1,036** | **987** |

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

**Commentary on IFRS accounting standards**

In respect of insurance or reinsurance contract assets or liabilities for remaining coverage of groups of insurance contracts to which the PAA is applied:

- If at initial recognition, an entity expects that the time between providing each part of the services and the related premium due date is no more than a year apart, then the time value of money is not required to be taken into account

Or

- If this is not the case, then the liability or asset is calculated using a discount rate determined at initial recognition and, as such, the balance is not sensitive to movements in interest rates.

In respect of insurance or reinsurance contract assets or liabilities for incurred claims to which the PAA is applied:

- If cash flows are expected to be paid or received in one year or less from the date the claims are incurred, then the time value of money is not required to be taken into account

Or

- If this is not the case, then the liability or asset would be adjusted using a discount rate updated at each reporting period, therefore, resulting in the balance being sensitive to interest rate movements.

*IFRS 17.128(b)*
*IFRS 7.40(a),(b),(c)*

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

*IFRS 17.128(c)*

| | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | Change in Interest rate | Impact on profit before tax | Impact on equity | Impact on profit before tax | Impact on equity |
| | €000 | €000 | €000 | €000 | €000 |
| Insurance and reinsurance contracts | +100 bps | 34 | 54 | 31 | 51 |
| Debt instruments | +100 bps | (415) | (314) | (367) | (321) |
| Insurance and reinsurance contracts | - 100 bps | (35) | (56) | (33) | (55) |
| Debt instruments | - 100 bps | 441 | 332 | 384 | 338 |

#### 4.2.2.3 Price risk

*IFRS 17.128(a)(ii)*
*IFRS 17.124(a)*
*IFRS 7.33(a)*

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market.

*IFRS 7.33(b)*
*IFRS 17.124(a)*

The Group's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Group does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

*IFRS 7.33(b)*

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments.

*IFRS 7.34(c)*
*IFRS 17.127*

The Group has no significant concentration of price risk.

At the reporting date, the Group's exposure to price risk is through equity securities held at fair value listed on the Euroland Stock Exchange (ELSE) was €507,000 (2024: €395,000). Given that the changes in fair values of the equity securities held are strongly positively correlated with changes of the ELSE 100 market index, the Group has determined that an increase/(decrease) of 10% on the index could have an impact of approximately €50,700 (2024: € 39,500) increase/(decrease) on the profit before tax and approximately €38,500 (2024: €30,000) increase/decrease on equity.

*IFRS 7.40(a),(b),(c)*

This analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

## 4. Financial risk and capital management *continued*

## 4.2 Financial risk *continued*

### 4.2.3 Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

*IFRS 17.124(a)(b)*

**Commentary on IFRS accounting standards**

IFRS 7 and IFRS 17 do not specifically require disclosure of operational risk because it is not necessarily related to financial instruments or the amount, timing and uncertainty of future cash flows that arise from insurance and reinsurance contracts. The above narrative on operational risk is included for illustrative purposes only and does not cover all the possible operational risks for an insurer.

### 4.2.4 Credit risk

**Commentary on IFRS accounting standards**

The specific credit risk disclosures required by IFRS 17 along with disclosures relevant to the impairment accounting under IFRS 9 for instruments held by the Group as required by IFRS 7 are illustrated below.

*IFRS 17.121-126*
*IFRS 17.131*
*IFRS 7.35A-N*

In respect of the financial assets held by the Group, the following disclosures are considered appropriate given the non-complex lower risk financial assets held. Entities will need to ensure that their disclosures are specific to their individual circumstances and address the credit risk nature and terms of all relevant financial assets and liabilities held.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily financial instruments, insurance contracts issued in an asset position and reinsurance contracts held in an asset position.

*IFRS 7.33(a),(b)*

The following policies and procedures are in place to mitigate the Group's exposure to credit risk.

*IFRS 17.124(a),(b)*

The Group's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the Group's credit risk policy is monitored and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for relevance and for changes in the risk environment.

Credit risk relating to financial instruments is monitored by the Group's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Group's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the credit risk policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

Reinsurance is placed with counterparties that have at least a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy.

The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in the policy document.

The nature of the Group's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

*IFRS 17.124(c)*
*IFRS 7.33(b)*

## 4. Financial risk and capital management *continued*

## 4.2 Financial risk *continued*

### 4.2.4.1 The Group's internal rating process

The Group's investment team prepares internal ratings for instruments held in which its counterparties are rated using internal grades (high grade, standard grade, sub-standard grade, past due but not impaired and individually impaired). The ratings are determined incorporating both qualitative and quantitative information that builds on information from Euroland Credit Agency, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour. These information sources are first used to determine whether an instrument has had a significant increase in credit risk.

The Group's internal credit rating grades:

| Internal rating grade | Internal rating description | Euroland Credit Agency's rating (when applicable) |
|---|---|---|
| 1-2 | High grade | Very good + |
| 3 | High grade | Very good |
| 4 | High grade | Very good - |
| 5-6 | Standard grade | Good + |
| 7-8 | Standard grade | Good |
| 9-10 | Standard grade | Good - |
| 11 | Standard grade | Average + |
| 12 | Standard grade | Average |
| 13 | Sub-standard grade | Average - |
| 14 | Sub-standard grade | Bad + |
| 15 | Past due but not impaired | Bad |
| 16 | Past due but not impaired | Bad - |
| 17 | Individually impaired | Very bad |

The above provides information regarding the credit risk exposure of the Group by classifying Very good+ as the highest possible rating (High grade). Assets that fall outside the range of Very good+ to Good are classified as non-investment grade.

### 4.2.4.2 Credit exposure

The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Group manages the risk. The Group manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

**Industry analysis**

*IFRS 7.34(a)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Financial services €000 | Government €000 | Retail and wholesale €000 | Construction and materials €000 | Manufacturing and petroleum €000 | Total €000 |
| Cash and short-term deposits | 2,030 | – | – | – | – | 2,030 |
| Debt instruments at FVPL | 2,992 | 5,103 | 710 | 333 | 287 | 9,425 |
| Debt instruments at FVOCI | 2,486 | 4,570 | 558 | 551 | 362 | 8,528 |
| Debt instruments at amortised cost | – | 1,036 | – | – | – | 1,036 |
| Reinsurance contract assets | 808 | – | – | – | – | 808 |
| **Total credit risk exposure** | **8,562** | **10,709** | **1,268** | **884** | **649** | **22,073** |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Financial services €000 | Government €000 | Retail and wholesale €000 | Construction and materials €000 | Manufacturing and petroleum €00 | Total €000 |
| Cash and short-term deposits | 1,988 | – | – | – | – | 1,988 |
| Debt instruments at FVPL | 2,560 | 3,911 | 232 | 86 | – | 6,788 |
| Debt instruments at FVOCI | 2,580 | 4,740 | 603 | 583 | 338 | 8,845 |
| Debt instruments at amortised cost | – | 987 | – | – | – | 987 |
| Reinsurance contract assets | 1,408 | – | – | – | – | 1,408 |
| **Total credit risk exposure** | **8,436** | **9,638** | **835** | **669** | **338** | **19,916** |

## 4. Financial risk and capital management *continued*

## 4.2 Financial risk *continued*

### Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's internal ratings based on the credit ratings of counterparties:

*IFRS 17.131(a)*
*IFRS 17.131(b)*
*IFRS 17.125(a)*
*IFRS 7.35M*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | **High grade €000** | **Standard grade €000** | **Past due but not impaired €000** | **Not rated €000** | **Total €000** |
| Cash and short-term deposits | 2,030 | – | – | – | 2,030 |
| Debt instruments at FVPL | 9,000 | 425 | – | – | 9,425 |
| Debt instruments at FVOCI | 7,112 | 1,416 | – | – | 8,528 |
| Debt instruments at amortised cost | 1,036 | – | – | – | 1,036 |
| Reinsurance contract assets | 796 | 12 | – | – | 808 |
| **Total credit risk exposure** | **20,220** | **1,853** | **–** | **–** | **22,073** |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | **High grade €000** | **Standard grade €000** | **Past due but not impaired €000** | **Not rated €000** | **Total €000** |
| Cash and short-term deposits | 1,988 | – | – | – | 1,988 |
| Debt instruments at FVPL | 6,500 | 288 | – | – | 6,788 |
| Debt instruments at FVOCI | 7,390 | 1,455 | – | – | 8,845 |
| Debt instruments at amortised cost | 987 | – | – | – | 987 |
| Reinsurance contract assets | 1,390 | 18 | – | – | 1,408 |
| **Total credit risk exposure** | **18,155** | **1,761** | **–** | **–** | **19,916** |

The Group's maximum exposure to credit risk from insurance contract assets issued is €8,150 (2024: €7,850)

The Group actively manages its product mix to ensure that there is no significant concentration of credit risk.

*IFRS 17.127*

#### 4.2.4.3 Impairment assessment

The Group's ECL assessment and measurement method is set out below.

##### 4.2.4.3.1 Significant increase in credit risk, default and cure

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

*IFRS 7.35F(f)*
*IFRS 9.5.5.9*

The Group considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Group also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

*IFRS 7.35(b),(d)*
*IFRS 7.B8A*
*IFRS 7.35G(a)(iii)*

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

*IFRS 7 Appendix A*
*IFRS 9.B5.5.36,37*

*IFRS 7.B8A(c)*

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

The Group considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Group may also consider an instrument to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Group's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

#### 4.2.4.3.2 Expected credit loss

The Group assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%.

Where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

#### 4.2.4.4 Impairment losses on financial investments subject to impairment assessment

**Debt instruments measured at FVOCI**

The table below shows the fair value of the Group's debt instruments measured at FVOCI by credit risk, based on its internal credit rating system. Details of the Group's internal grading system are explained in Note 4.2.4.1:

*IFRS 7.35M*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| **Internal rating grade** | **12mECL** | **LTECL** | **Total** | **12mECL** | **LTECL** | **Total** |
| | **€000** | **€000** | **€000** | **€000** | **€000** | **€000** |
| **Performing** | | | | | | |
| High grade | 7,112 | – | 7,112 | 7,390 | – | 7,390 |
| Standard grade | 950 | 466 | 1,416 | 861 | 594 | 1,455 |
| Past due but not impaired | – | – | – | – | – | – |
| **Total Net Amount** | **8,062** | **466** | **8,528** | **8,251** | **594** | **8,845** |

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | 12mECL €000 | LTECL €000 | Total €000 | 12mECL €000 | LTECL €000 | Total €000 |
| **Fair value as at 1 January** | **8,251** | **594** | **8,845** | **7,142** | **543** | **7,685** |
| New assets originated or purchased | 815 | – | 815 | 600 | – | 600 |
| Assets derecognised or matured | (1,886) | (156) | (2,042) | – | – | – |
| Accrued interest capitalised | 690 | 42 | 732 | 548 | 47 | 595 |
| Change in fair value | 160 | 18 | 178 | (31) | (4) | (35) |
| Movement between 12mECL and LTECL | – | – | – | – | – | – |
| **At 31 December** | **8,061** | **467** | **8,528** | **8,251** | **594** | **8,845** |

*IFRS 7.35H(a)-(c)*
*IFRS 7.42P*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | 12mECL €000 | LTECL €000 | Total €000 | 12mECL €000 | LTECL €000 | Total €000 |
| **ECL as at 1 January** | **18** | **43** | **61** | **17** | **42** | **59** |
| New assets originated or purchased | 4 | – | 4 | 1 | – | 1 |
| Assets derecognised or matured (excluding write-offs) | (2) | (2) | (4) | – | – | – |
| Unwind of discount | – | 1 | 1 | – | 1 | 1 |
| Net foreign exchange expense/(income) | – | – | – | – | – | – |
| Movement between 12mECL and LTECL | – | – | – | – | – | – |
| **At 31 December** | **20** | **42** | **62** | **18** | **43** | **61** |

**Commentary on IFRS accounting standards**

For debt instruments measured at FVOCI, the allowance for ECL does not reduce the carrying amount in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost, is recognised in other comprehensive income.

IFRS 7 Illustrative Guidance provides a reconciliation in a tabular format to help address the requirements of IFRS 7 to provide an explanation of how significant changes in gross balances have contributed to changes in allowance for ECL.

*IFRS 7.IG20B*
*IFRS 7.35I*

The Group has elected to provide a similar table for debt instruments measured at FVOCI.

#### Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 4.2.4.1.

*IFRS 7.35I(a)-(d)*

*IFRS 7.35M*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| **Internal rating grade** | 12mECL €000 | LTECL €000 | Total €000 | 12mECL €000 | LTECL €000 | Total €000 |
| **Performing** | | | | | | |
| High grade | 1,038 | – | 1,038 | 989 | – | 989 |
| Standard grade | – | – | - | – | – | – |
| Past due but not impaired | – | – | – | – | – | – |
| **Total Gross Amount** | **1,038** | **–** | **1,038** | **989** | **–** | **989** |
| ECL | (2) | – | (2) | (2) | – | (2) |
| **Total Net Amount** | **1,036** | **–** | **1,036** | **987** | **–** | **987** |

## 4. Financial risk and capital management *continued*

### 4.2 Financial risk *continued*

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | 12mECL €000 | LTECL €000 | Total €000 | 12mECL €000 | LTECL €000 | Total €000 |
| **Gross amount as at 1 January** | **989** | **–** | **989** | **940** | **–** | **940** |
| New assets originated or purchased | – | – | – | – | – | – |
| Assets derecognised or matured (excluding write-offs) | – | – | – | – | – | – |
| Accrued interest capitalised | 49 | – | 49 | 49 | – | 49 |
| Movement between 12mECL and LTECL | – | – | – | – | – | – |
| **At 31 December** | **1,038** | **–** | **1,038** | **989** | **–** | **989** |

*IFRS 7.35H(a)-(c)*
*IFRS 7.42P*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | 12mECL €000 | LTECL €000 | Total €000 | 12mECL €000 | LTECL €000 | Total €000 |
| **ECL as at 1 January** | **2** | **–** | **2** | **2** | **–** | **2** |
| New assets originated or purchased | – | – | – | – | – | – |
| Assets derecognised or matured (excluding write-offs) | – | – | – | – | – | – |
| Unwind of discount | – | – | – | – | – | – |
| Movement between 12mECL and LTECL | – | – | – | – | – | – |
| **At 31 December** | **2** | **–** | **2** | **2** | **–** | **2** |

**Commentary on IFRS accounting standards**

In respect of the requirements of IFRS 7, these illustrative disclosures assume the following:

- There were no modifications of contractual cash flows on financial assets. *IFRS 7.35J*
- There was no collateral held or other credit enhancements related to the debt instruments held by the Group. *IFRS 7.35K*
- There were no debt instruments written off by the Group in the periods disclosed. *IFRS 7,35L*

### 4.3 Capital management

**Capital management objectives, policies and approach**

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position: *IAS 1.135(a)*

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders *IAS 1.135(a)*
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group is also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise. *IAS 1.135(a)* *IAS 1.135(d)*

### 4. Financial risk and capital management *continued*

### 4.3 Capital management *continued*

The Group has met all of these requirements throughout the financial year.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Euroland Financial Services Authority (EFSA). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. *IFRS 17.126*

The Group's capital management policy is to hold sufficient capital to cover the statutory requirements based on the EFSA directives, including any additional amounts required by the regulator.

In determining groups of contracts, the Group has elected to include in the same group contracts where the Group's ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation. *IFRS 17.126*

**Approach to capital management**

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders. *IAS 1.135(a)(iii)*

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The primary source of capital used by the Group is total equity. The Group also uses, where it is efficient to do so, sources of capital such as reinsurance, in addition to more traditional sources of funding. *IAS 1.135(b)*

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Group has developed an Individual Capital Assessment (ICA) framework to identify the risks and quantify their impact on the economic capital. The ICA estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The ICA has also been considered in assessing the capital requirements.

The Group has made no significant changes from previous years to its policies and processes for its capital structure. *IAS 1.135(c)*

**Commentary on IFRS accounting standards**

Entities are required to make qualitative and quantitative disclosures regarding their objectives, policies and processes for managing capital. If an entity has not complied with its externally imposed capital requirements, the consequence of such non-compliance must be disclosed. *IAS 1.134 IAS 1.135(e)*

IFRS 17 also requires entities to disclose the effect of the regulatory frameworks in which it operates, for example, minimum capital requirements or required interest-rate guarantees, which are similar to requirements under IAS 1. Entities should disclose information based on the requirements of their regulatory framework. *IFRS 17.126*

Available capital resources:

| | 2025 | 2024 |
|---|---|---|
| | €000 | €000 |
| Total equity | 6,531 | 4,947 |
| Adjustments onto a regulatory basis | (1,121) | (1,418) |
| **Available capital resources** | **5,410** | **3,529** |
| **Required capital amount** | **1,136** | **1,144** |

The adjustments onto a regulatory basis represent represents assets inadmissible for regulatory reporting purposes and other required regulatory liability adjustments.

# Notes to the consolidated financial statements

## 5. Segment information

For management purposes, the Group is organised into business units based on its insurance product lines and non-insurance (group functions) and has five reportable segments, as follows:

*IAS 1.138(b)*
*IFRS 8.22(a)*
*IFRS 8.22(b)*

- **Personal accident insurance** - This segment comprises personal accident products that provide compensation following an accident.
- **Marine insurance -** This segment comprises marine products that provide compensation for loss or damage to ships and/ or related cargo.
- **Property insurance** - This segment comprises products that provide compensation for loss or damage to structures and contents arising from fire, theft, floor and weather damage.
- **Liability reinsurance** - This segment comprises products that provide compensation to insurers with payments in the events of claims made by their policyholders for losses arising from injuries and damage to people and/ or property.
- **Group functions** - this segment comprises all the non-insurance related activities within the Group.

No operating segments have been aggregated to form the above reportable operating segments.

### Commentary on IFRS accounting standards

*IFRS 8.22(a)*

Entities are required to disclose factors used to identify the entity's reportable segments, including the basis of organisation, as well as factors considered in determining aggregation of operating segments. Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. For example, similar long-term average gross margins for two operating segments would be expected if their economic characteristics were similar. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

(a) The nature of the products and services

(b) The nature of the production processes

(c) The type or class of customer for their products and services

(d) The methods used to distribute their products or provide their services

(e) If applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities

This analysis requires significant judgement as to the circumstances of the entity. The Group does not have any operating segments that are aggregated, but, if it had, disclosures about the basis for aggregation must be made.

*IFRS 8.27(b)*

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's cash and short-term deposits, investment property, interest-bearing loans and borrowings, derivatives for economic hedging purposes (including finance costs) and income taxes are managed on a Group basis and are not allocated to the insurance segments but rather only in the group functions segment.

## 5. Segment information *continued*

**Profit or loss for each category for the year ended:**

| Year ended 31 December 2025 | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Group functions €000 | Consolidated €000 | |
|---|---|---|---|---|---|---|---|
| Profit or loss | | | | | | | |
| Insurance revenue | 1,555 | 3,012 | 5,245 | 1,017 | – | 10,829 | *IFRS 8.23(a)* |
| Insurance service expense | (1,115) | (2,524) | (4,591) | (1,191) | – | (9,421) | |
| **Insurance service result before reinsurance** | **440** | **488** | **654** | **(174)** | **–** | **1,408** | |
| **Net expense from reinsurance contracts held** | **–** | **(8)** | **–** | **–** | **–** | **(8)** | |
| Interest revenue | 482 | - | - | - | 100 | 582 | |
| Other investment income | 2 | 307 | 308 | 108 | 74 | 799 | |
| **Investment income** | **484** | **307** | **308** | **108** | **174** | **1381** | |
| Insurance finance expenses for insurance contracts issued | (162) | (84) | – | (19) | – | (265) | |
| Reinsurance finance income for reinsurance contracts held | – | 36 | – | – | – | 36 | |
| **Insurance finance result** | **(162)** | **(48)** | **–** | **(19)** | **–** | **(229)** | |
| Finance costs (Interest expense) | 2 | 5 | 8 | 2 | (132) | (149) | |
| **Net financial result** | **–** | **–** | **–** | **–** | **(149)** | **(149)** | |
| Share of profit of associate | – | – | 73 | – | – | 73 | |
| Operating expenses | (11) | (21) | (36) | (7) | (220) | (295) | |
| **Segment profit before tax** | **597** | **420** | **490** | **(193)** | **(262)** | **1052** | |
| **Income Tax** | (79) | (152) | (264) | 17 | 23 | (455) | *IFRS 8.23(g)* |
| **Other disclosures:** | | | | | | | |
| Depreciation & amortisation | (12) | (24) | (41) | (8) | (21) | (106) | *IFRS 8.23* |
| Capital expenditure | – | (1) | (2) | – | (171) | (174) | |

## 5. Segment information *continued*

| Year ended 31 December 2024 | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Group functions €000 | Consolidated €000 | |
|---|---|---|---|---|---|---|---|
| | | | | | | | *IFRS 8.23(a)* |
| **Profit or loss** | | | | | | | |
| Insurance revenue | 1,583 | 2,800 | 5,182 | 1,162 | – | 10,727 | |
| Insurance service expense | (1,121) | (2,531) | (4,626) | (1,363) | – | (9,641) | |
| **Insurance service result before reinsurance** | **462** | **269** | **556** | **(201)** | **–** | **1,084** | |
| **Net expense from reinsurance contracts held** | **–** | **(32)** | **–** | **–** | **–** | **(32)** | |
| Interest revenue | 489 | - | - | - | 46 | 535 | |
| Other investment income | (1) | 143 | 165 | 73 | 97 | 477 | |
| **Investment income** | **488** | **143** | **165** | **73** | **143** | **1,012** | |
| Insurance finance expenses for insurance contracts issued | (184) | (36) | – | **(17)** | – | (237) | |
| Reinsurance finance income for reinsurance contracts held | – | 9 | – | **–** | – | 9 | |
| **Insurance finance result** | **(184)** | **(27)** | **–** | **(17)** | **–** | **(228)** | |
| Finance costs (Interest expense) | 3 | 5 | 9 | **2** | (122) | (140) | |
| **Net financial result** | **3** | **5** | **9** | **2** | **(122)** | **(140)** | |
| | | | | | | | *IFRS 8.23(g)* |
| Share of profit of associate | – | – | 81 | **–** | – | 81 | |
| Operating expenses | (9) | (17) | (31) | **(7)** | (195) | (259) | |
| **Segment profit before tax** | **616** | **88** | **311** | **(150)** | **(174)** | **691** | |
| | | | | | | | *IFRS 8.23* |
| **Income Tax** | (93) | (165) | (304) | **31** | 36 | (495) | |
| **Other disclosures:** | | | | | | | |
| Depreciation & amortisation | (12) | (21) | (40) | **(9)** | (21) | (103) | |
| Capital expenditure | – | – | (2) | **–** | (169) | (171) | |

