Good General Insurance (International) Limited

Selected illustrative disclosures for IFRS 17 *Insurance Contracts* (Premium allocation approach), IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

International GAAP®

Illustrative consolidated financial statements

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Contents

Abbreviations and key

The following styles of abbreviation are used in these International GAAP® Illustrative disclosures:

12mECL	12 month expected credit loss
AFS	Available for sale
Commentary	The commentary explains how the requirements of IFRS have been implemented in arriving at the illustrative disclosure
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
GM	General model
Good Insurance	Good Insurance (International) Limited and subsidiaries for the year ended 31 December 2017
HTM	Held to maturity
IAS 1.41	International Accounting Standard No. 1, paragraph 41
IAS 1.BC13	International Accounting Standard No. 1, Basis for Conclusions, paragraph 13
IASB	International Accounting Standards Board
IGAAP	EY's International GAAP®
IFIE	Insurance finance income or expenses
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
L&R	Loans and receivables
LFRC	Liability for remaining coverage
LFIC	Liability for incurred claims
LGD	Loss given default
LTECL	Lifetime expected credit loss
Note X	Reference to a section of Notes that are not included in this publication, but would otherwise be required in a complete set of financial statements prepared in accordance with IFRS
OCI	Other comprehensive income
PAA	Premium allocation approach
PD	Probability of default
SPPI	Solely payments of principal and interest
VFA	Variable fee approach

Introduction

The purpose of this publication is to provide illustrative disclosures to meet the requirements of IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* related to groups of insurance contracts accounted for under the premium allocation approach (PAA) described in IFRS 17. The disclosures are presented as a series of extracts from a set of full financial statements for Good General Insurance (International) Limited (Good General, or the Company) for the year ended 31 December 2023. Good General is a limited liability insurance subsidiary of Good Insurance (International) Limited (Good Insurance). Good General is a fictitious entity, incorporated in the fictitious country of Euroland. The functional currency of the Company is the euro.

This publication is not a full set of illustrative financial statements in accordance with International Financial Reporting Standards (IFRS). It focuses on the new presentation and disclosure requirements arising from IFRS 17 and IFRS 9 that impact on a non-life insurance entity applying the premium allocation approach (the PAA), and it does not include all IFRS 7 disclosures not altered by IFRS 9. Furthermore, it does not consider any disclosures that may be required by other standards such as IFRS 15 *Revenue from Contracts with Customers* or IFRS 16 *Leases*. The Company adopted both IFRS 17 and IFRS 9 for the first time in the annual reporting period commencing 1 January 2023.

Good General disaggregates information presented about insurance contracts in the notes to the financial statements by major product line. Good General has four major product lines that it manages and operates independently. As it does not have debt or equity instruments that are traded in a public market and is not in the process of issuing instruments in a public market, Good General is not required to make disclosures under IFRS 8 *Operating Segments*. The four product lines are:

- Personal accident insurance, issuing contracts that provide compensation following an accident
- Marine insurance, issuing contracts to compensate for loss or damage to ships and cargo
- Property insurance, issuing contracts to compensate for loss or damage to structures and contents, arising from fire, theft, flood and weather damage
- Liability reinsurance assumed, issuing contracts to provide insurers with payments in the event of claims made by their policyholders for losses arising from injuries and damage to people and/or property. Reinsurance is provided on a quota share basis and includes both treaty and facultative arrangements.

The illustrative presentation and disclosures in this publication are relevant for insurance and reinsurance products issued, and reinsurance held, accounted for using the PAA in IFRS 17. Other publications illustrate disclosures for products accounted for using the default measurement model (the general model) in *Good Life Insurance (International) Limited* and variable fee approach (VFA) in IFRS 17.

We draw attention to the disclosures in Note 11 on insurance and reinsurance contracts that reflect the roll-forward of the net asset or liability for insurance and reinsurance contracts. These disclosures require significantly more information than is currently presented in IFRS financial statements, and it is expected that these will be one of the areas requiring most effort from preparers as part of their implementation of IFRS 17.

IFRS references are shown on the margin of each page in the document indicating the specific IFRS paragraph that outlines the accounting treatment or disclosure for the particular line item or block of narrative.

We use 'Note X' when referring to a section of the Notes that is not included in this publication, but would otherwise be required in a complete set of financial statements prepared in accordance with IFRS.

Some disclosures are made in these financial statements merely for illustrative purposes, even though they may relate to items or transactions that are not material for the Company.

Commentaries are provided to explain the basis for the disclosure, or to address alternative disclosures not included in the illustrative financial statements. A more comprehensive list of disclosure requirements can be found in EY's *Online International GAAP® Disclosure Checklist*, and further commentary on IFRS 17 is available in EY's *Applying IFRS 17 – A closer look at the new Insurance Contracts standard'*. For questions that may arise as to the IFRS requirements, it is essential to refer to the relevant source material and, where necessary, to seek appropriate professional advice.

The standards applied in these illustrative disclosures are those that are relevant for this publication, were in issue as at 30 June 2020, including final amendments to IFRS 17 issued 25 June 2020, and effective for annual periods beginning on or after 1 January 2023.

The preparation approach

In order to prepare the illustrative disclosures, we have used an internally developed model containing hypothetical transactions, cash flows, assets and liabilities and have used data modelling to produce the numbers reflected.

All the figures are for illustrative purposes to demonstrate disclosure requirements of IFRS 17 and IFRS 9, and may not be realistic, or reflect actual market conditions or features of real insurance products. Further details of the products and disclosure assumptions are set out below.

The disclosures reflect modelling of several groups of contracts included in the personal accident, marine, property and liability reinsurance major product lines.

The requirements of IFRS 17 are applied to groups of insurance contracts as described in paragraphs 14-24 of IFRS 17. These groups of insurance contracts are the unit of account for IFRS 17 measurement purposes and reflect portfolio, period of issue and profitability level. Some groups are assumed to be issued in a foreign currency. Groups of contracts with different levels of profitability (both onerous and non-onerous at initial recognition) are included. The model