### Assets and liabilities for each segment

| Year ended 31 December 2025 | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Group functions €000 | Consolidated €000 |
|---|---|---|---|---|---|---|
| Total assets | 8,197 | 5,280 | 4,368 | 1,905 | 5,541 | 25,298 |
| Total liabilities | 6,324 | 4,094 | 3,640 | 1,063 | 3,656 | 18,777 |

| Year ended 31 December 2024 | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Group functions €000 | Consolidated €000 |
|---|---|---|---|---|---|---|
| Total assets | 8,909 | 4,836 | 2,938 | 1,794 | 4,802 | 23,278 |
| Total liabilities | 6,871 | 3,922 | 2,548 | 1,093 | 3,769 | 18,331 |

## 5. Segment information *continued*

### Commentary on IFRS accounting standards

In July 2024, an agenda decision regarding IFRS 8 published by IFRS IC noted that additional disclosure may be required if the Chief Operating Decision Maker (CODM), which is the Executive Management Committee in the case of the Group, regularly reviews certain other items recorded in the statement of profit or loss, i.e., depreciation and amortisation, even if they are not included in the measure of segment profit or loss. The CODM is required to disclose the specified amounts for each reportable segment when they are included in the measure reviewed by CODM even if they are not separately reviewed by it. *IFRS 8.23*

For illustrative purposes, the Group discloses the specifically required information as per IFRS 8.23, although it may be that one or more of those disclosures are immaterial. Aside from specified disclosures, IFRS 8.23(f) requires the disclosure of material items of segment income and expense. This requirement applies to all material items of income or expense in accordance with IAS 1 but is not limited to 'unusual' or 'non-recurring' items. The Group assesses whether the segment amount for an item of income or expense is material in its specific circumstances by considering qualitative and quantitative factors. In particular, the Group considered selling and distribution expenses and administrative expenses to be material, based on all relevant facts and circumstances. Materiality is assessed in the context of the Group's financial statements as a whole and requires the use of judgement. *IAS 1.97* *IAS 1.98*

| **Geographic information** | **2025** | **2024** | *IFRS 8.33(a)* |
|---|---|---|---|
| | **€000** | **€000** | |
| **Insurance revenue** | | | |
| Euroland | 7,817 | 7,927 | |
| United States | 3,012 | 2,800 | |
| **Total** | **10,829** | **10,727** | |

The revenue information above is based on the locations of the insurance underwritten.

| | **2025** | **2024** | *IFRS 8.33(b)* |
|---|---|---|---|
| | **€000** | **€000** | |
| **Non-current assets** | | | |
| Euroland | 2,114 | 1,879 | |
| United States | 602 | 653 | |
| **Total** | **2,716** | **2,532** | |

Non-current assets for this purpose consist of investment in associates, property and equipment, right-of-use assets, investment properties and intangible assets and goodwill.

### Commentary on IFRS accounting standards

Disclosure of operating segment assets and liabilities is only required when such measures are provided to the CODM. The Group provides information about assets and liabilities to the CODM.

The Group's internal reporting is set up to report in accordance with IFRS accounting standards. The segment disclosures could be significantly more extensive if internal reports had been prepared on a basis other than IFRS accounting standards (e.g., national GAAP or tax basis). In this case, a reconciliation between the internally reported items and the externally communicated items needs to be presented.

## 6. Group information

### Subsidiaries

*IAS 24.13*
*IFRS 12.10(a)*
*IFRS 12.12(a)*
*IFRS 12.12(b)*

The consolidated financial statements of the Group include:

| Name | Principal activities | Country of incorporation | % equity interest 2025 | % equity interest 2024 | |
|---|---|---|---|---|---|
| Marine Insurance Limited | Marine insurance | United States | 100 | 100 | |
| Euroland Reinsurance Limited | Reinsurance Entity | Euroland | 80 | 80 | *IFRS 12.9* |
| Euroland Contents Insurance Limited* | Liability & Contents Insurance | Euroland | 100 | - | |

*Euroland Contents Insurance Limited was acquired during the current year and is included under the property reporting segment. For further detail regarding this acquisition, refer to Note 7.

*The holding company*

The immediate and ultimate holding company of Good General Insurance (International) Limited is Euroland Insurance Limited which owns 58.22% (2024: 57.55%) of its ordinary shares is based and listed in Euroland.

*IAS 1.138(c)*
*IAS 24.13*

### Associate

The Group has a 25% interest in Euroland Commercial Insurance Limited (2024: 25%). For more details, refer to Note 8.

**Commentary on IFRS accounting standards**

Entities are required to disclose information about the composition of the group. The list above discloses information about the Group's subsidiaries. Entities need to note that this disclosure is required for material subsidiaries only, rather than a full list of all subsidiaries. The above illustrates one example as to how the requirements set out in IFRS 12 can be met. However, local legislation or listing requirements may require disclosure of a full list of all subsidiaries, whether material or not.

*IFRS 12.10(a)*

## 6.1 Partly owned subsidiaries

*IFRS 12.10(ii)*
*IFRS 12.12*

Financial information of subsidiaries that have material non-controlling interests is provided below:

**Proportion of equity interest held by non-controlling interests:**

| Name | Country of incorporation and operation | 2025 | 2024 |
|---|---|---|---|
| Euroland Reinsurance Limited | Euroland | 80% | 80% |

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| **Accumulated balances of material non-controlling interest:** | | | *IFRS 12.12(f)* |
| Euroland Reinsurance Limited | 124 | 139 | |
| **Profit allocated to material non-controlling interest:** | | | |
| Euroland Reinsurance Limited | (15) | (24) | |

## 6. Group information *continued*

### 6.1 Partly owned subsidiaries *continued*

The summarised financial information of Euroland Reinsurance Limited is provided below. This information is based on amounts before inter-company eliminations.

*IFRS 12.B11*
*IFRS 12.12(g)*
*IFRS 12.B10*

| **Summarised statement of comprehensive income for years ended 31 December** | **2025** | **2024** |
|---|---|---|
| | **€000** | **€000** |
| Insurance revenue | 1,017 | 1,162 |
| Insurance service expenses | (1,191) | (1,363) |
| **Insurance service result** | **(174)** | **(201)** |
| Investment result | 108 | 73 |
| Insurance finance expense | (19) | (17) |
| Operating expense | (7) | (7) |
| **Loss before tax** | **(92)** | **(152)** |
| Income tax | 17 | 31 |
| **Profit for the year** | **(75)** | **(121)** |
| **Total comprehensive income** | **(75)** | **(121)** |
| Attributable to non-controlling interests | (15) | (24) |
| Dividends paid to non-controlling interests | - | - |

| **Summarised statement of financial position as at 31 December:** | **2025** | **2024** |
|---|---|---|
| | **€000** | **€000** |
| Cash and short-term deposits | 282 | 301 |
| Debt instruments at fair value through profit or loss | 1,338 | 1,397 |
| Property, equipment and right-of-use assets | 36 | 45 |
| Insurance contract liabilities | (998) | (1007) |
| Defined benefit obligation | (16) | (18) |
| Lease liabilities | (23) | **(23)** |
| **Total equity** | **620** | **695** |
| | | |
| Attributable to: | | |
| Equity holders of parent | 496 | 556 |
| Non-controlling interest | 124 | 139 |

c)

| **Summarised cash flow information for years ended 31 December:** | **2025** | **2024** |
|---|---|---|
| | **€000** | **€000** |
| Operating | 20 | 82 |
| Investing | (40) | (95) |
| Financing | 1 | 4 |
| **Net decrease in cash and cash equivalents** | **(19)** | **(9)** |

## 6. Group information *continued*

### 6.1 Partly owned subsidiaries *continued*

**Commentary on IFRS accounting standards**

The above information is required only in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e., the Group). A subsidiary may have significant non-controlling interest *per se*, but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually. In addition, it should be noted that the above information should be provided separately for each individual subsidiary with a material non-controlling interest. For illustrative purposes, the Group has concluded that Euroland Reinsurance Limited is a subsidiary with non-controlling interests that are material to the Group. *IFRS 12.12*

When there is a change in the ownership of a subsidiary, an entity is required to disclose of a schedule that shows the effects on equity of any changes in its ownership interest in the subsidiary that did not result in a loss of control. *IFRS 12.18*

When there are significant restrictions on the Group's or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group, an entity is required to disclose the nature and extent of those significant restrictions. The Group did not have any such restrictions. *IFRS 12.13*

Lastly, an entity is required to disclose information to enable the users to evaluate the consequences of losing control of a subsidiary during the period. The Group did not lose control over a subsidiary during the period. *IFRS 12.10(b)(iv)*

### 6.2 Interests in unconsolidated structured entities

The Group holds several structured notes, which represent an interest in unconsolidated structured entities originated by third parties. These entities are securitisation vehicles which invest in a range of assets to provide investors with a variety of investment opportunities through managed investment strategies. The structured entities generally finance the purchase of assets by issuing debt and equity securities that are collateralised by and/or indexed to the assets held by the structured entities. The Group holds interests in these entities through the receipt of principal and interest. *IFRS 12.24 IFRS 12.26-27*

The Group did not originate any securitisation vehicles.

The following table summarises the Group's maximum exposure to loss from its involvement with these structured entities and the carrying amounts recognised in the consolidated statement of financial position of the Group's interest in the structured entities, as of 31 December 2025 and 2024.

| **Maximum exposure to loss 31 December 2025** | | **Carrying amount Group's interest in the structured entities** | | |
|---|---|---|---|---|
| | **Structured notes** | **Assets** | **Liabilities** | **Total assets of structured entity** |
| | **€000** | **€000** | **€000** | **€000** |
| Collateralized debt obligations | 67 | 67 | – | 1,457 |
| Mortgage-backed securities | 83 | 83 | – | 2,073 |
| Asset-backed securities | 121 | 121 | – | 3,051 |
| Less amounts recorded as liabilities | – | – | – | – |
| **Total** | **270** | **270** | **–** | **6,580** |

*IFRS 12.29(a) IFRS 12.29(d)*

The structured notes are recorded in 'Investments' in the consolidated statement of financial position. *IFRS 12.29(b)*

| **Maximum exposure to loss 31 December 2024** | | **Carrying amount Group's interest in the structured entities** | | |
|---|---|---|---|---|
| | **Structured notes** | **Assets** | **Liabilities** | **Total assets of structured entity** |
| | **€000** | **€000** | **€000** | **€000** |
| Collateralized debt obligations | 64 | 64 | – | 1,403 |
| Mortgage-backed securities | 95 | 95 | – | 2,171 |
| Asset-backed securities | 126 | 126 | – | 3,089 |
| Less amounts recorded as liabilities | – | – | – | – |
| **Total** | **286** | **286** | **–** | **6,663** |

*IFRS 12.29(a) IFRS 12.29(d)*

The structured notes are recorded in 'Investments' in the consolidated statement of financial position. *IFRS 12.29(b)*

## 6. Group information *continued*

### 6.2 Interests in unconsolidated structured entities *continued*

*IFRS 12.29(c)*
*IFRS 12.30*

The carrying amount of the notes is their fair value, which represents the maximum exposure to loss of the Group. The Group did not provide any guarantees or other commitments to the structured entities.

Total assets of these structured entities are represented by the fair value of the notes at 31 December 2025 and 2024. The Group only holds notes from the most senior tranche.

The Group did not recognise losses in profit and loss and OCI from those interests in the years ended 31December 2025 and 2024:

The following table presents the Group's interest income received from its interests in unconsolidated structured entities:

*IFRS 12.B26 (c)*

| Structured entity type | 31 December 2025 €000 | 31 December 2024 €000 |
|---|---|---|
| CDO | 17 | 14 |
| Mortgage-backed securities | 23 | 21 |
| Asset-backed securities | 28 | 26 |
| **Total** | **68** | **61** |

## 7. Business combinations

*IFRS 3.59-60*

### Acquisitions in 2025

*IFRS 3.31A*

*Acquisition of Euroland Contents Insurance (ECI) Limited*

*IFRS 3.B64(a)*
*IFRS 3.B64(b)*
*IFRS 3.B64(c)*
*IFRS 3.B64(d)*

On 20 December 2025, the Group acquired 100% of the voting shares of Euroland Contents Insurance (ECI) Limited, a non-listed company based in Euroland and specialising in contents insurance. The Group acquired the entity because it significantly enlarges the Group's access to clients in strategic areas of Euroland. For claims acquired in their settlement period, the Group assessed that the PAA could be applied to the resulting liability for remaining coverage given the short settlement period. The Group did not recognise any assets for insurance acquisition cash flows as part of the acquisition.

*IFRS 3.B64(o)(i)*

### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Euroland Contents Insurance as at the date of acquisition were:

*IFRS 3.B64(i)*
*IAS 7.40(d)*

| | Fair value recognised on acquisition €000 | |
|---|---|---|
| **Assets** | | |
| Investments (Equity instruments at FVPL) | 507 | |
| Cash and short-term deposits | 30 | *IAS 7.40(c)* |
| | **537** | |
| **Liabilities** | | |
| Insurance contract liabilities | (357) | |
| Other payables | (70) | |
| | **(427)** | |
| **Total identifiable net assets at fair value** | **110** | |
| Goodwill arising on acquisition (Note 21) | 40 | |
| **Purchase consideration transferred** | **150** | *IAS 7.40(a)* |

### 7. Business combinations *continued*

**Commentary on IFRS accounting standards**

Insurance contracts that are acquired in a business combination within the scope of IFRS 3 are classified as insurance contracts based on the contractual terms, economic conditions, operating or accounting policies and other pertinent factors and conditions as they exist at the acquisition date.

The Group determined the measurement model to be applied (i.e., the eligibility for PAA approach) based on the contractual terms and conditions at the date of acquisition. In this case, the Group has acquired a contents insurer and based on the short-term nature of the acquired insurance contracts, including claims in the course of settlement, the Group has determined that the PAA measurement model can be applied.

*IFRS 17.B94*

The fair value of acquired insurance contracts on the date of acquisition represents the consideration received or paid, which is used as a proxy for the premium received or paid for initial recognition and measurement by the Group, the fair value of acquired insurance contracts is the initial carrying amount of the liability for remaining coverage as there are no facts and circumstances indicating that the acquired insurance contracts were onerous. If there were facts and circumstances indicating that contracts acquired were onerous, the difference between the carrying amount of the liability for remaining coverage and the fulfilment cash flows that related to the remaining coverage would be adjusted against goodwill or gain on bargain purchase and a loss component would be established.

*IFRS 17.B95A*

The goodwill of €40,000 comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the property segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

*IFRS 3.B64(e)*

*IFRS 3.B64(k)*

From the date of acquisition, ECI contributed €7,000 of insurance revenue and €3,000 to profit before tax of the Group. If the combination had taken place at the beginning of the year, insurance revenue would have been €187,000 and profit before tax for the Group would have been €78,000.

*IFRS 3.B64(q)(i)*
*IFRS 3.B64(q)(ii)*

| *Purchase consideration* | **€000** | |
|---|---|---|
| Shares issued, at fair value (100,000 at €1.5) | 150 | *IFRS 3.B64(f)(iv)* |
| **Total consideration** | **150** | *IAS 7.40(a)* |
| *Analysis of cash flows on acquisition:* | | |
| Transaction costs of the acquisition (included in cash flows from investing activities) | (8) | |
| Net cash acquired with the subsidiary (included in cash flows from investing activities) | 30 | *IAS 7.40(c)* |
| Transaction costs attributable to issuance of shares (included in cash flows from financing activities, net of tax) | (1) | |
| **Net cash flow on acquisition** | **21** | |

The Group issued 100,000 ordinary shares as consideration for the 100% interest in ECI Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was €1.5 per share. The fair value of the consideration given was therefore €150,000

*IFRS 3.B64(f)(iv)*

Transaction costs of €8,000 were expensed and are included in operating expenses. The attributable costs of the issuance of the shares of €1,000 have been charged directly to equity as a reduction in share premium.

*IFRS 3.B64(m)*

# Notes to the consolidated financial statements

## 8. Investment in an associate

The Group has a 25% interest in Euroland Commercial Insurance Limited, which is a commercial insurer in Euroland. Euroland Commercial is a private entity that is not listed on any public exchange. The Group's interest in Euroland Commercial Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Euroland Commercial:

*IFRS 12.20*
*IFRS 12.21(a)*

| | 2025 €000 | 2024 €000 | *IFRS 12.B12* |
|---|---|---|---|
| Current assets | 922 | 894 | |
| Non-current assets | 1,929 | 1,814 | |
| Current liabilities | (635) | (552) | |
| Non-current liabilities | (1,788) | (1,771) | |
| **Equity** | **432** | **385** | |
| Group's share in equity – 25% (2024: 25%) | 108 | 96 | |
| Goodwill | – | – | |
| **Group's carrying amount of the investment** | **108** | **96** | |

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| Insurance revenue | 1,524 | 1,490 | |
| Insurance service expenses | (1,185) | (1,130) | |
| **Insurance service result** | **339** | **360** | |
| Investment result | 85 | 105 | |
| Operating expenses | **(95)** | **(96)** | |
| Insurance finance expense | (16) | (20) | |
| **Profit before tax** | **313** | **349** | |
| **Income tax** | **(21)** | **(25)** | |
| **Profit for the year** | **292** | **324** | |
| Other comprehensive income that may be reclassified to profit or loss in the subsequent periods, net of tax | 40 | – | |
| **Total comprehensive income for the year** | **332** | **324** | *IFRS 12.B12(b)* |
| **Group's share of profit for the year** | 73 | 81 | |
| **Group's share of other comprehensive income for the year** | 10 | - | |
| **Group's share of total comprehensive income for the year** | **83** | **81** | |

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

*IFRS 12.22(a)*

The associate had no contingent liabilities or capital commitments as at 31 December 2025 and 2024.

*IFRS 12.23*

### Commentary on IFRS accounting standards

An entity is required to disclose the aggregated information of associates and joint ventures that are accounted for using the equity method and are not individually material. The Group did not have any immaterial associates or joint ventures.

*IFRS 12.21(c)*
*IFRS 12.B16*

The Group has presented the summarised financial information of the associate based on its financial statements prepared in accordance with IFRS accounting standards. This information is also allowed to be provided using alternative bases.

*IFRS 12.B15*

Entities will need to consider whether there is any impairment of their investments in associates. Impairment charges relating to investments in associates should be accounted for in accordance with the equity method under IAS 28. IAS 28 requires the investment in an associate to be considered as a single cash-generating unit, rather than 'drilling down' into the separate cash-generating units determined by the associate. The impairment test should be undertaken in accordance with the requirements of IAS 36.

## 9. Insurance service expense

The breakdown of insurance service expenses by major product lines is presented below:

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance issued €000 | Total €000 |
| Incurred claims and other expenses | a | 1,109 | 2,207 | 4,317 | 1,090 | 8,723 |
| Amortisation of insurance acquisition cash flows | a | 33 | 285 | – | 109 | 427 |
| Losses on onerous contracts and reversals of those losses | | – | (3) | – | – | (3) |
| Changes to liabilities for incurred claims | | (27) | 16 | (122) | (8) | (141) |
| Impairment of assets for insurance acquisition cash flows | | – | 19 | – | – | 19 |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – |
| Insurance acquisition cash flows recognised when incurred | | – | – | 396 | – | 396 |
| **Total** | | **1,115** | **2,524** | **4,591** | **1,191** | **9,421** |

| | | 2024 | | | | |
|---|---|---|---|---|---|---|
| | | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance issued €000 | Total €000 |
| Incurred claims and other expenses | a | 1,115 | 2,158 | 4,265 | 1,232 | 8,770 |
| Amortisation of insurance acquisition cash flows | a | 33 | 293 | – | 125 | 451 |
| Losses on onerous contracts and reversals of those losses | | – | 17 | – | – | 17 |
| Changes to liabilities for incurred claims | | (27) | 63 | (30) | 6 | 12 |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | – |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – |
| Insurance acquisition cash flows recognised when incurred | | – | – | 391 | – | 391 |
| **Total** | | **1,121** | **2,531** | **4,626** | **1,363** | **9,641** |

Notes:

a) The nature and amount of material expense included is disclosed in Note 24. *IAS 1.97*

**Commentary on IFRS accounting standards**

Although the disclosure of insurance service expense is not required by IFRS 17, it could give valuable information on reconciliation of the amount in statement of profit or loss and roll-forward of net asset or liability components of insurance liabilities. *IFRS 17.100*

## 10. Total investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance finance result recognised in profit or loss and OCI in the period:

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Insurance related | | | | | | |
| | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Other €000 | Total €000 | |
| **Investment income** | | | | | | | *IFRS 17.110* |
| **Amounts recognised in the profit or loss** | | | | | | | |
| Interest revenue calculated using the effective interest method | 482 | – | – | – | 100 | 582 | |
| Other interest and similar income | – | 234 | 230 | 93 | – | 557 | |
| Net fair value gains/ (losses) on financial assets at fair value through profit or loss | – | 65 | 78 | 15 | (80) | 78 | |
| Net fair value gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income | – | – | – | – | 6 | 6 | |
| Impairment loss on financial assets | 2 | – | – | – | (7) | (5) | *IFRS 7.20(b)* |
| **Other investment income** | **–** | **8** | **–** | **–** | **155** | **163** | |
| Rental income from investment property | – | – | – | – | 198 | 198 | |
| Net fair value gains/ (losses) on investment property | – | – | – | – | (43) | (43) | |
| Net foreign exchange income/(expenses) | – | 8 | – | – | – | 8 | |
| **Total amounts recognised in the profit or loss** | **484** | **307** | **308** | **108** | **174** | **1,381** | *IFRS 7.20(a)(i)* |
| **Amounts recognised in OCI** | **117** | **–** | **–** | **–** | **7** | **124** | |
| **Total investment income** | **601** | **307** | **308** | **108** | **181** | **1,505** | |
| **Insurance finance income/(expenses) from insurance contracts issued** | | | | | | | |
| Interest accreted to insurance contracts using current financial assumptions | – | (78) | – | (19) | – | (97) | |
| Interest accreted to insurance contracts using locked-in rate | (162) | – | – | – | – | (162) | |
| Due to changes in interest rates and other financial assumptions | (13) | – | – | – | – | (13) | |
| Net foreign exchange income/(expenses) | – | (6) | – | – | – | (6) | |
| **Total insurance finance income/(expenses) from insurance contracts issued** | **(175)** | **(84)** | **–** | **(19)** | **–** | **(278)** | |
| Recognised in profit or loss | (162) | (84) | – | (19) | – | (265) | |
| Recognised in OCI | (13) | – | – | – | – | (13) | |
| **Reinsurance finance income/(expenses) from reinsurance contracts held** | | | | | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | – | 31 | – | – | – | 31 | |
| **Changes in non-performance risk of reinsurer** | – | – | – | – | – | – | |
| Net foreign exchange income/(expense) | – | 5 | – | – | – | 5 | |
| **Reinsurance finance income/(expenses) from reinsurance contracts held** | **–** | **36** | **–** | **–** | **–** | **36** | |
| Recognised in profit or loss | – | 36 | – | – | – | 36 | |
| Recognised in OCI | – | – | – | – | – | – | |
| **Total net investment income, insurance finance expenses and reinsurance finance income** | **426** | **259** | **308** | **89** | **184** | **1,188** | |
| Recognised in profit or loss | 322 | 259 | 308 | 89 | 177 | 1,023 | |
| Recognised in OCI | 104 | – | – | – | 7 | 111 | |

## 10. Total investment income and net insurance financial result *continued*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Insurance related | | | | | | |
| | Personal accident €000 | Marine €000 | Property €000 | Liability reinsurance €000 | Other €000 | Total €000 | *IFRS 17.110* |
| **Investment income** | | | | | | | |
| **Amounts recognised in the profit or loss** | | | | | | | |
| Interest revenue calculated using the effective interest method | 489 | – | – | – | 46 | 535 | |
| Other interest and similar income | – | 187 | 170 | 78 | – | 435 | |
| Net fair value gains/ (losses) on financial assets at fair value through profit or loss | – | (9) | (5) | (5) | (55) | (74) | *IFRS 7.20(b)* |
| Net fair value gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income | – | – | – | – | – | – | |
| Impairment loss on financial assets | (1) | – | – | – | (1) | (2) | |
| **Other investment income** | – | – | – | – | 153 | 118 | *IFRS 7.20(a)(i)* |
| Rental income from investment property | – | – | – | – | 195 | 195 | |
| Net fair value gains/ (losses) on investment property | – | – | – | – | (42) | (42) | |
| Net foreign exchange income/(expenses) | – | (35) | – | – | – | (35) | |
| **Total amounts recognised in the profit or loss** | **488** | **143** | **165** | **73** | **143** | **1,012** | |
| **Amounts recognised in OCI** | **(28)** | **–** | **–** | **–** | **–** | **(28)** | |
| **Total investment income** | **460** | **143** | **165** | **73** | **143** | **984** | |
| **Insurance finance income/(expenses) from insurance contracts issued** | | | | | | | |
| Interest accreted to insurance contracts using current financial assumptions | – | (68) | – | (17) | – | (85) | |
| Interest accreted to insurance contracts using locked-in rate | (184) | – | – | – | – | (184) | |
| Due to changes in interest rates and other financial assumptions | 4 | – | – | – | – | 4 | |
| Net foreign exchange income/(expenses) | – | 32 | – | – | – | 32 | |
| **Total insurance finance income/(expenses) from insurance contracts issued** | **(180)** | **(36)** | **–** | **(17)** | **–** | **(233)** | |
| Recognised in profit or loss | (184) | (36) | – | (17) | – | (237) | |
| Recognised in OCI | 4 | – | – | – | – | 4 | |
| **Reinsurance finance income/(expenses) from reinsurance contracts held** | | | | | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | – | 35 | – | – | – | 35 | |
| Changes in non-performance risk of reinsurer | – | (1) | – | – | – | (1) | |
| Net foreign exchange income/(expense) | – | (25) | – | – | – | (25) | |
| **Reinsurance finance income/(expenses) from reinsurance contracts held** | **–** | **9** | **–** | **–** | **–** | **9** | |
| Recognised in profit or loss | – | 9 | – | – | – | 9 | |
| Recognised in OCI | – | – | – | – | – | - | |
| **Total net investment income, insurance finance expenses and reinsurance finance income** | **280** | **107** | **165** | **7** | **198** | **670** | |
| Recognised in profit or loss | 304 | 107 | 165 | 7 | 198 | 699 | |
| Recognised in OCI | (24) | – | – | – | – | (24) | |

## 10. Total investment income and net insurance financial result *continued*

*IFRS 7.20(a)(vi), IFRS 7.20A*

The Group does not have any gains or losses arising from the derecognition of financial assets measured at amortised cost.

### Commentary on IFRS accounting standards

The Group has disclosed (re)insurance finance income and expenses and the investment return on its assets in a tabular format. IFRS17 does not require this level of detail; entities may provide qualitative notes disclosures as opposed to a detailed table to cover the requirement in IFRS17 to explain the relationship between (re) insurance finance income or expenses and the investment return on assets.

*IFRS 17.110*

An entity is required to disclose separately gains and losses on financial assets designated at FVPL upon initial recognition or subsequently, and gains or losses on financial assets that are mandatorily measured at FVPL in accordance with IFRS 9.

The illustrative example above contains only financial assets that are mandatorily measured at FVPL, therefore, a separate line for gains and losses on financial assets designated at FVPL was not required. IFRS 17 requires insurers to account for and disclose the changes in the risk adjustment for non-performance of a reinsurer in respect of reinsurance contracts held in the notes to the financial statements. The Group defines credit risk as a financial risk as per Appendix A of IFRS 17. As such, the Group has chosen to disclose, the effects of non-performance for reinsurance held as part of finance costs under a separate line item. Entities may choose to present and disclose this in another section, depending on their interpretation of the requirements in IFRS 17.

*IFRS 7.20(a)(i)*

## 11. Finance costs

*IFRS 7.20(b)*

| | 2025 €000 | 2024 €000 | *IAS 37.60* |
|---|---|---|---|
| Interest on debts and borrowings | 130 | 130 | |
| Interest on lease liabilities (Note 28) | 17 | 18 | |
| **Total interest expense** | **147** | **138** | |
| Unwinding of discount and effect of changes in discount rate on provisions (Note 29) | 2 | 2 | |
| **Total finance costs** | **149** | **140** | |

## 12. Operating expenses

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Depreciation, amortisation and impairment expense (Note 12.1) | 111 | 103 |
| Employee benefits expenses (Note 12.2) | 1,199 | 1,035 |
| Other operating and administrative expenses (Note 12.3) | 165 | 158 |
| **Total operating expenses** | **1,474** | **1,296** |
| **Included in insurance service expense (Note 9)** | **1,179** | **1,036** |
| **Included in other operating expenses** | **295** | **260** |

## 12.1 Depreciation, amortisation and impairment expense

| | 2025 €000 | 2024 €000 | *IAS 1.104* |
|---|---|---|---|
| Depreciation of property and equipment and right-of-use assets (Note 20) | 52 | 49 | |
| Amortisation and impairment of intangible assets (Note 21) | 54 | 54 | *IAS 38.118(d)* |
| Impairment of goodwill (Note 21) | 5 | – | *IAS 36.126(a)* |
| **Total depreciation, amortisation and impairment** | **111** | **103** | |

## 12.2 Employee benefits expense

| | 2025 €000 | 2024 €000 | *IAS 1.104* |
|---|---|---|---|
| Wages and salaries | 1,013 | 853 | |
| Social security costs | 110 | 111 | |
| Pension costs | 49 | 45 | |
| Post-employment benefits other than pensions | 11 | 8 | |
| Share-based payment expense (Note 26) | 15 | 18 | *IFRS 2.51(a)* |
| **Total employee benefits expense** | **1,199** | **1,035** | |

## 12. Operating expenses *continued*

### 12.3 Other operating and administrative expenses

*IAS 1.104*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Acquisition-related transaction costs (Note 7) | 8 | – |
| Expense relating to leases of low-value assets (Note 28) | 3 | 2 |
| Expense relating to short-term leases (Note 28) | 3 | 3 |
| Investment property direct operating expenses (including repairs and maintenance) generating rental income (Note 19) | 16 | 13 |
| Investment property direct operating expenses (including repairs and maintenance) that did not generate rental income (Note 19) | 7 | 5 |
| Net foreign exchange gains/ (losses) on interest-bearing loans and borrowings (Note 27) | (8) | (9) |
| Professional fees | 82 | 86 |
| Other administrative expenses | 54 | 58 |
| **Total operating and administrative expenses** | **165** | **158** |

## 13. Income tax

On 23 May 2023, the IASB issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The Group has adopted these amendments. However, they are not yet applicable for the current reporting year as the Group's consolidated revenue is currently below the threshold of €750 million.

**Commentary on IFRS accounting standards**

*IAS 1.17(c)*
*IAS 12.88*

As the Group's consolidated revenues are less than EUR 750 million, it is not in the scope of the Pillar Two model rules. Therefore, neither the mandatory recognition and disclosure exception nor the disclosure requirements in IAS 12 apply to the Group. Appendix 5 of Good Group (International) Limited illustrates the disclosures the Group would have made, if its annual revenues had exceeded EUR 750 million and Pillar Two model rules were (substantively) enacted in some or all of the jurisdictions it in which it operates.

*IAS 12.4A*
*IAS 12.88A-88D*

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

*IAS 12.79*

| **Consolidated profit or loss** | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| *Current income tax:* | | | |
| Current income tax charge | 455 | 495 | *IAS 12.80(a)* |
| Adjustments in respect of current income tax of previous year | (4) | (7) | *IAS 12.80(b)* |
| *Deferred tax:* | | | |
| Relating to origination and reversal of temporary differences | 142 | (92) | *IAS 12.80(c)* |
| **Income tax expense reported in profit or loss** | **593** | **396** | |

| **Consolidated other comprehensive income** | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| *Deferred tax related to items recognised in OCI during in the year:* | | | *IAS 1.90* |
| Net gain/ loss on financial assets at fair value through OCI | (37) | 8 | |
| Revaluation of office properties in Euroland | (5) | (5) | |
| Net gain on hedge of net investment | (12) | (6) | |
| Remeasurement (gain)/loss on actuarial gains and losses | (8) | 8 | |
| (Re) insurance finance income/ (expense) | 3 | (1) | |
| Share of OCI of an associate | (3) | - | |
| **Deferred tax charged to OCI** | **(62)** | **4** | |

**Commentary on IFRS accounting standards**

Deferred taxes related to the revaluation of office properties in Euroland have been calculated at the tax rate of the jurisdiction in which they are located (30% of the total revaluation of €17,000 see Note 20).

## 13. Income tax *continued*

*IAS 12.81 (c)(i)*

Reconciliation of tax expense and the accounting profit multiplied by Euroland's domestic tax rate for 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| | €000 | €000 |
| **Accounting profit before income tax** | **2,199** | **1,525** |
| Income tax at Euroland's statutory income tax rate of 30% (2024: 30%) | 660 | 458 |
| Adjustments in respect of current income tax of previous years | (4) | (7) |
| Utilisation of previously unrecognised tax losses | (54) | (40) |
| Share of results of an associate | (25) | (24) |
| **Non-deductible expenses for tax purposes:** | | |
| Impairment of goodwill | 2 | – |
| Other non-deductible expenses | 2 | – |
| Effect of higher tax rates in the United States | 12 | 9 |
| **At the effective income tax rate of 27% (2024: 26%)** | **593** | **396** |

### Commentary on IFRS accounting standards

The tax effects above can be reconciled using a 30% tax rate applied to the amounts in the following notes:

- Unrecognised tax losses using the change in the amount mentioned in Note 3.4 Deferred tax assets in note 3.Significant accounting judgements, estimates and assumptions.
- Impairment of goodwill in Note 21

### Commentary on macroeconomic and geopolitical uncertainty

Changes in interest rates, slowing or negative economic growth, the introduction of trade restrictions and tariffs, geopolitical risks, rising inflation and other factors may lead to an entity recognising asset impairments or forecasting future losses. These circumstances may involve uncertainties that an entity must consider in its analysis of the recoverability of deferred tax assets. Entities should update their projections of income for recent events. Tax losses that were otherwise expected to be utilised in the near term should be reviewed to determine if they might expire unutilised and how this would impact management's judgement on the amount of deferred tax asset to be recognised. Entities should further consider whether they need to provide additional disclosures to more fully explain the use of estimates or management's judgement in reaching its conclusions on the amount of unrecognised deferred tax assets.

Such judgements may include whether the tax laws were substantively enacted as of the reporting date, and the determination of the accounting for income tax credits. Similarly, the impact of expected or already enacted curtailments of previously introduced measures must be considered.

## 13. Income tax *continued*

### Deferred tax

Deferred tax relates to the following:

| | Consolidated statement of financial position | | Consolidated statement of profit or loss | | |
|---|---|---|---|---|---|
| | 2025 €000 | 2024 €000 | 2025 €000 | 2024 €000 | IAS 12.81(gXi) |
| Accelerated depreciation for tax purposes | (19) | (12) | 5 | (6) | IAS 12.81(gXii) |
| Revaluations of investment properties to fair value | (187) | (199) | (13) | (13) | |
| Revaluations of office properties in Euroland to fair value | (5) | (5) | – | – | |
| Revaluations of financial assets at fair value through profit or loss | (32) | 38 | 22 | (21) | |
| Revaluations of financial assets at fair value through OCI | (37) | 8 | – | – | |
| Net gain on hedge of a net investment | (8) | (4) | – | – | |
| Share based payments | 2 | 4 | 2 | – | |
| Pension | 58 | 59 | (6) | 4 | |
| Expected credit losses of financial assets | 2 | 1 | (1) | (1) | |
| Right-of-use assets | (18) | (24) | (2) | (5) | |
| Lease liabilities | 31 | 30 | 2 | 4 | |
| Insurance contracts | (19) | (49) | (20) | (51) | |
| Reinsurance contracts | 143 | 3 | 152 | 5 | |
| (Re)insurance finance income/ expense | – | – | 3 | (1) | |
| Losses available for offsetting against future taxable income | 55 | 62 | (3) | (7) | |
| **Deferred tax expense/(benefit)** | | | **142** | **(92)** | |
| **Net deferred tax liabilities** | **(46)** | **(83)** | | | |
| Reflected in the statement of financial position as follows: | | | | | |
| Deferred tax assets | 55 | 62 | | | |
| Deferred tax liabilities | (101) | (145) | | | |
| **Deferred tax liabilities, net** | **(46)** | **(83)** | | | |

### Commentary on IFRS accounting standards

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group considers both the lease asset and liability separately. The Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

| Reconciliation of deferred tax liabilities, net | 2025 €000 | 2024 €000 |
|---|---|---|
| **As of 1 January** | **(83)** | **(8)** |
| Tax expense during the period recognised in profit or loss | 142 | (92) |
| Tax income/(expense) during the period recognised in OCI | (62) | 4 |
| Deferred taxes acquired in business combination | (43) | – |
| **As at 31 December** | **(46)** | **(83)** |

## 13. Income tax *continued*

**Commentary on IFRS accounting standards**

Although not specifically required by IAS 1 or IAS 12, the reconciliation of the net deferred tax liability may be helpful.

As with some other disclosures included in this note, the cross reference with the amounts from which they are derived is not direct. Nevertheless, the reasonableness of each balance may be obtained from the respective notes by applying a 30% tax rate. The exception being the accelerated depreciation for tax purposes whose change during the year is mainly explained by the acquisition of Extinguishers Limited (see Note 7).

The Group has other tax losses that arose in Euroland of €187,000 (2024: €205,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. *IAS 12.81(e)*

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group; they have arisen in subsidiaries that have been loss-making for some time and there are no other tax planning opportunities nor is there other evidence of recoverability in the near future. *IAS 12.37* *IAS 12.81(e)*

If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by €56,100 (2023: €61,500).

The temporary differences associated with investments in the Group's subsidiaries and associate for which a deferred tax liability has not been recognised in the periods presented, aggregate to €535,000 (2024: €480,000). The Group has determined that the undistributed profits of its subsidiaries and associate will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The Group does not anticipate giving such consent at the reporting date. *IAS 12.81(f)*

There are no income tax consequences attached to the payment of dividends in either 2025 or 2024 by the Group to its shareholders. *IAS 12.82A*

**Commentary on IFRS accounting standards**

Entities are required to separately disclose the line items that are included in the amounts expected to be recovered or settled within 12 months and more than 12 months after the reporting date. Deferred tax assets and liabilities may be considered one example, for items comprising such amounts. Entities, however, are not permitted to present any of those items as current, which suggests that providing the disclosures required by IAS 1 does not apply to deferred tax assets and liabilities. Therefore, the Group did not provide disclosures of the expected recovery and settlement of its deferred tax assets. *IAS 1.61* *IAS 1.56*

**Commentary on climate-related matters**

Entities should assess the impact of climate-related matters on future taxable profits and whether they are sufficient to recover the deferred tax assets. The assumptions used in these estimations should be consistent with those used elsewhere in the financial statements. Entities should also consider whether there are enacted or substantively enacted climate-related changes to tax legislation that might have a significant impact on the income taxes that the entity expects to pay.

## 14. Earnings per share (EPS)

The following table reflects the income and share data used in the basic and diluted EPS calculations:

| | 2025 | 2024 | |
|---|---|---|---|
| | €000 | €000 | |
| **Profit attributable to ordinary equity holders of the parent** | 1,588 | 1,124 | |
| Profit attributable to ordinary equity holders of the parent for basic earnings | 1,588 | 1,124 | *IAS 33.70(a)* |
| Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution | 1,588 | 1,124 | *IAS 33.70(a)* |

## 14. Earnings per share (EPS) *continued*

| | 2025 | 2024 | |
|---|---|---|---|
| | Thousands | Thousands | *IAS 33.70(b)* |
| **Weighted average number of ordinary shares for basic EPS*** | **8,503** | **8,500** | |
| Effects of dilution from: | | | |
| Share options | 4 | 4 | |
| **Weighted average number of ordinary shares adjusted for the effect of dilution*** | **8,507** | **8,504** | *IAS 33.70(b)* |

** The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.*

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

### Commentary on IFRS accounting standards

Entities should be aware of the requirement in IAS 33 to disclose "Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented".

## 15. Cash and short-term deposits

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Cash at banks and on hand | 1,658 | 1,572 |
| Short-term deposits | 372 | 416 |
| | **2,030** | **1,988** |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 31 December 2025, the group had available €4,000,000 (2024: €2,000,000) of undrawn committed borrowing facilities. *IAS 7.50(a)*

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December: *IAS 7.45*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Cash at banks and on hand | 1,658 | 1,572 |
| Short-term deposits | 372 | 416 |
| | 2,030 | 1,988 |
| Bank overdrafts | (136) | (375) |
| **Cash and cash equivalents** | **1,894** | **1,613** |

### Commentary on IFRS accounting standards

The Group included its bank overdrafts as part of cash and cash equivalents. This is because these bank overdrafts are repayable on demand and form an integral part of the Group's cash management (IAS 7.8).

An entity would need to assess whether its banking arrangement is an integral part of its cash management. Cash management includes managing cash and cash equivalents for the purpose of meeting short-term commitments rather than for investment or other purposes. The IFRS IC concluded in June 2018 that if the balance of a banking arrangement does not often fluctuate from being negative to positive, then this indicates that the arrangement does not form an integral part of the entity's cash management but, instead, represents a form of financing.

## 16. Investments

*IFRS 7.6*
*IFRS 7.8*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| **Derivatives not designated as hedging instruments** | | |
| Foreign currency swaps | 640 | 580 |
| | **640** | **-** |
| **Financial assets at fair value through profit or loss** | | |
| Listed Equity Securities | 507 | 395 |
| **Government debt instruments** | | |
| Listed Euroland | 3,572 | 3,141 |
| **Other debt instruments** | | |
| Listed Financial institutions | 2,437 | 1,024 |
| Listed Non-financial institutions | 2,909 | 2,228 |
| | **9,425** | **6,788** |
| **Financial assets at fair value through other comprehensive income** | | |
| **Government debt instruments** | | |
| Listed Euroland | 6,086 | 5,729 |
| **Other debt instruments** | | |
| Listed Financial institutions | 2,442 | 3,116 |
| | **8,528** | **8,845** |
| **Total financial assets at fair value** | **18,593** | **15,633** |
| **Debt instruments at amortised cost** | | |
| Listed Government debt instruments | 1,036 | 987 |
| **Total investments** | **19,629** | **17,200** |

*Derivatives not designated as hedging instruments* the foreign currency swaps used for the purposes of economic hedging are not designated and accounted for as hedges, The foreign currency swaps are entered into for periods consistent with foreign currency exposure of the underlying transactions, which is generally from one to 24 months. *IFRS 7.32A*

*Financial assets at fair value through profit or loss* include investments in equity securities, government debt instruments and other debt instruments. Fair values of these investments are determined by reference to published price quotations in an active market.

*Financial assets at fair value through OCI* include investments in quoted government and other debt instruments. Fair values of all of these debt instruments are determined by reference to published price quotations in an active market. *IFRS 7.11A(b)*

*Debt instruments at amortised cost* include government debt instruments.

The breakdown of the assets by related insurance product line is presented below:

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Insurance related | | | | | |
| | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance issued €000 | Other €000 | Total €000 |
| Derivative assets | – | – | – | – | 640 | 640 |
| Equity securities and debt instruments at fair value through profit or loss | – | 3,870 | 4,006 | 1,549 | – | 9,425 |
| Debt instruments at fair value through other comprehensive income | 8,137 | – | – | – | 391 | 8,528 |
| Debt instruments at amortised cost | – | – | – | – | 1,036 | 1,036 |
| **Total** | **8,137** | **3,870** | **4,006** | **1,549** | **2,067** | **19,629** |

## 16. Investments *continued*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Insurance related | | | | | |
| | Personal accident insurance €000 | Marine insurance €000 | Property insurance €000 | Liability reinsurance issued €000 | Other €000 | Total €000 |
| Derivative assets | – | – | – | – | 580 | 580 |
| Equity securities and debt instruments at fair value through profit or loss | – | 2,775 | 2,616 | 1,397 | – | 6,788 |
| Debt instruments at fair value through other comprehensive income | 8,845 | – | – | – | – | 8,845 |
| Debt instruments at amortised cost | – | – | – | – | 987 | 987 |
| **Total** | **8,845** | **2,775** | **2,616** | **1,397** | **1,567** | **17,200** |

The Group manages separate asset portfolios to support the insurance contracts issued in each major product line.

### Commentary on IFRS accounting standards

The above breakdown has been included to provide further insights for users of this publication. It is not a specific requirement of any standard, and it may or may not be relevant to an entity depending on how assets and liability portfolios are managed.

## 17. Hedge accounting

The Group is exposed to certain risks relating to its ongoing business operations, with the primary risk managed being foreign currency risk. The Group uses foreign currency-denominated borrowings and foreign currency swaps to manage some of its transaction exposures. The foreign currency swaps are for the purposes of economic hedging, whilst a borrowing of $509,000 has been designated as a hedge of net investment in the Group's subsidiary in the U.S.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 4 . *IFRS 7.21A*

### Commentary on IFRS accounting standards

The disclosure requirements for entities applying hedge accounting are set out in IFRS 7. The objective of the hedge accounting disclosures is for entities to disclose information about: *IFRS 7.21A-24G*

- The risk management strategy and how it is applied to manage risks *IFRS 7.22A-22C*
- How the risk management activities may affect the amount, timing and uncertainty of future cash flows *IFRS 7.23A-23F*
- The effect hedge accounting had on the statement of financial position, the statement of comprehensive income and the statement of changes in equity *IFRS 7.24A-24F*

In applying this objective, an entity has to consider the necessary level of detail, the balance between different disclosure requirements, the appropriate level of disaggregation and whether additional explanations are necessary to meet the objective.

The hedge accounting disclosures should be presented in a single note or a separate section of the financial statements. An entity may include information by cross-referencing to information presented elsewhere, such as a risk report, provided that information is available to users of the financial statements on the same terms as the financial statements and at the same time.

### *Hedge of net investments in foreign operations*

Included in interest-bearing loans at 31 December 2025 is a borrowing of $509,000 which has been designated as a hedge of the net investments in the United States subsidiary Marine Insurance Limited. This borrowing is being used to hedge the Group's exposure to the USD foreign exchange risk on this subsidiary. Gains or losses on the retranslation of this borrowing are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries. *IFRS 7.22B(a)*

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate borrowing. *IFRS 7.22B(b) IFRS 7.22B(c) IFRS 7.22C*

## 17. Hedging *continued*

The impact of the hedging instrument on the statement of financial position as at 31 December 2025 is, as follows: *IFRS 7.24A*

| | Notional amount US$000 | Carrying amount €000 | Line item in the statement of financial position | Change in fair value used for measuring ineffectiveness for the period €000 |
|---|---|---|---|---|
| | | | | *IFRS 7.24A(a) IFRS 7.24A(b) IFRS 7.24A(c) IFRS 7.24A(d)* |
| Foreign currency denominated borrowing | 509 | 318 | Interest-bearing loans and borrowings | 39 |

The impact of the hedged item on the statement of financial position is, as follows: *IFRS 7.24B(b)*

| | Change in fair value used for measuring ineffectiveness €000 | Foreign currency translation reserve €000 |
|---|---|---|
| Net investment in foreign subsidiaries | 40 | 27 |

The hedging gain recognised in OCI before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss. *IFRS 7.24B(b)*

*Impact of hedging on equity*

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income: *IFRS 7.24E IFRS 7.24F*

| | Foreign currency translation reserve €000 |
|---|---|
| **As at 1 January 2024** | **(41)** |
| Effective portion of changes in fair value arising from: | |
| Foreign currency revaluation of the USD borrowing | 20 |
| Foreign currency revaluation of the net foreign operations | (22) |
| Tax effect | (6) |
| **As at 1 January 2025** | **(49)** |
| Effective portion of changes in fair value arising from: | |
| Foreign currency revaluation of the USD borrowing | 39 |
| Foreign currency revaluation of the net foreign operations | (40) |
| Tax effect | (12) |
| **As at 31 December 2025** | **(62)** |

## 18. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**Fair value measurement hierarchy for assets as at 31 December 2025:**

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | €000 | €000 | €000 | €000 |
| **Assets measured at fair value** | | | | |
| **Investment properties** (Note 19) | | | | |
| Office properties | 602 | – | – | 602 |
| Retail properties | 656 | – | – | 656 |
| **Derivative financial assets** (Note 16) | | | | |
| Foreign exchange swaps | 640 | – | 640 | – |
| **Listed equity securities** (Note 16) | 507 | 507 | – | – |
| **Debt instruments** (Note 16) | | | | |
| Government debt | 9,658 | 9,658 | – | – |
| Other debt | 7,788 | 7,788 | – | – |
| **Revalued property** (Note 20) | | | | |
| Office properties in Euroland | 290 | – | – | 290 |
| **Assets for which fair values are disclosed** | | | | |
| Government debt instruments (Note 16) | 1,036 | – | 1,036 | – |

There were no transfers between Level 1, Level 2 and level 3 during 2025.

**Fair value measurement hierarchy for liabilities as at 31 December 2025:**

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | €000 | €000 | €000 | €000 |
| **Liabilities measured at fair value** | | | | |
| **Derivative financial liabilities** (Note 27) | | | | |
| Foreign exchange swaps | 755 | – | 755 | – |
| **Liabilities for which fair values are disclosed** | | | | |
| Interest-bearing loans and borrowings (Note 27): | | | | |
| Floating rate borrowings (Euroland) | 981 | – | 981 | – |
| Floating rate borrowings (US) | 318 | – | 318 | – |
| Fixed rate borrowings | 473 | – | 473 | – |

There were no transfers between Level 1 and Level 2 during 2025.

## 18. Fair value measurement *continued*

**Fair value measurement hierarchy for assets as at 31 December 2024:**

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total €000 | Quoted prices in active markets (Level 1) €000 | Significant observable inputs (Level 2) €000 | Significant unobservable inputs (Level 3) €000 |
| **Assets measured at fair value** | | | | |
| **Investment properties** (Note 19) | | | | |
| Office properties | 541 | – | – | 541 |
| Retail properties | 589 | – | – | 589 |
| **Derivative financial assets** (Note 16) | | | | |
| Foreign exchange swaps | 580 | – | 580 | – |
| **Listed equity securities** (Note 16) | 395 | 395 | – | – |
| **Debt instruments** (Note 16) | | | | |
| Government debt | 8,870 | 8,870 | – | – |
| Other debt | 6,368 | 6,368 | – | – |
| **Revalued property** (Note 20) | | | | |
| Office properties in Euroland | 268 | – | – | 268 |
| **Assets for which fair values are disclosed** | | | | |
| Government debt instruments (Note 16) | 987 | – | 987 | – |

There were no transfers between Level 1, Level 2 and level 3 during 2024.

**Fair value measurement hierarchy for liabilities as at 31 December 2024:**

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total €000 | Quoted prices in active markets (Level 1) €000 | Significant observable inputs (Level 2) €000 | Significant unobservable inputs (Level 3) €000 |
| **Liabilities measured at fair value** | | | | |
| **Derivative financial liabilities** (Note 27) | | | | |
| Foreign exchange swaps | 732 | – | 732 | – |
| **Liabilities for which fair values are disclosed** | | | | |
| **Interest-bearing loans and borrowings** (Note 27): | | | | |
| Floating rate borrowings (Euroland) | 1,176 | – | 1,176 | – |
| Floating rate borrowings (US) | 320 | – | 320 | – |
| Fixed rate borrowings | 445 | – | 445 | – |

There were no transfers between Level 1 and Level 2 during 2024.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. For investment properties and revalued property (office properties), the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Group believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. The Group, therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties and revalued property and equipment (office properties).

## 18. Fair value measurement *continued*

### Commentary on IFRS accounting standards

*IFRS 13.94*

IFRS 13 appropriate determination of classes of assets and liabilities on the basis of:

- The nature, characteristics and risks of the asset or liability

  And

- The level of the fair value hierarchy within which the fair value measurement is categorised

The Group has applied the factors and disclosed the quantitative information under IFRS 13 based on the classes of assets and liabilities. As judgement is required to determine the classes of properties, other criteria and aggregation levels for classes of assets may also be appropriate, provided they are based on the risk profile of the assets (e.g., the risk profile of properties in an emerging market may differ from that of properties in a mature market).

Inputs used in a valuation technique may fall into different levels of the fair value hierarchy. However, for disclosure purposes, the fair value measurement must be categorised in its entirety (i.e., depending on the unit of account) within the hierarchy. That categorisation may not be so obvious when there are multiple inputs used. IFRS 13 clarifies that the hierarchy categorisation of a fair value measurement, in its entirety, is determined based on the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement and consideration of factors specific to the asset or liability (or group of assets and/or liabilities) being measured and any adjustments made to the significant inputs in arriving at the fair value. These considerations have a follow-on impact on the disclosures of valuation techniques, processes and significant inputs and entities should tailor their disclosures to the specific facts and circumstances.

*IFRS 13.73*

For assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, IFRS 13 requires disclosure of the amounts of transfers between Level 1 and Level 2 of the hierarchy, as well as the reasons for those transfers and the entity's policy for determining when the transfers are deemed to have occurred. Transfers into each level must be disclosed and discussed separately from transfers out of each level.

*IFRS13.93(c)*

### Commentary on macroeconomic and geopolitical uncertainty

There may be an impact on fair value measurement of certain assets arising from the current macroeconomic conditions. When valuations are subject to significant measurement uncertainty due to the current environment, and there is a wider range of estimates of fair value, the entity is required to apply judgement to determine the point within that range that is most representative of fair value in the circumstances. While market volatility may suggest that the prices are aberrations and do not reflect fair value, it would not be appropriate for an entity to disregard market prices at the measurement date, unless those prices are from transactions that are not orderly. A significant decrease in volume or activity in a market can also influence the valuation techniques used in the fair value measurement. Entities will need to assess how those techniques are applied and whether inputs are observable at the measurement date and provide additional disclosures if material. Factors such as changes in interest rates may have a significant impact on fair values. Entities need to consider whether the credit risk of counterparties to the derivative contracts has changed, which may also impact the fair value. Any increased uncertainty may require more extensive disclosure about valuation levels, fair valuation techniques and inputs.

### Commentary on climate-related matters

Entities should ensure that the climate-related assumptions that are incorporated in a fair value measurement are those that market participants would consider when pricing the asset or liability to ensure it is an IFRS 13 fair value measurement. Entities may need to use significant judgement when considering whether climate-related factors should be adjusted for in their fair value measurements and this may lead to greater estimation uncertainty and, in turn, more transparent disclosure. For example, the fair value of real estate in certain geographical areas may be exposed to significant physical risk and this needs to be considered in the fair value determination and disclosures. Importantly, the information available to market participants will be affected by sustainability reporting. While entities cannot ignore information that is reasonably available to market participants, determining the impact of that information on market participant assumptions, inputs and sensitivities, is likely to require significant judgement.

## 18. Fair value measurement *continued*

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values and those recognised at fair value in the statement of financial position:

*IFRS 7.25*
*IFRS 7.26*
*IFRS 7.29*

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Carrying amount €000 | Fair value €000 | Carrying amount €000 | Fair value €000 |
| **Investments** (Note 16) | | | | |
| Government debt instruments at amortised cost | 1,036 | 1,015 | 987 | 1,051 |
| **Interest-bearing loans and borrowings and derivatives** (Note 27) | | | | |
| **Interest-bearing loans and borrowings** | | | | |
| Fixed rate borrowings | (481) | (477) | (411) | (446) |

*IFRS 7.29*

### Commentary on IFRS accounting standards

IFRS 7.29 provides that disclosure of the fair values of financial instruments is not required:

- When the carrying amount is a reasonable approximation of fair value (e.g., short-term trade receivables and payables)

  Or

- For lease liabilities

*IFRS13.93(d)*
*IFRS 13.97*
*IFRS 7.29*

Management assessed that the fair values of cash and short-term deposits, other receivables, other payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**The following methods and assumptions were used to estimate the fair values:**

- Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors and the risk characteristics of the financed project.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair values of the Group's interest-bearing loans and borrowings are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2025 was assessed to be insignificant.
- There is an active market for the Group's listed equity securities and debt instruments.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. As at
  31 December 2025, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on financial instruments recognised at fair value.

**Description of significant unobservable inputs to valuation:**

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis relating to investment properties and office property held on the revaluation model are included in Note 19.

## 18. Fair value measurement *continued*

### Commentary on IFRS accounting standards

An entity should provide additional information that will help users of its financial statements to evaluate the quantitative information disclosed. An entity must disclose some or all of the following(where relevant): *IFRS 13.92*

- The nature of the item being measured at fair value, including the characteristics of the item being measured that are taken into account in the determination of relevant inputs. For example, if the Group had residential mortgage-backed securities, it might disclose the following:
- The types of underlying loans (e.g., prime loans or sub-prime loans)
- Collateral
- Guarantees or other credit enhancements
- Seniority level of the tranches of securities
- The year of issue
- The weighted-average coupon rate of the underlying loans and the securities
- The weighted-average maturity of the underlying loans and the securities
- The geographical concentration of the underlying loans
- Information about the credit ratings of the securities
- How third-party information such as broker quotes, pricing services, net asset values and relevant market data was taken into account when measuring fair value

The Group does not have any liabilities measured at fair value and issued with an inseparable third-party credit enhancement. If the Group had such liabilities, it would be required to disclose the existence of credit-enhancement and whether it is reflected in the fair value measurement of the liability. *IFRS 13.98*

An entity is also required to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in tabular format, above. *IFRS 13.99*

A quantitative sensitivity analysis for financial assets and financial liabilities that are measured at fair value on a recurring basis is also required. For all other recurring fair value measurements that are categorised within Level 3 of the fair value hierarchy, an entity is required to provide: *IFRS 13.93(h)(ii)*

- A narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement
- If there are inter-relationships between the inputs and other unobservable inputs used in the fair value measurement, a description of the inter-relationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement

For this purpose, significance is judged with respect to profit or loss and total assets or total liabilities, or when changes in fair value are recognised in OCI, total equity. The Group included the quantitative sensitivity analyses in tabular format above.

## 19. Investment properties

| | Investment properties | | |
|---|---|---|---|
| | Office properties €000 | Retail properties €000 | |
| **As at 1 January 2024** | **480** | **523** | |
| Remeasurement recognised in profit or loss (Note 12.3) | (20) | (22) | |
| Additions | 81 | 88 | *IFRS 13.93(e)(i)* |
| **As at 31 December 2024** | **541** | **589** | *IFRS 13.93(e)(iii)* |
| Remeasurement recognised in profit or loss (Note 12.3) | (21) | (22) | |
| Additions | 82 | 89 | *IFRS 13.93(f)* |
| **As at 31 December 2025** | **602** | **656** | *IFRS 13.93(e)(iii)* |

*IAS 40.76*

The Group's investment properties consist of two commercial properties in Euroland. Management determined that the investment properties consist of two classes of assets – office and retail – based on the nature, characteristics and risks of each property.

As at 31 December 2025 and 31 December 2024, the fair values of the properties are based on valuations performed by Chartered Surveyors & Co., an accredited independent valuer. Chartered Surveyors & Co. is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. *IAS 40.75(e)*

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| Rental income derived from investment properties (Note 10) | 198 | 195 | |
| Direct operating expenses (including repairs and maintenance) generating rental income (Note 12.3) | (16) | (13) | *IAS 40.75(f)(ii)* |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income (Note 12.3) | (7) | (5) | *IAS 40.75(f)(iii)* |
| **Profit arising from investment properties carried at fair value** | **175** | **177** | |

*IAS 40.75(f)*

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. *IAS 40.75(g)* *IAS 40.75(h)*

Fair value hierarchy disclosures for investment properties are in Note 18.

### Description of valuation techniques used and key inputs to valuation of investment properties:

*IFRS 13.93(d)*

| | Valuation technique | Significant unobservable inputs | Range (weighted average) 2025 | 2024 |
|---|---|---|---|---|
| **Office Properties** | DCF method (refer below) | Estimated rental value per sqm per month | €10 - €25 (€20) | €9 - €23 (€16) |
| | | Rent growth p.a. | 1.75% | 1.76% |
| | | Long-term vacancy rate | 3%-10% (5%) | 3%-9% (4%) |
| | | Discount rate | 6.5% | 6.3% |
| **Retail Properties** | DCF method (refer below) | Estimated rental value per sqm per month | €15 - €35 (€22) | €14 - €33 (€21) |
| | | Rent growth p.a. | 1% | 1.2% |
| | | Long-term vacancy rate | 4% - 12% (7%) | 4% - 13% (8.5%) |
| | | Discount rate | 6.5% | 6.3% |

### 19. Investment properties *continued*

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate. *IFRS 13.93(h)(i)*

#### Commentary on IFRS accounting standards

The Group has elected to value investment properties at fair value in accordance with IAS 40.

If, for recurring and non-recurring fair value measurements, the highest and best use of a non-financial asset differs from its current use, an entity must disclose that fact and the reason why the asset is being used in a manner that differs from its highest and best use. The Group has assessed that the highest and best use of its properties does not differ from their current use. An example of what might be disclosed if the highest and best use of the Group's retail property is determined to be other than its current use is, as follows: *IFRS 13.93(i)*

- The Group has determined that the highest and best use of the property used for office space is its current use.
- The highest and best use of the retail property at the measurement date would be to convert the property for residential use. For strategic reasons, the property is not being used in this manner.

In addition to the disclosure requirements in IFRS 13, IAS 1 requires disclosure of the significant judgements management has made about the future and sources of estimation uncertainty. An example of such a disclosure includes the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity. As such, information beyond that required by IFRS 13 may be needed in some circumstances. *IAS 1.129(b)* *IFRS 13,93(h)*

IAS 40 permits investment properties to be carried at historical cost less accumulated depreciation and any accumulated impairment losses. If the Group accounted for investment properties at cost, information about the cost basis and depreciation rates (similar to the requirement under IAS 16 for property, plant and equipment) would be required. IAS 40 requires disclosure of fair value of the properties. For the purpose of this disclosure, the fair value is required to be determined in accordance with IFRS 13. In addition to the disclosures under IAS 40, IFRS 13 requires disclosure of: *IAS 40.79(e)*

- The level at which fair value measurement is categorised, i.e., Level 1, Level 2 or Level 3
- A description of valuation technique and inputs, for Level 2 or Level 3 fair value measurements
- If the highest and best use differs from the current use of the asset, that fact and the reasons

*IFRS 13.97* *IFRS 13.99*

An entity is required to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in tabular format, above.

#### Commentary on macroeconomic and geopolitical uncertainty

The impact on fair value measurement arising from the current macroeconomic and geopolitical uncertainty and market disruptions varies across countries, markets and industries. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wider range of estimates for FVM, the entity is required to apply judgement to determine the point within that range that is most representative of FVM in the circumstances. While market volatility may suggest that the prices are aberrations and do not reflect fair value, it would not be appropriate for an entity to disregard market prices at the measurement date, unless those prices are from transactions that are not orderly. A significant increase or decrease in volume or activity in a market can also influence the valuation techniques used in the FVM. Entities will need to assess how those techniques are applied and whether inputs are observable at the measurement date.

## 20. Property, equipment and right-of-use assets

*IAS 38.118(c)*

*IAS 38.118(e)*

| | Property and equipment | | Right-of-use assets | | Total |
|---|---|---|---|---|---|
| | Euroland office properties €000 | Other equipment €000 | Office properties €000 | Equipment €000 | €000 |
| **Cost** | | | | | |
| At 1 January 2024 | 250 | 78 | 219 | 94 | 641 |
| Additions | – | 2 | – | – | 2 |
| Disposal | – | – | – | – | – |
| Revaluation adjustment | 50 | – | – | – | 50 |
| Transfer* | (32) | – | – | – | (32) |
| **At 31 December 2024** | **268** | **80** | **219** | **94** | **661** |
| Additions | – | 3 | – | – | 3 |
| Disposals | – | – | – | – | – |
| Revaluation adjustment | 37 | – | – | – | 37 |
| Transfer* | (15) | – | – | – | (15) |
| **At 31 December 2025** | **290** | **83** | **219** | **94** | **686** |
| **Depreciation and impairment** | | | | | |
| At 1 January 2024 | 21 | 13 | 50 | 20 | 104 |
| Depreciation | 11 | 6 | 20 | 12 | 49 |
| Disposals | – | – | – | – | – |
| Transfer* | (32) | – | – | – | (32) |
| **At 31 December 2024** | **-** | **19** | **70** | **32** | **121** |
| Depreciation | 15 | 7 | 20 | 12 | 54 |
| Transfer* | (15) | – | – | – | (15) |
| Disposals | – | – | – | – | – |
| **At 31 December 2025** | **-** | **26** | **90** | **44** | **160** |
| **Net book value** | | | | | |
| At 1 January 2024 | 229 | 65 | 169 | 74 | 537 |
| At 31 December 2024 | 268 | 61 | 149 | 62 | 540 |
| At 31 December 2025 | 290 | 57 | 129 | 50 | 526 |

** This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.*

### Commentary on IFRS accounting standards

If a lessee does not present right-of-use assets separately in the statement of financial position, they are required to include the right-of-use assets in the same line item that the corresponding underlying assets would be presented in if they were owned.

*IFRS 16.47*

*Revaluation of office properties in Euroland*

Management determined that the office properties in Euroland constitute a separate class of property and equipment, based on the nature, characteristics and risks of the property.

*IFRS 13.94*

The fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary data bases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 31 December 2025 and 31 December 2024, the properties' fair values are based on valuations performed by Chartered Surveyors & Co., an accredited independent valuer who has valuation experience for similar office properties in Euroland since 2014. A net gain from the revaluation of the office properties in Euroland of €22,000 in 2025 (2024: €18,000) was recognised in OCI.

*IAS 16.77(b)*
*IFRS 13.93(d)*

Fair value measurement disclosures for the revalued office properties are provided in Note 18.

## 20. Property, equipment and right-of-use assets *continued*

**Significant unobservable valuation input:** *IFRS 13.93(h)(i)*

| | Range | |
|---|---|---|
| | 2025 | 2024 |
| Price per square metre | €325-€350 | €340-€365 |

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

If the office properties in Euroland were measured using the cost model, the carrying amounts would be, as follows:

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Cost | 250 | 250 |
| Accumulated depreciation and impairment | (43) | (37) |
| **Net carrying amount** | **207** | **213** |

### Commentary on IFRS accounting standards

If an item of property, plant and equipment is revalued, the entire class to which that asset belongs should be revalued. IAS 16 defines a class of property and equipment as a grouping of assets of similar nature and use in an entity's operations. The Group determined that office properties in Euroland constitute a separate class based on their nature, characteristics and risks. *IAS 36.36 IAS 16.37*

The revalued amount of an item of property and equipment is its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period. *IAS 16.31*

Fair value was determined using the market comparable method. This means that valuations performed are based on prices of transactions involving properties of a similar nature, location and condition. Since this valuation was performed using a significant non-observable input, the fair value is classified as a Level 3 measurement.

Since revaluations of property and equipment in accordance with IAS 16 represent a recurring fair value measurement, the Group discloses the information required for recurring fair value measurements. The disclosures provided are based on Example 17 from the Illustrative examples to IFRS 13. It is assumed in these illustrative financial statements that only one unobservable input, price per square metre, was used by the valuers. In practice, the market comparable method may require the use more than one unobservable input. In such cases, the disclosures would cover the additional significant unobservable inputs. *IFRS 13.93*

An entity is required to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in a tabular format. *IFRS 13.99*

### Group as a lessee

The group has entered into commercial leases for office premises and equipment. The leases for office premises have an average term of between ten and twelve years, and the leases for equipment having an average term of five and ten years. There are no restrictions placed upon the lessee by entering into these leases. *IFRS 16.59(b)(i) IFRS 16.B49*

For further disclosure and detail on these leases, refer to Note 28.

### Commentary on IFRS accounting standards

Lessees are required to disclose information in a single note or a separate section in the financial statements. However, there is no need to duplicate certain information that is already presented elsewhere, provided that information is incorporated by cross-reference in a single note or separate section. The Group provided most of the right-of-use asset disclosures required by IFRS 16 in this section of the financial statements. However, there are still some relevant lessee-related disclosures within the leases note, and the Group has cross-referred to those disclosures for certain required information outside of this note. *IFRS 16.52*

## 21. Intangible assets and goodwill

*IAS 38.118(e)*

| | Distribution channels €000 | Goodwill €000 | Total €000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2024 | 594 | 17 | 17 |
| Additions | – | – | - |
| **At 31 December 2024** | **594** | **17** | **741** |
| Additions | – | – | - |
| Acquisition of a subsidiary | - | 40 | 40 |
| **At 31 December 2025** | **594** | **57** | **781** |
| **Amortisation and impairment** | | | |
| At 1 January 2024 | 54 | – | 54 |
| Amortisation | 54 | – | 54 |
| **At 31 December 2024** | **108** | **–** | **108** |
| Amortisation | 54 | – | 54 |
| Impairment | – | 5 | 5 |
| **At 31 December 2025** | **162** | **5** | **167** |
| **Net book value** | | | |
| At 1 January 2024 | 594 | 17 | 611 |
| At 31 December 2024 | 540 | 17 | 557 |
| At 31 December 2025 | 486 | 52 | 538 |

### Distribution channels

The distribution channels were acquired through business combinations in 2022. These distribution channels useful life has been determined to be 11 years.

### Impairment testing of intangible assets and goodwill

For impairment testing of goodwill acquired through business combinations, goodwill is allocated to the Contents insurance and Marine insurance CGUs, which are also operating and reportable segments.

**Carrying amount of goodwill allocated to each of the CGUs:**

*IAS 36. 134(b)*

| | Property insurance | | Marine Insurance | | Total | |
|---|---|---|---|---|---|---|
| | 2025 €000 | 2024 €000 | 2025 €000 | 2024 €000 | 2025 €000 | 2024 €000 |
| Goodwill | 40 | – | 12 | 17 | 52 | 17 |

The Group performed its annual impairment test in December 2025 and December 2024. The Group considers the relationship between its market capitalisation and its book value, amongst other factors, when reviewing for indicators of impairment. As at 31 December 2025, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating segments.

*Property Insurance CGU*

*IAS 36.130(e)*
*IAS 36.134(d)(iii)*
*IAS 36.134(d)(iv)*
*IAS 36.134(d)(v)*
*IAS 36.126(a)*

The recoverable amount of the property insurance CGU has been determined based on the CGU's value in use , as the fair value less costs to sell were concluded to be lower than the value in use. The value in use calculation has been determined using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.5% (2024: 12.1%) and cash flows beyond the five-year period are extrapolated using a 3.75% growth rate. This growth rate exceeds the industry average growth rate by 0.75% for the insurance industry. Management, however, believe this growth rate is justified based on the acquisition of Euroland Contents Insurance Limited during the current year. As a result of this analysis, management has determined there is headroom of €90,000 and, therefore, did not identify an impairment for this CGU in 2025.

## 21. Intangible assets and goodwill *continued*

*Marine Insurance CGU*

The recoverable amount of the Marine Insurance CGU is also determined based on the CGU's value in use, as the fair value less costs to sell were concluded to be lower than the value in use. The value in use calculation has been determined using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to the cash flow projections is 14.4% (2024: 12.8%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3% (2024: 4%). This growth rate is the same as the long-term average growth rate for the insurance industry average. . As a result of this analysis, management has determined and recognised an impairment charge of €5,000 in the current year against goodwill with a carrying amount of €17,000 as at 31 December 2025. The impairment charge is included in operating expenses in profit or loss.

*IAS 36.130(e)*
*IAS 36.134(c)*
*IAS 36.134(d)(iii)*
*IAS 36.134(d)(iv)*
*IAS 36.134(d)(v)*
*IAS 36.134 (f)(i)*

**Key assumptions used in value in use calculations and sensitivity to changes in assumptions**

The calculation of value in use for all three units is most sensitive to the following assumptions:

*IAS 36.134(d)(i)*
*IAS 36.134(d)(ii)*
*IAS 36.134(f)*
*IAS 36.134(f)(ii)*
*IAS 36.134(f)(iii)*

- Insurance service results
- Discount rates
- Market share assumptions
- Growth rates used to extrapolate cash flows beyond the forecast period

*Climate-related matters* – The Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount. While the Group does not believe its operations are currently significantly exposed to physical risk, the value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, the Group has incorporated climate-related factors into its key assumptions.

### Commentary on climate-related matters

*IAS 36.33(a)*

When measuring the value in use, an entity is required to "base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset". Entities must consider whether climate-related risks, including physical risks and transition risks, will have an impact on the viability of their business going forward, and whether and how such risks will impact the legal, technological and market environment in which they operate.

*Insurance service results*

Insurance service result margins are based on average values achieved in the three years preceding the beginning of the budget period. The insurance service results for the marine CGU and the property insurance unit were 15% and 20%, respectively. These are increased over the budget period for anticipated efficiency improvements. An increase of 1.5% per annum was applied for the marine insurance unit and 2% per annum for the property insurance unit.

Decreased demand can lead to a decline in insurance service result. Any decrease in the insurance service results would result in a further impairment in the marine insurance unit. A decrease in the insurance service results by 7.0% would result in impairment in the property insurance unit.

*Discount rates*

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Any rise in the pre-tax discount rate from the current level of 14.4% in the marine insurance unit would result in a further impairment. A rise in the pre-tax discount rate to 16.7% (i.e. +1.2%) in the property insurance unit would result in impairment.

### 21. Intangible assets and goodwill *continued*

*Market share assumptions*

When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the marine insurance market (20%) to be stable over the forecast period. Management expects the Group's position in the property insurance market relative to its competitors to strengthen following the acquisition of Euroland Contents Insurance Limited. The Group's market share in the property insurance market is currently 35%.

Although management expects the Group's market share of the marine insurance market to be stable over the forecast period, any decline in the market share would result in a further impairment in the unit. Similarly, a decline in market share in the property insurance market by 20% would result in impairment in the property insurance unit.

*Growth rate estimates*

Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget for the property insurance unit includes an adjustment on account of the acquisition of Euroland Contents Insurance Limited.

Management recognises the possibility that new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 3.75% for the property insurance unit and 3% for the marine insurance unit. Any reduction in the long-term growth rate in the marine insurance unit would result in a further impairment. For the property insurance unit, a reduction by exceeding 0.75% in the long-term growth rate would result in impairment.

**Commentary on IFRS accounting standards**

The Group has determined the recoverable amounts of its cash generating units (CGUs) based on value in use under IAS 36. If the recoverable amounts are determined using fair value less costs of disposal, then disclosure of the valuation technique(s) and other information is required, including: the key assumptions used, a description of management's approach to each key assumption, the level of fair value hierarchy and the reason(s) for changing valuation techniques, if there is any change. Furthermore, if fair value less cost of disposal is determined using discounted cash flow projections, additional information such as the period of cash flow projections, growth rate used to extrapolate cash flow projections and the discount rate(s) applied to the cash flow projections are required to be disclosed. An entity is not required to provide disclosures under IFRS 13, the disclosures it is required to make under IAS 36 are similar to those under IFRS 13.

*IAS 36.134(e)*

An entity is also required to disclose key assumptions made for each CGU for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. While the disclosures above have been provided for illustrative purposes, companies need to evaluate the significance of each assumption used for the purpose of this disclosure.

*IAS 36.134(d)(i)*

IAS 36 requires disclosures of sensitivity analysis for each CGU for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that CGU is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. These disclosures are made if a reasonably possible change
in a key assumption used to determine the CGU's recoverable amount would cause its carrying amount to exceed its recoverable amount. The Group has made these disclosures for all the key assumptions for the Marine Insurance unit, since there is an impairment charge during the year and the carrying amount equals recoverable amount, and for the Contents Insurance unit, as it is believed that a reasonably possible change in the key assumptions may cause impairment. Entities need to also take into account the consequential effect of a change in one assumption on other assumptions, as part of the sensitivity analyses when determining the point at which the recoverable amount equals the carrying amount. The Group has considered this in the disclosures herein.

*IAS 36.134(f)*

*IAS 36.134(f)(iii)*

## 22. Issued capital and reserves

| *Authorised shares* | 2025 Thousands | 2024 Thousands | IAS 1.78(e) IAS 1.79(a)(i) |
|---|---|---|---|
| Ordinary shares of €1 each | 10,000 | 10,000 | IAS 1.79(a)(iii) |
| | **10,000** | **10,000** | |

| *Ordinary shares issued and fully paid* | Thousands | €000 | IAS 1.79(a)(ii),(iv) |
|---|---|---|---|
| At 1 January 2024 and 31 December 2024 | 8,500 | 540 | |
| Issued on 20 December 2025 for acquisition of Euroland Contents Insurance Limited (Note 7) | 100 | 100 | |
| **At 31 December 2025** | **8,600** | **640** | |

During 2025, the authorised share capital was increased by €100,000 by the issue of 100,000 ordinary shares of €1 each.

| *Share premium* | €000 | IAS 1.78(e) |
|---|---|---|
| At 1 January 2024 | – | |
| Cash on exercise of share options in excess of cost | 2 | |
| **At 31 December 2024** | **2** | |
| Issuance of share capital for the acquisition of Euroland Contents Insurer (ECI) Limited (Note 7) | 50 | |
| Cash on exercise of share options in excess of cost of treasury shares | 1 | |
| Transaction costs for issued share capital | (1) | |
| **At 31 December 2025** | **52** | |

| *Treasury shares* | Thousands | €000 | IAS 1.79(a)(vi) |
|---|---|---|---|
| At 1 January 2024 | 13 | 26 | |
| Issued for cash on exercise of share options | (2) | (4) | |
| **At 31 December 2024** | **11** | **22** | |
| Issued for cash on exercise of share options | (3) | (4) | |
| **At 31 December 2025** | **8** | **18** | |

*Share option schemes*

The Group has two share option schemes under which options to subscribe for the Group's shares have been granted to certain senior executives and certain other employees. Refer to Note 26 for further details.

Share options exercised in each respective year have been settled using the treasury shares of the Group. The reduction in the treasury share equity component is equal to the cost incurred to acquire the shares, on a weighted average basis. Any excess of the cash received from employees over the reduction in treasury shares is recorded in the share premium reserve.

*Other capital reserves- share-based payments*

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 26 for further details of these plans.

| | Share-based payments €000 |
|---|---|
| As at 1 January 2024 | 12 |
| Share-based payments expense during the year | 11 |
| **At 31 December 2024** | **23** |
| Share-based payments expense during the year | 11 |
| **At 31 December 2025** | **34** |

All other reserves are as stated in the consolidated statement of changes in equity.

## 22. Issued capital and reserves *continued*

**OCI items, net of tax:**

The disaggregation of changes of OCI by each type of reserve in equity is shown below: *IAS 1.106A*

| Year ended 31 December 2025 | Fair value reserve of financial assets at FVOCI €000 | Foreign currency translation reserve €000 | Asset revaluation surplus €000 | Insurance/ reinsurance finance reserve €000 | Retained earnings €000 | Total €000 |
|---|---|---|---|---|---|---|
| Net gain on a hedge of net investment | – | 39 | – | – | – | 39 |
| Exchange differences on translation of foreign operations | – | (40) | – | – | – | (40) |
| Reclassified to profit or loss | (1) | – | – | – | – | (1) |
| Fair value gain/ loss on debt instruments at FVOCI | 124 | – | – | – | – | 124 |
| Remeasurement on defined benefit plan | – | – | – | – | 26 | 26 |
| Income from investment in associate | – | – | – | – | 10 | 10 |
| Revaluation of office properties in Euroland | – | – | 22 | – | – | 22 |
| (Re) Insurance finance income/ (expense) | – | – | – | (10) | – | (10) |
| Income tax relating to OCI items | (37) | (12) | (6) | 3 | **(11)** | (63) |
| | **86** | **(13)** | **16** | **(7)** | **25** | **107** |

| Year ended 31 December 2024 | Fair value reserve of financial assets at FVOCI €000 | Foreign currency translation reserve €000 | Asset revaluation surplus €000 | Insurance/ reinsurance finance reserve €000 | Retained earnings €000 | Total €000 |
|---|---|---|---|---|---|---|
| Net gain on a hedge of net investment | – | 20 | – | – | – | 20 |
| Exchange differences on translation of foreign operations | – | (22) | – | – | – | (22) |
| Reclassified to profit or loss | 2 | – | – | – | – | 2 |
| Fair value gain/ loss on debt instruments at FVOCI | (28) | – | – | – | – | (28) |
| Remeasurement on defined benefit plan | – | – | – | – | (28) | (28) |
| Revaluation of office properties in Euroland | – | – | 18 | – | – | 18 |
| (Re) Insurance finance income/ (expense) | – | – | – | 4 | – | 4 |
| Income tax relating to OCI items | 8 | (6) | (4) | (1) | 8 | 5 |
| | **(18)** | **(8)** | **14** | **3** | **(20)** | **(29)** |

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| **Cash dividends on ordinary shares declared and paid:** | | | *IAS 1.107* |
| Final dividend for 2024: 2 cents per share (2023: 1.5 cents per share) | 170 | 128 | |
| Interim dividend for 2025: 1.5 cents per share (2024: 1 cents per share) | 128 | 85 | |
| | **300** | **213** | |
| **Proposed dividends on ordinary shares:** | | | |
| Final cash dividend for 2025: 2.5 cents per share (2024: 0.2 cents per share) | **215** | **170** | *IAS 1.137(a)* |

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

## 23. Other payables

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Other payables | 250 | 120 |
| | **250** | **120** |

Of the other payables balance as at 31 December 2025, €70,000 was acquired as part of the acquisition of Euroland Contents Insurance towards the end of 2025. The other payables are non-interest bearing and have an average term of six months.

## 24. Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

*IFRS 17.78*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | €000 Assets | €000 Liabilities | €000 Net | €000 Assets | €000 Liabilities | €000 Net |
| **Insurance contracts issued** | | | | | | |
| Personal accident insurance | – | 6,278 | 6,278 | – | 6,820 | 6,820 |
| Marine insurance | – | 4,005 | 4,005 | – | 3,830 | 3,830 |
| Property insurance | – | 3,244 | 3,244 | – | 2,379 | 2,379 |
| Liability reinsurance issued | (35) | 1,033 | 998 | (49) | 1,056 | 1,007 |
| **Total insurance contracts issued** | **(35)** | **14,560** | **14,525** | **(49)** | **14,085** | **14,036** |
| **Reinsurance contracts held** | | | | | | |
| Marine insurance | (808) | – | (808) | (1,408) | – | (1,408) |
| **Total reinsurance contracts held** | **(808)** | **–** | **(808)** | **(1,408)** | **–** | **(1,408)** |

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Group disaggregates information to provide disclosure in respect of major product lines separately: personal accident insurance; marine insurance; property insurance; and liability reinsurance issued. This disaggregation has been determined based on how the Group is managed.

*IFRS 17.95,*

**Commentary on IFRS accounting standards**

*IFRS 17.96*

Entities are required to aggregate or disaggregate information so that useful information is not obscured either by the inclusion of a large amount of insignificant detail or by the aggregation of items that have different characteristics. Entities need to apply judgement as to how, or even whether, they break down the required disclosures into separate lines of business or geographical areas. Examples of aggregation bases that might be appropriate for information disclosed about insurance contracts are listed by IFRS 17, as follows:

(a) Type of contract (for example, major product lines);

(b) Geographical area (for example, country or region); or

(c) Reportable segment, as defined in IFRS 8 *Operating Segments*.

Entities are not required to disaggregate information as disclosed in this publication, but they need to apply judgement to aggregate or disaggregate information so that useful information is not obscured either by the inclusion of a large amount of insignificant detail or by the aggregation of items that have different characteristics. Once the decision for appropriate level of disaggregation is made, the IFRS 17 disclosures need to be provided separately for each unit of aggregation.

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

#### 24.1.1 Personal accident insurance

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

| | | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | IFRS 17.100(a)-(c), IFRS 17.105A IFRS 17.105B |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 6,057 | – | 858 | 22 | (117) | 6,820 | IFRS 17.99(b) |
| Insurance contract assets as at 01/01 | | – | – | – | – | | – | IFRS 17.99(b) |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **6,057** | **–** | **858** | **22** | **(117)** | **6,820** | |
| Insurance revenue | | (1,555) | – | – | – | – | (1,555) | IFRS 17.103(a) |
| Insurance service expenses | | 33 | – | 1,082 | – | – | 1,115 | |
| Incurred claims and other expenses | | – | – | 1,082 | 27 | – | 1,109 | IFRS 17. 103(b)(i) |
| Amortisation of insurance acquisition cash flows | a | 33 | – | – | – | – | 33 | IFRS 17. 103(b)(ii) |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | – | IFRS 17. 103(b)(iii) |
| Changes to liabilities for incurred claims | | – | – | – | (27) | – | (27) | IFRS 17. 103(b)(iv) |
| Impairment of assets for insurance acquisition cash flow | | – | – | – | – | – | – | IFRS 17.105A IFRS 17.105B |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | IFRS 17.105A IFRS 17.105B |
| Investment components | | – | – | – | – | – | – | IFRS 17.103(c) |
| **Insurance service result** | | **(1,522)** | **–** | **1,082** | **–** | **–** | **(440)** | |
| **Insurance finance expenses** | b | **128** | **–** | **47** | **–** | **–** | **175** | |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | **–** | IFRS 17.105(d) |
| **Total changes in the statement of comprehensive income** | | **(1,394)** | **–** | **1,129** | **–** | **–** | **(265)** | |
| **Cash flows** | | | | | | | | IFRS 17.105(a) |
| Premiums received | c | 845 | – | – | – | – | 845 | IFRS 17. 105(a)(i) |
| Claims and other expenses paid | | – | – | (1,118) | – | – | (1,118) | IFRS 17. 105(a)(iii) |
| Insurance acquisition cash flows | d | – | – | – | – | (4) | (4) | IFRS 17. 105(a)(ii) |
| **Total cash flows** | | **845** | **–** | **(1,118)** | **–** | **(4)** | **(304)** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(43)** | **–** | **–** | **–** | **43** | **–** | |
| **Other movements** | e | **–** | **–** | **–** | **–** | **–** | **–** | IFRS 17.105(d) |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **5,465** | **–** | **869** | **22** | **(78)** | **6,278** | |
| Insurance contract liabilities as at 31/12 | | 5,465 | – | 869 | 22 | (78) | 6,278 | IFRS 17.99(b) |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | – | IFRS 17.99(b) |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **5,465** | **–** | **869** | **22** | **(78)** | **6,278** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

**2024**

| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 6,608 | – | 866 | 22 | (83) | 7,413 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | – | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **6,608** | **–** | **866** | **22** | **(83)** | **7,413** | |
| Insurance revenue | | (1,583) | – | – | – | – | (1,583) | *IFRS 17.103(a)* |
| Insurance service expenses | | 33 | – | 1,088 | – | – | 1,121 | |
| Incurred claims and other expenses | | – | – | 1,088 | 27 | – | 1,115 | *IFRS 17. 103(b)(i)* |
| Amortisation of insurance acquisition cash flows | **a** | 33 | – | – | – | – | 33 | *IFRS 17. 103(b)(ii)* |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | – | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | – | (27) | – | (27) | *IFRS 17. 103(b)(iii)* |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Investment components | | – | – | – | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(1,550)** | **–** | **1,088** | **–** | **–** | **(462)** | |
| **Insurance finance expenses** | **b** | **156** | **–** | **25** | **–** | **–** | **181** | |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(1,394)** | **–** | **1,113** | **–** | **–** | **(281)** | |
| **Cash flows** | | | | | | | | *IFRS 17.105(a)* |
| Premiums received | **c** | 920 | – | – | – | – | 920 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (1,121) | – | – | (1,121) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | **d** | (18) | – | – | – | (85) | (103) | *IFRS 17. 105(a)(ii) IFRS 17.105A* |
| **Total cash flows** | | **902** | **–** | **(1,121)** | **–** | **(85)** | **(304)** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(59)** | **–** | **–** | **–** | **59** | **–** | *IFRS 17.105A* |
| **Other movements** | **e** | **–** | **–** | **–** | **–** | **(8)** | **(8)** | *IFRS 17.105(d)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **6,057** | **–** | **858** | **22** | **(117)** | **6,820** | |
| Insurance contract liabilities as at 31/12 | | 6,057 | – | 858 | 22 | (117) | 6,820 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **6,057** | **–** | **858** | **22** | **(117)** | **6,820** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

Notes:

a. Insurance acquisition cash flows were allocated on the basis of passage of time during the coverage period of the respective group of contracts. Please see extracts from accounting policy for details in insurance acquisition cash flows policy of d) Insurance contracts

b. The Group has made an accounting policy choice for the product line to disaggregate insurance finance expense between profit or loss and other comprehensive income. Please refer to insurance finance income section of d) insurance contracts for details.

c. Any refunds of premiums have been included in this line.

d. Insurance acquisition cash flows paid after the related group is initially recognised are adjusted to the liability for remaining coverage. Insurance acquisition cash flows paid before the related group is recognised are included in assets for acquisition cash flows until the group is recognised.

e. Other movements for acquisition cash flows include where a liability for insurance acquisition cash flows has been recognised when applying another IFRS standard.

**Commentary on IFRS accounting standards**

Entities are required disclose movements in insurance contract liabilities and assets to show separately changes in liabilities for remaining coverage, loss component and liabilities for incurred claims. For insurance contracts to which the PAA approach has been applied, an entity should also disclose separately estimates of the present value of future cash flows and risk adjustment making up the liability for incurred claims. The movements must be disclosed according to IFRS 17.103 and IFRS 17.105, and comprise amounts recognised in profit or loss and cash flows. *IFRS 17.100*

The roll-forward above includes the reconciliation from opening to closing balance in respect of assets for insurance acquisition cash flows required by IFRS 17. An entity may choose to exclude this reconciliation from this table and present it as a separate roll-forward elsewhere. *IFRS 17.105A* *IFRS 17.105B*

The standard is silent on whether an entity should accrete interest on assets for insurance acquisition cash flows, as a result, entities have an accounting policy choice in this regard. In these disclosures, the Group has chosen to not accrete interest on assets for insurance acquisition cash flows.

Insurance revenue comprises the allocation of premiums to profit or loss on the basis of the passage of time or on the basis of the expected timing of incurred insurance service expenses. In the illustrative disclosures, allocation based on the passage of time is used. *IFRS 17.B126*

Insurance claims and other expenses are represented by expected cash outflows on insurance events that have occurred.

Refunds of premiums have been included in the cash flow line for premiums received. An entity may also choose to include refunds of premiums together with investment components. *IFRS 17.103(c)*

Changes to liabilities for incurred claims show changes in expected cash flows for insured events that have occurred and release of the risk adjustment. *IFRS 17.56*

Insurance finance expenses comprises accrual of interest on the net insurance liabilities. The change in discount rates is allocated to other comprehensive income for this product line. The contracts have a significant finance component which is incorporated into liability for remaining coverage.

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

The expected timing of when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they are allocated is disclosed in the table below:

*IFRS 17.28C, IFRS 17.109A*

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year €000 | 1-2 years €000 | 2-3 years €000 | 3-4 years €000 | 4-5 years €000 | >5 years €000 | Total €000 |
| **Expected timing of derecognition of assets balance as at 31/12** | 38 | 22 | 10 | 6 | 2 | – | 78 |

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year €000 | 1-2 years €000 | 2-3 years €000 | 3-4 years €000 | 4-5 years €000 | >5 years €000 | Total €000 |
| **Expected timing of derecognition of assets balance as at 31/12** | 43 | 36 | 20 | 12 | 6 | – | 117 |

**Commentary on IFRS accounting standards**

The above disclosure reflects to requirement to disclose quantitative information in appropriate time bands around when the Group expects to derecognise an asset for insurance acquisition cash flows. The Group considers the above time bands to be appropriate in respect of its products. However, entities should consider which timeline is most appropriate to their business.

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

#### 24.1.2 Marine insurance

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for marine insurance product line, is disclosed in the table below:

| | | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | IFRS 17.100(a)-(c) IFRS 17.105A IFRS 17.105B |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 2,071 | 17 | 2,099 | 49 | (406) | 3,830 | IFRS 17.99(b) |
| Insurance contract assets as at 01/01 | | – | – | – | – | – | – | IFRS 17.99(b) |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **2,071** | **17** | **2,099** | **49** | **(406)** | **3,830** | |
| Insurance revenue | | (3,012) | – | – | – | – | (3,012) | IFRS 17.103(a) |
| Insurance service expenses | | 285 | (17) | 2,216 | 21 | 19 | 2,524 | |
| Incurred claims and other expenses | | – | (14) | 2,166 | 55 | – | 2,207 | IFRS 17.103(b)(i) |
| Amortisation of insurance acquisition cash flows | a | 285 | – | – | – | – | 285 | IFRS 17.103(b)(ii) |
| Losses on onerous contracts and reversals of those losses | | – | (3) | – | – | – | (3) | IFRS 17.103(b)(iv) |
| Changes to liabilities for incurred claims | | – | – | 50 | (34) | – | 16 | IFRS 17.103(b)(iii) |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | 19 | 19 | IFRS 17.105A IFRS 17.105B |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | IFRS 17.105A IFRS 17.105B |
| Investment components | | – | – | – | – | – | – | IFRS 17.103(c) |
| **Insurance service result** | | **(2,727)** | **(17)** | **2,216** | **21** | **19** | **(488)** | |
| **Insurance finance expenses** | b | **16** | **–** | **62** | **–** | **–** | **78** | IFRS 17.105(c) |
| **Effect of movements in exchange rates** | | **4** | **–** | **2** | **–** | **–** | **6** | IFRS 17.105(d) |
| **Total changes in the statement of comprehensive income** | | **(2,707)** | **(17)** | **2,280** | **21** | **19** | **(404)** | |
| **Cash flows** | | | | | | | | IFRS 17.105(a) |
| Premiums received | c | 2,410 | – | – | – | – | 2,410 | IFRS 17.105(a)(i) |
| Claims and other expenses paid | | – | – | (1,603) | – | – | (1,603) | IFRS 17.105(a)(iii) |
| Insurance acquisition cash flows | | (92) | – | – | – | (147) | (239) | IFRS 17.105(a)(ii) IFRS 17.105A |
| **Total cash flows** | | **2,318** | **–** | **(1,603)** | **–** | **(147)** | **568** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(131)** | **–** | **–** | **–** | **131** | **–** | IFRS 17.105A |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | **–** | IFRS 17.105(d) |
| **Exchange differences** | | **7** | **–** | **4** | **–** | **–** | **11** | |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **1,558** | **–** | **2,780** | **70** | **(405)** | **4,005** | |
| Insurance contract liabilities as at 31/12 | | 1,558 | – | 2,780 | 70 | (403) | 4,005 | IFRS 17.99(b) |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | – | IFRS 17.99(b) |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **1,558** | **–** | **2,780** | **70** | **(403)** | **4,005** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

| | | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | *IFRS 17.100(a)-(c) IFRS 17.105A* ***IFRS 17.105B*** |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 2,061 | – | 1,183 | 29 | (297) | 2,976 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | – | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **2,061** | **–** | **1,183** | **29** | **(297)** | **2,976** | |
| Insurance revenue | | (2,800) | – | – | – | – | (2,800) | *IFRS 17.103(a)* |
| Insurance service expenses | | 293 | 17 | 2,201 | 20 | – | 2,531 | |
| Incurred claims and other expenses | | – | – | 2,104 | 54 | – | 2,158 | *IFRS 17. 103(b)(i)* |
| Amortisation of insurance acquisition cash flows | a | 293 | – | – | – | – | 293 | *IFRS 17. 103(b)(ii)* |
| Losses on onerous contracts and reversals of those losses | | – | 17 | – | – | – | 17 | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | 97 | (34) | – | 63 | *IFRS 17. 103(b)(iii)* |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Investment components | | – | – | – | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(2,507)** | **17** | **2,201** | **20** | **–** | **(269)** | |
| **Insurance finance expenses** | b | **35** | **–** | **33** | **–** | **–** | **68** | *IFRS 17.105(c)* |
| **Effect of movements in exchange rates** | | **(25)** | **–** | **(7)** | **–** | **–** | **(32)** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(2,497)** | **17** | **2,227** | **20** | **–** | **(233)** | |
| **Cash flows** | | | | | | | | *IFRS 17.105(a)* |
| Premiums received | c | 2,768 | – | – | – | – | 2,768 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (1,299) | – | – | (1,299) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | | (96) | – | – | – | (224) | (320) | *IFRS 17.105(a)(ii) IFRS 17.105A* |
| **Total cash flows** | | **2,672** | **–** | **(1,299)** | **–** | **(224)** | **1,149** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(115)** | **–** | **–** | **–** | **115** | **–** | *IFRS 17.105A* |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Exchange differences** | | **(50)** | **–** | **(12)** | **–** | **–** | **(62)** | |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **2,071** | **17** | **2,099** | **49** | **(406)** | **3,830** | |
| Insurance contract liabilities as at 31/12 | | 2,071 | 17 | 2,099 | 49 | (406) | 3,830 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **2,071** | **17** | **2,099** | **49** | **(406)** | **3,830** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

Notes:

a. Insurance acquisition cash flows were allocated on the basis of passage of time during the coverage period of the respective group of contracts. Please see extracts from the accounting policy for details on insurance acquisition cash flows policy of d) Insurance contracts

b. The Group has made an accounting policy choice for the product line to recognise net insurance finance expenses in profit or loss only. Please refer to insurance finance income section of d) insurance contracts for details.

c. Any refunds of premiums have been included in this line.

**Commentary on IFRS accounting standards**

Losses on onerous contracts are represented by the loss component recognised and partly reversed. In 2024, loss was recognised for one of the groups of contracts (group A) as it became onerous. In 2025, insured events occurred, and the loss component was partly transferred to liability for incurred claims, with the remaining part of the loss reversed.

Insurance finance expenses comprise the accrual of interest on net insurance liabilities. The contracts are long term and have a significant finance component which is incorporated into liability for remaining coverage. *IFRS 17.56*

In the illustrative example above, several groups of contracts were issued in Canadian dollars. The effect of changes in the exchange rate is reflected in the line "Effect of movements in exchange rates". For the purpose of the example, figures are calculated in USD and then translated to EUR.

The expected timing for when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they relate is disclosed in the table below: *IFRS 17.28C, IFRS 17.109A*

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | >5 years | Total |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| **Expected timing of derecognition of assets balance as at 31/12** | 121 | 102 | 80 | 61 | 39 | – | 403 |

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | >5 years | Total |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| **Expected timing of derecognition of assets balance as at 31/12** | 131 | 100 | 82 | 59 | 34 | – | 406 |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

#### 24.1.3 Property insurance

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for the property insurance product line, is disclosed in the table below. The Group has made an accounting policy choice for the product line to expense acquisition cash flows as they arise. Please see extracts from the accounting policy for details in insurance acquisition cash flows policy of d) Insurance contracts

| | | 2025 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 392 | – | 1,942 | 45 | 2,379 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **392** | **–** | **1,942** | **45** | **2,379** | |
| Insurance revenue | | (5,245) | – | – | – | (5,245) | *IFRS 17.103(a)* |
| Insurance service expenses | | – | – | 4,175 | 20 | 4,195 | |
| Incurred claims and other expenses | | – | – | 4,212 | 105 | 4,317 | *IFRS 17. 103(b)(i)* |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | (37) | (85) | (122) | *IFRS 17. 103(b)(iii)* |
| Investment components | | – | – | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(5,245)** | **–** | **4,175** | **20** | **(1,050)** | |
| **Insurance finance expenses** | a | **–** | **–** | **–** | **–** | **–** | |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(5,245)** | **–** | **4,175** | **20** | **(1,050)** | |
| **Cash flows** | | | | | | | *IFRS 17.105(a)* |
| Premiums received | b | 4,946 | – | – | – | 4,946 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (3,388) | – | (3,388) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | | – | – | – | – | – | *IFRS 17. 105(a)(ii)* |
| **Total cash flows** | | **4,946** | **–** | **(3,388)** | **–** | **1,558** | |
| **Acquisition of insurance contracts** | c | **357** | | | | **357** | |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **450** | **–** | **2,729** | **65** | **3,244** | |
| Insurance contract liabilities as at 31/12 | | 450 | – | 2,729 | 65 | 3,244 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **450** | **–** | **2,729** | **65** | **3,244** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

| | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities or incurred claims | | | |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 681 | – | 1,665 | 40 | 2,386 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **681** | **–** | **1,665** | **40** | **2,386** | |
| Insurance revenue | | (5,182) | – | – | – | (5,182) | *IFRS 17.103(a)* |
| Insurance service expenses | | – | – | 4,230 | 5 | 4,235 | |
| Incurred claims and other expenses | | – | – | 4,161 | 104 | 4,265 | *IFRS 17. 103(b)(i)* |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | 69 | (99) | (30) | *IFRS 17. 103(b)(iii)* |
| Investment components | | – | – | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(5,182)** | **–** | **4,230** | **5** | **(947)** | |
| **Insurance finance expenses** | **a** | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(c)* |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(5,182)** | **–** | **4,230** | **5** | **(947)** | |
| **Cash flows** | | | – | | | | *IFRS 17.105(a)* |
| Premiums received | **b** | 4,893 | – | – | – | 4,893 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (3,953) | – | (3,953) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | | – | – | – | – | – | *IFRS 17. 105(a)(ii)* |
| **Total cash flows** | | **4,893** | **–** | **(3,953)** | **–** | **940** | |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **392** | **–** | **1,942** | **45** | **2,379** | |
| Insurance contract liabilities as at 31/12 | | 392 | – | 1,942 | 45 | 2,379 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **392** | **–** | **1,942** | **45** | **2,379** | |

Notes:

a. The Group is not required to adjust future cash flows in liability for incurred claims for the time value of money and the effect of financial risk as, for the product line, those cash flows are expected to be paid in less than one year. Please refer to insurance acquisition cash flows policy of d) Insurance contracts for details. *IFRS 17.59(a)* *IFRS 17.59(b)*

b. Any refunds of premiums have been included in this line.

c. On 20 December 2025, the Group acquired 100% of Euroland Contents Insurance Limited. For further details on the acquisition, refer to note 7.

**Commentary on IFRS accounting standards**

An entity may choose to recognise insurance acquisition cash flows as an expense when incurred, only if the coverage period is less than one year. For the property insurance portfolios, the Group made an accounting policy choice to recognise insurance acquisition cash flows as an expense when incurred. Therefore, insurance acquisition cash flows for the portfolios are not included in the roll forwards above, which is in line with Illustrative example 10 from Illustrative Examples for IFRS 17 *Insurance Contracts*. *IFRS 17. 69(a)*

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

#### 24.1.4 Liability reinsurance issued

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for liability insurance (reinsurance issued) product line, is disclosed in the table below:

| | | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 605 | – | 480 | 12 | (41) | 1,056 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | (49) | – | – | – | – | (49) | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **556** | **–** | **480** | **12** | **(41)** | **1,007** | |
| Insurance revenue | | (1,017) | – | – | – | | (1,017) | *IFRS 17.103(a)* |
| Insurance service expenses | | 109 | – | 1,083 | (1) | – | 1,191 | |
| Incurred claims and other expenses | | – | – | 1,063 | 27 | – | 1,090 | *IFRS 17. 103(b)(i)* |
| Amortisation of insurance acquisition cash flows | **a** | 109 | – | – | – | – | 109 | *IFRS 17. 103(b)(ii)* |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | – | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | 20 | (28) | – | (8) | *IFRS 17. 103(b)(iii)* |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Investment components | | (74) | – | 74 | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(982)** | **–** | **1,157** | **(1)** | **–** | **174** | |
| **Insurance finance expenses** | **b** | **–** | **–** | **19** | **–** | **–** | **19** | *IFRS 17.105(c)* |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(982)** | **–** | **1,176** | **(1)** | **–** | **193** | |
| **Cash flows** | | | | | | | | *IFRS 17.105(a)* |
| Premiums received | **c** | 1,068 | – | – | – | – | 1,068 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (1,163) | – | – | (1,163) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | **d** | (76) | – | – | – | (28) | (104) | *IFRS 17.105(a)(ii)* IFRS 17.105A |
| **Total cash flows** | | **992** | **–** | **(1,163)** | **–** | **–** | **(199)** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(41)** | **–** | **–** | **–** | **41** | **–** | *IFRS 17.105A* |
| **Other movements** | **e** | **–** | **–** | **–** | **–** | **(3)** | **(3)** | *IFRS 17.105(d)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **525** | **–** | **493** | **11** | **(31)** | **998** | |
| Insurance contract liabilities as at 31/12 | | 560 | – | 493 | 11 | (31) | 1,033 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | (35) | – | – | – | – | (35) | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | **f** | **525** | **–** | **493** | **11** | **(31)** | **998** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

| | | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Liabilities for remaining coverage | | Liabilities for incurred claims | | | | |
| | | Excluding loss component €000 | Loss component €000 | Estimates of the present value of future cash flows €000 | Risk adjustment €000 | Assets for insurance acquisition cash flows €000 | Total €000 | |
| Insurance contract liabilities as at 01/01 | | 438 | – | 583 | 15 | (47) | 989 | *IFRS 17.99(b)* |
| Insurance contract assets as at 01/01 | | (37) | – | – | – | – | (37) | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 01/01** | | **401** | **–** | **583** | **15** | **(4)** | **952** | |
| Insurance revenue | | (1,162) | – | – | – | – | (1,162) | *IFRS 17.103(a)* |
| Insurance service expenses | | 125 | – | 1,241 | (3) | – | 1,363 | |
| Incurred claims and other expenses | | – | – | 1,202 | 30 | – | 1,232 | *IFRS 17. 103(b)(i)* |
| Amortisation of insurance acquisition cash flows | **a** | 125 | – | – | – | – | 125 | *IFRS 17. 103(b)(ii)* |
| Losses on onerous contracts and reversals of those losses | | – | – | – | – | – | – | *IFRS 17. 103(b)(iv)* |
| Changes to liabilities for incurred claims | | – | – | 39 | (33) | – | 6 | *IFRS 17. 103(b)(iii)* |
| Impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Reversal of impairment of assets for insurance acquisition cash flows | | – | – | – | – | – | – | *IFRS 17.105A IFRS 17.105B* |
| Investment components | | (84) | – | 84 | – | – | – | *IFRS 17.103(c)* |
| **Insurance service result** | | **(1,121)** | **–** | **1,325** | **(3)** | **–** | **201** | |
| **Insurance finance expenses** | **b** | **–** | **–** | **17** | **–** | **–** | **17** | *IFRS 17.105(c)* |
| **Effect of movements in exchange rates** | | **–** | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(1,121)** | **–** | **1,342** | **(3)** | **–** | **218** | |
| **Cash flows** | | | | | | | | *IFRS 17.105(a)* |
| Premiums received | **c** | 1,424 | – | – | – | – | 1,424 | *IFRS 17.105(a)(i)* |
| Claims and other expenses paid | | – | – | (1,445) | – | – | (1,445) | *IFRS 17. 105(a)(iii)* |
| Insurance acquisition cash flows | **d** | (101) | – | – | – | (36) | (137) | *IFRS 17.105(a)(ii) IFRS 17.105A* |
| **Total cash flows** | | **1,323** | **–** | **(1,445)** | **–** | **–** | **(158)** | |
| **Allocation from assets for insurance acquisition cash flows to groups of insurance contracts** | | **(47)** | **–** | **–** | **–** | **47** | **–** | *IFRS 17.105A* |
| **Other movements** | **e** | **–** | **–** | **–** | **–** | **(5)** | **(5)** | *IFRS 17.105(d)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | | **556** | **–** | **480** | **12** | **(41)** | **1,007** | |
| Insurance contract liabilities as at 31/12 | | 605 | – | 480 | 12 | (41) | 1,056 | *IFRS 17.99(b)* |
| Insurance contract assets as at 31/12 | | (49) | – | – | – | – | (49) | *IFRS 17.99(b)* |
| **Net insurance contract (assets)/liabilities as at 31/12** | **f** | **556** | **–** | **480** | **12** | **(41)** | **1,007** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.1 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *continued*

Notes:

a. Insurance acquisition cash flows were allocated on the basis of the passage of time during the coverage period of the respective group of contracts. Please see extracts from the accounting policy for details on insurance acquisition cash flows policy of d) Insurance contracts

b. The Group has made an accounting policy choice for the product line to recognise net insurance finance expense in profit or loss only.

c. Any refunds of premiums have been included in this line.

d. Insurance acquisition cash flows paid after the related group is initially recognised are adjusted to the liability for remaining coverage. Insurance acquisition cash flows paid before the related group is recognised are included in assets for acquisition cash flows until the group is recognised.

e. 'Other movements' for assets for insurance acquisition cash flows include where a liability for insurance acquisition cash flows has been recognised applying another IFRS standard.

f. As at 31 December 2025 and 31 December 2024, all assets for insurance acquisition cash flows are expected to be derecognised within one year.

**Commentary on IFRS accounting standards**

Insurance finance expenses comprise accrual of interest on liabilities for incurred claims. *IFRS 17.56*

An entity is not required to adjust the liability for remaining coverage to reflect time value of money if the time between providing each part of the services and the related premium is no more than a year.

In the illustrative disclosure above, investment components represented by profit commission are included in reinsurance contracts issued. Profit commissions are non-distinct to the reinsurance contracts issued and must not be separated and are shown on the line [investment component] in the roll-forward for presentation purposes. The investment component is excluded from insurance revenue and insurance service expenses as required by IFRS 17. *IFRS 17.85*

The Group has determined that it does not expect renewals to arise from new contracts written in the period, and as such, it has disclosed in the notes above that all assets for insurance acquisition cash flows are expected to be derecognised within one year.

One portfolio includes reinsurance treaties where the premium is only due at the end of the coverage period. This has resulted in the portfolio being in a net asset position.

## 24. Insurance and reinsurance contracts *continued*

### 24.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims *continued*

#### 24.2.1 Marine insurance

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising on marine insurance ceded to reinsurers is disclosed in the table below:

| | | 2025 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Assets for remaining coverage | | Amounts recoverable on incurred claims | | | *IFRS 17.100(a)-(c)* |
| | | Excluding loss component | Loss component | Estimates of the present value of future cash flows | Risk adjustment | Total | |
| | | €000 | €000 | €000 | €000 | €000 | |
| Reinsurance contract assets as at 01/01 | | 951 | 15 | 431 | 11 | 1,408 | *IFRS 17.99(b)* |
| Reinsurance contract liabilities as at 01/01 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net reinsurance contract assets/(liabilities) as at 01/01** | | **951** | **15** | **431** | **11** | **1,408** | |
| An allocation of reinsurance premiums | | (633) | – | – | – | (633) | *IFRS 17.103(a)* |
| Amounts recoverable from reinsurers for incurred claims | | – | (15) | 642 | (3) | 625 | |
| Amounts recoverable for incurred claims and other expenses | | – | – | 588 | (3) | 586 | *IFRS 17.103(b)(i)* |
| Loss-recovery on onerous underlying contracts and adjustments | a | – | (15) | – | – | (15) | |
| Changes to amounts recoverable for incurred claims | | – | – | 54 | – | 54 | *IFRS 17.103 (b)(iii)* |
| Reinsurance Investment components | | – | – | – | – | – | *IFRS 17.103(c)* |
| **Net income or expense from reinsurance contracts held** | | **(633)** | **(15)** | **642** | **(3)** | **(8)** | |
| **Reinsurance finance income** | b | **15** | **–** | **16** | **–** | **31** | *IFRS 17.105(c)* |
| **Effect of changes in non-performance risk of reinsurers** | c | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(b)* |
| **Effect of movements in exchange rates** | | **3** | **–** | **2** | **–** | **5** | *IFRS 17.105(d)* |
| **Total changes in the statement of comprehensive income** | | **(614)** | **(15)** | **660** | **(2)** | **29** | |
| **Cash flows** | | | | | | | *IFRS 17.105(a)* |
| Premiums paid | | 125 | – | – | – | 125 | *IFRS 17.105(a)(i)* |
| Amounts received | | – | – | (763) | – | (763) | *IFRS 17. 105(a)(iii)* |
| **Total cash flows** | | **125** | **–** | **(763)** | **–** | **(638)** | |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | *IFRS 17.105(d)* |
| **Exchange differences** | | **6** | **–** | **3** | **–** | **9** | |
| **Net reinsurance contract assets/(liabilities) as at 31/12** | | **467** | **–** | **332** | **8** | **808** | |
| Reinsurance contract assets as at 31/12 | | 467 | – | 332 | 8 | 808 | *IFRS 17.99(b)* |
| Reinsurance contract liabilities as at 31/12 | | – | – | – | – | – | *IFRS 17.99(b)* |
| **Net reinsurance contract assets/(liabilities) as at 31/12** | | **467** | **–** | **332** | **8** | **808** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims *continued*

| | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Assets for remaining coverage | | Amounts recoverable on incurred claims | | | IFRS 17.100(a)-(c) |
| | | Excluding loss component | Loss component | Estimates of the present value of future cash flows | Risk adjustment | Total | |
| | | €000 | €000 | €000 | €000 | €000 | |
| Reinsurance contract assets as at 01/01 | | 1,150 | – | 245 | 6 | 1,401 | IFRS 17.99(b) |
| Reinsurance contract liabilities as at 01/01 | | – | – | – | – | – | IFRS 17.99(b) |
| **Net reinsurance contract assets/(liabilities) as at 01/01** | | **1,150** | **–** | **245** | **6** | **1,401** | |
| An allocation of reinsurance premiums | | (966) | – | – | – | (966) | IFRS 17.103(a) |
| Amounts recoverable from reinsurers for incurred claims | | – | 15 | 914 | 5 | 934 | |
| Amounts recoverable for incurred claims and other expenses | | – | – | 890 | 5 | 895 | IFRS 17.103(b)(i) |
| Loss-recovery on onerous underlying contracts and adjustments | a | – | 15 | – | – | 15 | |
| Changes to amounts recoverable for incurred claims | | – | – | 24 | – | 24 | IFRS 17. 103(b)(iii) |
| Reinsurance Investment components | | – | – | – | – | – | IFRS 17.103(c) |
| **Net income or expense from reinsurance contracts held** | | **(966)** | **15** | **913** | **5** | **(32)** | |
| **Reinsurance finance income** | b | **30** | **–** | **5** | **–** | **35** | IFRS 17.105(c) |
| **Effect of changes in non-performance risk of reinsurers** | c | **–** | **–** | **(1)** | **–** | **(1)** | IFRS 17.105(b) |
| **Effect of movements in exchange rates** | | **(20)** | **–** | **(5)** | **–** | **(25)** | IFRS 17.105(d) |
| **Total changes in the statement of comprehensive income** | | **(956)** | **15** | **913** | **5** | **(23)** | |
| **Cash flows** | | | | | | | IFRS 17.105(a) |
| Premiums paid | | 789 | – | – | – | 789 | IFRS 17.105(a)(i) |
| Amounts received | | – | – | (710) | – | (710) | IFRS 17. 105(a)(iii) |
| **Total cash flows** | | **789** | **–** | **(710)** | **–** | **79** | |
| **Other movements** | | **–** | **–** | **–** | **–** | **–** | IFRS 17.105(d) |
| **Exchange differences** | | **(33)** | **–** | **(16)** | **–** | **(49)** | |
| **Net reinsurance contract assets/(liabilities) as at 31/12** | | **943** | **15** | **439** | **11** | **1,408** | |
| Reinsurance contract assets as at 31/12 | | 951 | 15 | 431 | 11 | 1,408 | IFRS 17.99(b) |
| Reinsurance contract liabilities as at 31/12 | | – | – | – | – | – | IFRS 17.99(b) |
| **Net reinsurance contract assets/(liabilities) as at 31/12** | | **951** | **15** | **431** | **11** | **1,408** | |

## 24. Insurance and reinsurance contracts *continued*

### 24.2 Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims *continued*

Notes:

a. A loss-recovery component was set up upon the initial recognition of an onerous group of underlying insurance contracts. It has been subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

b. The Group applies a consistent accounting policy to reinsurance contracts held and underlying groups of reinsured issued contracts and recognises net insurance finance expense in profit or loss only. Please refer to measurement policy of d) insurance contracts

c. During 2024, the rating of Reinsurer A decreased. The risk of non-performance for the reinsurer was reassessed and expected cash flows for the reinsurance contracts held with the reinsurer were changed. The change in the expected cash flows related to the non-performance risk change was shown separately in the roll-forward.

**Commentary on IFRS accounting standards**

Although the breakdown of amounts recoverable from reinsurers might not be directly required by IFRS 17.103(b), it could provide valuable information to users of financial statements on reinsurance contracts held results calculations. *IFRS 17.68*

The roll-forward for reinsurance contracts held required by IFRS 17 does not contain the column with the loss component as reinsurance contracts held cannot be onerous. A loss-recovery component column has been included to reflect amounts recognised in income where eligible reinsurance contracts cover onerous underlying contracts, and any subsequent reductions to such loss-recovery components. *IFRS 17.100*

For reinsurance contracts held to which the PAA approach has been applied, an entity must also disclose separately estimates of the present value of future cash flows and risk adjustment.

The roll-forward above shows the gross presentation of net income or expense from reinsurance contracts held, even though a single amount can be presented in the statement of profit or loss. The allocation of reinsurance premiums reconciles to the allocation of reinsurance premiums in the statement of profit or loss (gross presentation option as per IFRS 17.86). Amounts recoverable reconcile to the amounts recoverable in the statement of profit or loss. *IFRS 17.86*

Reinsurance finance income comprises accrual of interest on net reinsurance assets.

### 24.3 Discount rates

In estimating fulfilment cash flows for the liability/ asset for incurred claims the following discount rates have been used.

Discount rates applied for discounting of future cash flows are listed below: *IFRS 17.120*

| | 1 year | | 3 years | | 5 years | | 10 years | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Personal accident, marine and property contracts issued** | | | | | | | | |
| EUR | 0.8% | 0.9% | 1.0% | 1.1% | 1.3% | 1.4% | 1.6% | 1.7% |
| USD | 2.1% | 2.2% | 2.3% | 2.4% | 2.5% | 2.6% | 2.7% | 2.8% |
| CAD | 2.5% | 2.6% | 2.6% | 2.8% | 2.9% | 3% | 3.1% | 3.2% |
| **Liability reinsurance contracts issued** | | | | | | | | |
| EUR | 0.8% | 0.9% | 1.1% | 1.2% | 1.4% | 1.5% | 1.7% | 1.8% |

## 24. Insurance and reinsurance contracts *continued*

### 24.4 Risk adjustment for non-financial risk

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles. For additional detail on the risk adjustment for non-financial risk, refer to risk adjustment section of note 3.1 (b) liability for incurred claims

*IFRS 17. 117(c)(ii)*
*IFRS 17.119*

**Commentary on IFRS accounting standards**

The above assumes the confidence level approach has been adopted to determine the risk adjustment. Other approaches may also be adopted (e.g. a cost of capital approach). If an entity uses an approach other than the confidence level approach for determining the risk adjustment for non-financial risk, it shall disclose the approach used and the confidence level corresponding to the results of that approach.

*IFRS 17.119*

## 25. Pension plans

**Net employee defined benefit liabilities**

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Euroland pension plan | 99 | 153 |
| **Total** | **99** | **153** |

The Group has a defined benefit pension plan in Euroland (funded). The Group's defined benefit pension plan is a final salary plan for Euroland employees, which requires contributions to be made to a separately administered fund.

*IAS 19.135*
*IAS 19.136*
*IAS 19.138*

This plan is governed by the employment laws of Euroland, which require final salary payments to be adjusted for the consumer price index upon payment during retirement. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

*IAS 19.139*

Each year, the Board of Trustees reviews the level of funding in the Euroland pension plan as required by Euroland's employment legislation. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of a combined 250% in equity and 75% in debt instruments. Euroland's employment legislation requires the Group to clear any plan deficit (based on a valuation performed in accordance with the regulations in Euroland) over a period of no more than five years after the period in which the deficit arises. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed in accordance with the regulations in Euroland) will arise.

*IAS 19.146*
*IAS 19.147(a)*

Since the pension liability is adjusted to the consumer price index, the pension plan is exposed to Euroland's inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in listed equity shares of entities in the finance sector, the Group is also exposed to equity market risk arising in the finance sector.

The following table summarises the components of pension cost recognised in profit or loss, the funded status and amounts recognised in the statement of financial position for the plan:

## 25. Pension plans *continued*

### Euroland Plan

2025 changes in the defined benefit obligation and fair value of plan assets

*IAS 19.140*
*IAS 19.141*

| | Pension cost charged to profit or loss | | | | | Remeasurement gains/(losses) in OCI | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2025 €000 | Service cost €000 | Net interest expense €000 | Sub-total included in profit or loss (Note 12.2) €000 | Benefits paid €000 | Return on plan assets (excluding amounts included in net interest expense) €000 | Actuarial changes arising from changes in demographic assumptions €000 | Actuarial changes arising from changes in financial assumptions €000 | Experience adjustments €000 | Sub-total included in OCI €000 | Contributions by employer €000 | 31 December 2025 €000 |
| Defined benefit obligation | (348) | (46) | (8) | (54) | 62 | – | 15 | (6) | (2) | 7 | – | **(333)** |
| Fair value of plan assets | 195 | – | 5 | 5 | (62) | 18 | – | – | – | 18 | 78 | **234** |
| **Benefit liability** | **(153)** | | | **(49)** | **–** | **18** | **15** | **(6)** | **(2)** | **26** | **78** | **(99)** |

2024 changes in the defined benefit obligation and fair value of plan assets

*IAS 19.140*
*IAS 19.141*

| | Pension cost charged to profit or loss | | | | | Remeasurement gains/(losses) in OCI | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 January 2024 €000 | Service cost €000 | Net interest expense €000 | Sub-total included in profit or loss (Note 12.2) €000 | Benefits paid €000 | Return on plan assets (excluding amounts included in net interest expense) €000 | Actuarial changes arising from changes in demographic assumptions €000 | Actuarial changes arising from changes in financial assumptions €000 | Experience adjustments €000 | Sub-total included in OCI €000 | Contributions by employer €000 | 31 December 2024 €000 |
| Defined benefit obligation | (371) | (41) | (11) | (52) | 82 | – | (14) | 5 | 2 | (7) | – | **(348)** |
| Fair value of plan assets | 198 | – | 7 | 7 | (82) | (21) | – | – | – | (21) | 93 | **195** |
| **Benefit liability** | **(173)** | **(41)** | **(4)** | **(45)** | **–** | **(21)** | **(14)** | **5** | **2** | **(28)** | **93** | **(153)** |

**Commentary on IFRS accounting standards**

An entity must assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks under the requirements of IAS 19. For example, an entity may disaggregate disclosure about plans showing one or more of the following features: different geographical locations, characteristics such as flat salary pension plans, final salary pension plans or post-employment medical plans, regulatory environments, reporting segments and/or funding arrangements (e.g., wholly unfunded, wholly or partly funded). *IAS 19.138*

Entities must exercise judgement and assess the grouping criteria according to their specific facts and circumstances. In this case, the Group has only one defined benefit pension plan in Euroland, hence there is no further disaggregation shown. Additional disclosures may also be provided to meet the objectives of IAS 19. For example, an entity may present an analysis of the present value of the defined benefit obligation that distinguishes the nature, characteristics and risks of the obligation. Such a disclosure could distinguish between: *IAS 19.135*

(a) Amounts owing to active members, deferred members, and pensioners

(b) Vested benefits and accrued but not vested benefits

(c) Conditional benefits, amounts attributable to future salary increases and other benefits

## 25. Pension plans *continued*

The acquisition of Euroland Contents Insurance (ECI) Limited in 2025 did not affect plan assets or the defined benefit obligation, as the entity did not have a defined benefit plan.

The fair values of each major class of plan assets are, as follows: *IAS 19.142*

| | Euroland plan | |
|---|---|---|
| | 2025 €000 | 2024 €000 |
| **Investments quoted in active markets:** | | |
| Listed equity securities | 63 | 52 |
| Bonds issued by Euroland Government | 118 | 114 |
| Other debt instruments | 33 | 15 |
| **Cash and short-term deposits** | 25 | 14 |
| **Total** | **239** | **195** |

The principal assumptions used in determining pension benefit obligation for the Group's plan is shown below: *IAS 19.144*

| | 2025 % | 2024 % |
|---|---|---|
| Discount rate: | | |
| Euroland pension plan | 4.9 | 5.5 |
| Future salary increases: | | |
| Euroland pension plan | 3.5 | 4.0 |
| Future consumer price index increases: | | |
| Euroland pension plan | 2.1 | 2.1 |

| Life expectation for pensioners at the age of 65: | Years | Years |
|---|---|---|
| Euroland pension plan | | |
| Male | 20.0 | 20.0 |
| Female | 23.0 | 23.0 |

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below: *IAS 19.145*

| | Impact on defined benefit obligation | |
|---|---|---|
| | 2025 | 2024 |
| **Assumptions for Euroland pension plan:** | €000 | €000 |
| Future pension cost increase: | | |
| 1% increase | 5 | 4 |
| 1% decrease | (5.5) | (5) |
| Discount rate: | | |
| 0.5% increase | (6.5) | (7) |
| 0.5% decrease | 5.5 | 5 |
| Future salary increases: | | |
| 0.5% increase | 8.5 | 8 |
| 0.5% decrease | (8) | (9) |
| Life expectancy of male pensioners: | | |
| Increase by 1 year | 8 | 7 |
| Decrease by 1 year | (8.5) | (9) |
| Life expectancy of female pensioners: | | |
| Increase by 1 year | 5 | 4 |
| Decrease by 1 year | (4) | (5) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. *IAS 19.145(b)*

## 25. Pension plans *continued*

IAS 19.147(a)
IAS 19.147(b)
IAS 19.147(c)

The following are the expected payments or contributions to the defined benefit plan in future years:

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 106 | 96 |
| Between 2 and 5 years | 153 | 145 |
| Between 5 and 10 years | 153 | 166 |
| Beyond 10 years | 212 | 184 |
| **Total expected payments** | **624** | **591** |

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.5 years (2024: 25.3 years).

### Commentary on IFRS accounting standards

IAS 19.145(c)

Changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes are required to be disclosed. The Group did not have such changes.

IAS 19.145(a)

Sensitivity analyses showing how the defined benefit obligation would be affected by reasonably possible changes in actuarial assumptions are also required to be disclosed. The purpose of this publication is to illustrate the disclosures required and the changes in the assumptions provided in the sensitivity analyses above are not necessarily reflective of those in the current markets.

IAS 19.136

The standard includes some overarching disclosure objectives and considerations that provide a framework to identify the overall tone and extent of disclosures that should be included in the financial statement notes. For example, entities should consider the following when providing defined benefit plan disclosures:

- The level of detail necessary to satisfy the disclosure requirements
- How much emphasis to place on each of the various requirements
- How much aggregation or disaggregation to undertake
- Whether users of financial statements need additional information to evaluate the quantitative information disclosed

These considerations are meant to assist entities in reconciling the overriding disclosure objective along with the fact that an extensive list of required disclosures still remains in the standard. In the Basis for Conclusions accompanying IAS 19, the IASB emphasises that information that is immaterial is not required to be disclosed, as set out in IAS 1.31.

The addition of clear disclosure objectives provides entities with an opportunity to take a fresh look at their defined benefit plan disclosures. Eliminating immaterial disclosures would enhance the financial statement users' ability to focus on those transactions and details that truly matter.

### Commentary on macroeconomic and geopolitical uncertainty

Changes in interest rates, slowing or negative economic growth, the introduction of trade restrictions and tariffs, geopolitical risks, rising inflation and a reduction in asset values may have triggered the need for a re-measurement of the defined benefit obligation and pension plan assets. The current environment may continue to affect the values of the plan assets and obligations resulting in potential volatility in the amount of the net defined benefit pension plan surplus/deficit recognised.

The impact of the current macroeconomic and geopolitical environment will vary by entity, with some entities recognising increases in net pension assets, while others have to recognise decreases. Entities should ensure that sufficient disclosures are made such that users are able to understand the impacts on pension plans.

## 26. Share-based payments

*Senior Executive Plan* — *IFRS 2.45(a)*

Under the Senior Executive Plan (SEP), share options of the parent are granted to senior executives of the parent, including members of key management personnel, with more than 12 months' service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if and when the Group's EPS (non-market condition) increases by 10% within three years from the date of grant and the senior executive remains employed on such date. The share options granted will not vest if the EPS performance condition is not met.

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions on which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest. *IFRS 2.46*

The share options can be exercised up to two years after the three-year vesting period and, therefore, the contractual term of each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the SEP as an equity-settled plan.

*General Employee Share Option Plan* — *IFRS 2.45(a)*

Under the General Employee Share Option Plan (GESP), the Group, at its discretion, may grant share options of the parent to employees other than senior executives, once such employee has completed two years of service. Vesting of the share options is dependent on the Group's total shareholder return (TSR) as compared to a group of principal competitors. Employees must remain in service for a period of three years from the date of grant. The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance. *IFRS 2.46* *IFRS 2.47(a)(iii)*

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards. *IFRS 2.46*

*Share Appreciation Rights*

The Group's business development employees are granted Share Appreciation Rights (SARs), settled in cash. The SARs vest when a specified target number of new sales contracts (non-market vesting condition) are closed within three years from the date of grant and the employee continues to be employed by the Group at the vesting date. The SARs can be exercised up to three years after the three-year vesting period and therefore, the contractual term of the SARs is six years. The liability for the Share Appreciation Rights is measured initially and at the end of each reporting period until settled at the fair value of the Share Appreciation Rights. This is done by applying an option pricing model, taking into account the terms and conditions on which the Share Appreciation Rights were granted, and the extent to which the employees have rendered services to date. *IFRS 2.45(a)* *IFRS 2.46* *IFRS 2.47(a)(iii)*

The carrying amount of the liability relating to the SARs at 31 December 2025 was €11,000 (2024: €7,000). No SARs had vested, granted or forfeited at 31 December 2025 and 2024, respectively. *IFRS 2.50* *IFRS 2.51(b)*

The expense recognised for employee services received during the year is shown in the following table:

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 11 | 11 | |
| Expense arising from cash-settled share-based payment transactions | 4 | 7 | |
| **Total expense arising from share-based payment transactions** | **15** | **18** | *IFRS 2.50* *IFRS 2.51(a)* |

The expense recognised for employee services received during the year is shown in the following table:

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 11 | 11 | |
| Expense arising from cash-settled share-based payment transactions | 4 | 7 | |
| **Total expense arising from share-based payment transactions** | **15** | **18** | *IFRS 2.50* *IFRS 2.51(a)* |

## 26. Share-based payments *continued*

There were no cancellations or modifications to the awards in 2025 or 2024. *IFRS 2.47(c)*

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

| | 2025 Number | 2025 WAEP | 2024 Number | 2024 WAEP | |
|---|---|---|---|---|---|
| **Outstanding at 1 January** | 20,250 | €2.85 | 18,500 | €2.75 | |
| Granted during the year | 8,750 | €3.85 | 5,500 | €3.13 | |
| Forfeited during the year | – | – | (1,000) | €2.33 | |
| Exercised during the year | (2,750)[2] | €2.33 | (2,250)[1] | €3.08 | *IFRS 2.45(c)* |
| Expired during the year | (1,000) | €3.02 | (500) | €2.13 | |
| **Outstanding at 31 December** | **25,750** | €3.24 | **20,250** | €2.85 | *IFRS 2.45(d)* |
| Exercisable at 31 December | 4,000 | €2.98 | 3,500 | €2.51 | *IFRS 2.45(b)* |

[1] The weighted average share price at the date of exercise of these options was €4.09. *IFRS 2.45(c)*

[2] The weighted average share price at the date of exercise of these options was €3.13.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2025 was 2.94 years (2024: 2.60 years). *IFRS 2.45(d)*

The weighted average fair value of options granted during the year was €1.32 (2024: €1.18). *IFRS 2.47(a)*

The range of exercise prices for options outstanding at the end of the year was €2.33 to €3.85 (2024: €2.13 to €3.13). *IFRS 2.45(d)*

The following tables list the inputs to the models used for the three plans for the years ended 31 December 2025 and 2024, respectively: *IFRS 2.47(a)(i)*

| | 2025 | | |
|---|---|---|---|
| | **SEP** | **GESP** | **SAR** |
| Weighted average fair values at the measurement date | €3.45 | €3.10 | €2.80 |
| Dividend yield (%) | 3.13 | 3.13 | 3.13 |
| Expected volatility (%) | 15.00 | 16.00 | 18.00 |
| Risk-free interest rate (%) | 5.10 | 5.10 | 5.10 |
| Expected life of share options/SARs (years) | 4.25 | 3.00 | 6.00 |
| Weighted average share price (€) | 3.10 | 3.10 | 3.12 |
| Model used | Binomial | Monte Carlo | Binomial |

| | 2024 | | |
|---|---|---|---|
| | **SEP** | **GESP** | **SAR** |
| Weighted average fair values at the measurement date | €3.30 | €3.00 | €2.60 |
| Dividend yield (%) | 3.01 | 3.01 | 3.01 |
| Expected volatility (%) | 16.30 | 17.50 | 18.10 |
| Risk-free interest rate (%) | 5.00 | 5.00 | 5.00 |
| Expected life of options/SARs (years) | 4.25 | 3.00 | 6.00 |
| Weighted average share price (€) | 2.86 | 2.86 | 2.88 |
| Model used | Binomial | Monte Carlo | Binomial |

The expected life of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. *IFRS 2.47(a)(ii)*

## 27. Interest-bearing loans and borrowings and derivatives

*IFRS 7.7*

| | Interest rate % | Maturity | 2025 €000 | 2024 €000 |
|---|---|---|---|---|
| **Interest-bearing loans and borrowings** | | | | |
| Lease liabilities (Note 28) | 4.5-7.8 | 2027-2038 | 302 | 284 |
| 8% debentures | 8.2 | 2027-2032 | 477 | 446 |
| 8.25% loan of $509,000 | SOFR+0.2 | 31 May 2030 | 318 | 320 |
| €212,000 bank loan (2024: €198,000) | EURIBOR+0.5 | 1 Nov 2026 | 200 | 192 |
| €389,000 bank loan (2024: €354,000) | EURIBOR+1.1 | 2027-2030 | 351 | 315 |
| €311,000 bank loan | EURIBOR+0.5 | 1 Jan 2029 | 294 | 294 |
| Bank overdrafts | EURIBOR+1.0 | On demand | 136 | 375 |
| **Total interest-bearing loans and borrowings** | | | **2,078** | **2,226** |
| **Derivatives not designated as hedge instruments** | | | | |
| Foreign currency swaps | | | 755 | 732 |
| **Total derivatives not designated as hedge instruments** | | | **755** | **732** |

### Commentary on IFRS accounting standards

*IFRS 7.7*

IFRS 7 requires disclosure of information that enables users of the financial statements to evaluate the significance of financial instruments for its financial position and performance. As the Group has various interest-bearing loans and borrowings on its statement of financial position, it has decided to provide detailed information to the users of the financial statements about the EIR as well as the maturity of the loans.

*8% debentures*

The 8% debentures are repayable in equal annual instalments of €49,000 commencing on 1 January 2026.

*IAS 1.76ZA(a)*
*IAS 1.76ZA(b)*

The 8% debentures are subject to a covenant that requires the Group to maintain €750,000 in minimum balance of cash and short-term deposits on a consolidated basis during the repayment period of the loan. The covenant is tested at the end of each quarter until the maturity of the 8% debentures. The Group has no indication that it will have difficulty complying with this covenant.

8.25% USD-denominated loan of $509,000

The unsecured loan denominated in USD has been taken out for the purposes of managing transaction exposures arising from the Group's US subsidiary Marine Insurance Limited.

*€212,000 bank loan*

This loan is unsecured and is repayable in full on 1 November 2026.

*€389,000 bank loan*

The Group increased its borrowings under this loan contract by €35,000 during the reporting period. This loan is repayable in two instalments of €177,000 due on 31 December 2027 and €212,000 due on 31 December 2029.

*€311,000 bank loan*

This loan is unsecured and is repayable in full on 31 March 2027.

*Bank overdrafts*

*IFRS 7.7*

The bank overdrafts are secured by a portion of the Group's short-term deposits.

***Derivatives not designated as hedging instruments*** reflect the negative change in fair value of those foreign exchange swaps that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk.

### Commentary on IFRS accounting standards

IFRS 7 requires an entity to disclose information about rights to set off financial instruments and related arrangements (e.g., collateral agreements) and to provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position.

The Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements. However, if an entity has recognised financial instruments that are set off in accordance with IAS 32 or are subject to an enforceable master netting arrangement or similar agreement, even if the financial instruments are not set off in accordance with IAS 32, the disclosures in IFRS 7.13A-13E will be required.

## 27. Interest-bearing loans and borrowings and derivatives *continued*

**Commentary on macroeconomic and geopolitical uncertainty**

Entities may have obtained additional financing, amended the terms of existing debt agreements or obtained waivers if they no longer satisfied debt covenants. In such cases, they will need to consider the guidance provided in IFRS 9 to determine whether changes to existing contractual arrangements represented a substantial modification or, potentially, a contract extinguishment, which would have accounting implications in each case. Furthermore, entities may need to determine whether a breach of covenants will require non-current liabilities to be reclassified as current liabilities in their financial statements.

## 28. Leases

### Group as a lessee

The Group has lease contracts for office premises and equipment used in its operations. The office premises leases have average lease terms of between 10 and 12 years, and the equipment leases have between 3 and 5 years. *IFRS 16.59(a)*

The Group also has certain leases of equipment with lease terms of a maximum of 12 months, or with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. *IFRS 16.60*

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period: *IFRS 16.54*

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| **As at 1 January** | 284 | 295 | |
| Additions | 57 | 21 | |
| Accretion of interest | 17 | 18 | *IFRS 16.53(b)* |
| Payments | (56) | (50) | |
| **As at 31 December** | **302** | **284** | |

The maturity analysis of lease liabilities is disclosed in Note 4.2.1.1 *IFRS 16.58*

The following are the amounts recognised in profit or loss: *IFRS 16.54*

| | 2025 €000 | 2024 €000 | |
|---|---|---|---|
| Depreciation expense of right-of-use assets (included in operating expenses- Note 12.1) | 32 | 32 | *IFRS 16.53(a)* |
| Interest expense on lease liabilities (included in finance costs – Note 11) | 17 | 18 | *IFRS 16.53(b)* |
| Expense relating to short-term leases (included in operating expenses- Note 12.3) | 3 | 3 | *IFRS 16.53(c)* |
| Expense relating to leases of low-value assets (included in operating expenses- Note 12.3) | 3 | 2 | *IFRS 16.53(d)* |
| **Total amount recognised in profit or loss** | **55** | **55** | |

The Group had total cash outflows for leases of €56,000 in 2025 (€50,000 in 2024). The Group also had non-cash additions to right-of-use assets and lease liabilities of €57,000 in 2025 (€21,000 in 2024). *IFRS 16.53(g)* *IFRS 16.59(b)(iv)* *IAS 7.43*

## 28. Leases *continued*

### Commentary on IFRS accounting standards

IFRS 16 requires disclosure of the following information, which users of the financial statements have identified as being most useful to their analysis: *IFRS 16.53*

- Depreciation charge for right-of-use assets, split by class of underlying asset
- Interest expense on lease liabilities
- Short-term lease expense for such leases with a lease term greater than one month
- Low-value asset lease expense (except for portions related to short-term leases)
- Variable lease expense (i.e., for variable lease payments not included in the lease liability)
- Income from subleasing right-of-use assets
- Total cash outflow for leases
- Additions to right-of-use assets
- Gains and losses arising from sale and leaseback transactions
- Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset

All of the above disclosures are required to be presented in a tabular format, unless another format is more appropriate. The amounts to be disclosed must include costs that the lessee has included in the carrying amount of another asset during the reporting period. *IFRS 16.54*

The standard requires disclosure of the total cash outflow for leases. The Group also included the cash outflow related to leases of low-value assets and short-term leases in the disclosure of the total cash outflow.

Where applicable, an entity may need to disclose additional qualitative and quantitative information about a lessee's leasing activities necessary to meet the disclosure objective of the standard. This additional information may include, but is not limited to, information that helps users of the financial statements to assess: *IFRS 16.55*

- The nature of the lessee's leasing activities
- Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities: *IFRS 16.59*
  - Variable lease payments
  - Extension options and termination options
  - Residual value guarantees
  - Leases not yet commenced to which the lessee is committed
- Restrictions or covenants imposed by leases
- Sale and leaseback transactions

### Group as a lessor

The Group has entered into operating leases on its office and retail investment properties (see Note 19). These leases have terms of between two and ten years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the year is €198,000 (2024: €195,000) and is included in 'Other investment income'. *IFRS 16.90 IFRS 16.91 IFRS 16.92*

Future undiscounted lease payments to be received under operating leases as at 31 December are, as follows: *IFRS 16.97*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Within one year | 200 | 197 |
| Between 1 and 2 years | 196 | 194 |
| Between 2 and 3 years | 199 | 196 |
| Between 3 and 4 years | 182 | 178 |
| Between 4 and 5 years | 165 | 169 |
| More than 5 years | 634 | 629 |
| | **1,576** | **1,563** |

## 29. Provisions

| | Litigation €000 | Restructuring Provision €000 | Total €000 | |
|---|---|---|---|---|
| **At 1 January 2024** | **7** | **150** | **324** | *IAS 37.84(a)* |
| Arising during the year | 5 | - | 5 | *IAS 37.84(b)* |
| Utilised | - | (39) | (39) | *IAS 37.84(c)* |
| Unwinding of discount and changes in the discount rate | 1 | 4 | 5 | *IAS 37.84(e)* |
| **At 31 December 2024** | **13** | **115** | **128** | |
| Arising during the year | 1 | 110 | 111 | *IAS 37.84(b)* |
| Utilised | (1) | (49) | (50) | *IAS 37.84(c)* |
| Unwinding of discount and changes in the discount rate | 1 | 4 | 5 | *IAS 37.84(e)* |
| **At 31 December 2025** | **14** | **180** | **194** | |

### Litigation provisions

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations. As explained in note r) Provisions, the Group is of the opinion that if disclosing these events on a case-by-case basis would prejudice their outcome, then such detailed disclosures have not been included in the Group financial statements.

### Restructuring provision

The restructuring provision was created at the end of 2023 for a fundamental reorganisation of the Group's back-office operations. The restructuring started in 2024 and is expected to be completed by July 2027.

**Commentary on IFRS accounting standards**

The above table shows the voluntary disclosure of provisions for the comparative period as IAS 37 does not require such disclosure. *IAS 37.84*

## 30. Commitments and contingencies

### Commitments

The Group has no capital commitments at the reporting date. *IAS 16.74(c)*

### Legal proceedings and regulations

The Group is also subject to insurance solvency regulations in all the territories where it operates and has complied with all the solvency regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

## 31. Related party disclosures

Note 6 provides information about the Group's structure, including details of the subsidiaries and the holding company.

***Compensation of key management personnel of the Group*** *IAS 24.17*

| | 2025 €000 | 2024 €000 |
|---|---|---|
| Short-term employee benefits | 61 | 60 |
| Post-employment pension and medical benefits | 16 | 13 |
| Termination benefits | 6 | – |
| Share-based payment transactions | 1 | 2 |
| **Total compensation paid to key management personnel** | **84** | **75** |

## 31. Related party disclosures *continued*

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Senior management personnel of the Group, excluding non-executive directors, are included in an annual cash bonus scheme based on performance. Bonuses in this scheme are determined on the basis of both financial and non-financial KPIs, depending on their roles. Amounts awarded under this scheme are included in short-term employee benefits in the table above.

Generally, the non-executive directors do not receive pension entitlements from the Group. During 2025, an amount of €6,000 was paid to a director who retired from an executive director position in 2024.

***Director's loans***

The Group offers senior management a facility to borrow up to €20,000, repayable within one year from the date of disbursement. Such loans are unsecured, and the interest rate is based on EURIBOR plus 0.8%. Any loans granted are included in the statement of financial position as part of 'other assets'. *IAS 24.18*

| | | Interest received €000 | Amounts owed by related parties €000 |
|---|---|---|---|
| **Key management personnel of the Group:** | | | |
| Directors' loans | 2025 | – | 5 |
| | 2024 | – | 3 |

*IAS 24.13*
*IAS 24.18*

***Other transactions with related parties***

The Group also provided insurance coverage to certain directors on standard market terms. Total insurance revenue received by the Group on these policies was €1,400 (2024: €1,290), and no amounts were outstanding at balance sheet date. In addition, claims of €800 (2024: €0) were incurred and settled in relation to insurance coverage under these policies in the year. *IAS 24.21* *IAS 24.18(b)*

### Commentary on IFRS accounting standards

The disclosure that transactions with related parties are made on terms equivalent to an arm's length transaction is only required if an entity can substantiate such terms, but IAS 24 does not require such a disclosure. The Group was able to substantiate the terms and therefore provides the disclosure. *IAS 24.23*

***Directors' interests in the Senior Executive Plan***

Share options held by executive members of the Board of Directors under the Senior Executive Plan to purchase ordinary shares have the following expiry dates and exercise prices:

| Date of grant | Expiry date | Exercise price | 2025 Number outstanding | 2024 Number outstanding |
|---|---|---|---|---|
| 2024 | 2027 | €2.33 | 365 | 365 |
| 2024 | 2027 | €3.13 | 3,045 | 3,045 |
| 2025 | 2028 | €3.85 | 945 | – |
| **Total** | | | **4,355** | **3,410** |

*IAS 24.17(e)*

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 26 for further details on the scheme.

### Commentary on IFRS accounting standards

Certain jurisdictions may require additional and more extensive disclosures, e.g., remuneration and benefits of key management personnel and members of the Board of Directors.

## 32. Events after the reporting period

On 20 February 2026, Euroland faced a category 5 hurricane, leading to significant flooding and damage in some regions. At the date of this report, the extent of the damage in the affected regions remains unknown. Initial estimates indicate that claims incurred within the property segment will be in a range of €300-500k. No recoveries from reinsurance held are expected for these claims. *IAS 10.21* *IAS 10.10*

# Appendix 1 Information in other illustrative financial statements available

IFRS accounting standards are illustrated across our various illustrative financial statements, as follows:

**International Financial Reporting Standards (IFRS accounting standards)**

| | | Good General Insurance | Good Life Insurance | Good Group | Good Group- IFRS 18 | Good Group –Alternative Format | Good Group Interim | Good Bank | Good First-time Adopter | Good Investment Fund (Equity and Liability) | Good Real Estate | Good Mining | Good Petroleum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards | | | | | | | | ✓ | | | | ✓ |
| IFRS 2 | Share-based Payment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | |
| IFRS 3 | Business Combinations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources | | | | | | | | | | | ✓ | ✓ |
| IFRS 7 | Financial Instruments: Disclosures | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IFRS 8 | Operating Segments | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IFRS 9 | Financial Instruments | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | |
| IFRS 10 | Consolidated Financial Statements | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| IFRS 11 | Joint Arrangements | | | ✓ | ✓ | ✓ | ✓ | | | | | ✓ | ✓ |
| IFRS 12 | Disclosure of Interests in Other Entities | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| IFRS 13 | Fair Value Measurement | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| IFRS 14 | Regulatory Deferral Accounts | | | | | | | | | | | | |
| IFRS 15 | Revenue from Contracts with Customers | | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | | |
| IFRS 16 | Leases | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | | | |
| IFRS 17 | Insurance contracts (PAA Model) | ✓ | | | | | | | | ✓ | | | |
| IFRS 17 | Insurance contracts (GMM & VFA Models) | | ✓ | | | | | | | | | | |
| IFRS 18 | Presentation and Disclosure in Financial Statements | | | | ✓ | | | | | | ✓ | | |

# Appendix 1 Information in other illustrative financial statements available

**International Accounting Standards (IAS)**

| | | Good General Insurance | Good Life Insurance | Good Group | Good Group- IFRS 18 | Good Group –Alternative Format | Good Group Interim | Good Bank | Good First-time Adopter | Good Investment Fund (Equity and Liability) | Good Real Estate | Good Mining | Good Petroleum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IAS 1 | Presentation of Financial Statements | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 2 | Inventories | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| IAS 7 | Statement of Cash Flows | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 10 | Events after the Reporting Period | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 11 | Construction Contracts | | | | | | | | | | ✓ | | |
| IAS 12 | Income Taxes | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 16 | Property, Plant and Equipment | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ |
| IAS 19 | Employee Benefits | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| IAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | | | ✓ | ✓ | ✓ | ✓ | | | | | | |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 23 | Borrowing Costs | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| IAS 24 | Related Party Disclosures | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 26 | Accounting and Reporting by Retirement Benefit Plans | | | | | | | | | | | | |
| IAS 27 | Separate Financial Statements | | | | | | | | | | | | |
| IAS 28 | Investments in Associates and Joint Ventures | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | ✓ |
| IAS 29 | Financial Reporting in Hyperinflationary Economies | | | | | | | | | | | | |
| IAS 32 | Financial Instruments: Presentation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 33 | Earnings per Share | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 34 | Interim Financial Reporting | | | | | | ✓ | | | | | | |
| IAS 36 | Impairment of Assets | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| IAS 38 | Intangible Assets | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |
| IAS 39 | Financial Instruments: Recognition and Measurement | ✓ | | | | | | | ✓ | | | | ✓ |
| IAS 40 | Investment Property | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | | |
| IAS 41 | Agriculture | | | | | | | | | | | | |

# Appendix 1 Information in other illustrative financial statements available

**Interpretations**

| | | Good General Insurance | Good Life Insurance | Good Group | Good Group- IFRS 18 | Good Group –Alternative Format | Good Group Interim | Good Bank | Good First-time Adopter | Good Investment Fund (Equity and Liability) | Good Real Estate | Good Mining | Good Petroleum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | | ✓ | ✓ |
| IFRIC 2 | Members' Shares in Co—operative Entities and Similar Instruments | | | | | | | | | | | | |
| IFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | | | | | | ✓ | | | | | ✓ | ✓ |
| IFRIC 6 | Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment | | | | | ✓ | ✓ | | ✓ | | | | |
| IFRIC 7 | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies | | | | | | | | | | | | |
| IFRIC 10 | Interim Financial Reporting and Impairment | | | | | | ✓ | | | | | | |
| IFRIC 12 | Service Concession Arrangements | | | | | | | | | | | | |
| IFRIC 14 | IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | | | | | | | | | | | | |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation | | | | | | | | ✓ | | | | |
| IFRIC 17 | Distributions of Non-cash Assets to Owners | | | | | | ✓ | | ✓ | | | | |
| IFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments | | | | | | ✓ | | | | | | |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | | | | | | | | | | | ✓ | |
| IFRIC 21 | Levies | | | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration | | | ✓ | ✓ | ✓ | | | | | | | |
| IFRIC 23 | Uncertainty over Income Tax Treatments | | | ✓ | ✓ | | ✓ | ✓ | | | | | |
| SIC 7 | Introduction of the Euro | | | | | | | | | | | | |
| SIC 10 | Government Assistance — No Specific Relation to Operating Activities | | | | | | | | | | | | |
| SIC 25 | Income Taxes — Changes in the Tax Status of an Entity or its Shareholders | | | | | | | | ✓ | | | | |
| SIC 29 | Service Concession Arrangements: Disclosures | | | | | | | | | | | | |
| SIC 32 | Intangible Assets — Web Site Costs | | | | | | | | | | | | |

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets. Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

**About EY Global Corporate Reporting Services Group**
A global set of accounting standards provides the global economy with one measure to assess and compare the performance of companies. For companies applying or transitioning to International Financial Reporting Standards (IFRS), authoritative and timely guidance is essential as the standards continue to change. The impact stretches beyond accounting and reporting to the key business decisions you make. We have developed extensive global resources – people and knowledge – to support our clients applying IFRS and to help our client teams. Because we understand that you need a tailored service as much as consistent methodologies, we work to give you the benefit of our deep subject matter knowledge, our broad sector experience and the latest insights from our work worldwide

© 2026 EYGM Limited.
All Rights Reserved.

EYG no. 003459-26Gbl
ED None

UKC-043801 (UK) 05/26.
Artwork by Creative UK.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

This publication contains copyright material of the IFRS® Foundation in respect of which all rights are reserved. Reproduced by EY with the permission of the IFRS Foundation. No permission granted to third parties to reproduce or distribute. For full access to IFRS Standards and the work of the IFRS Foundation please visit http://eifrs.ifrs.org/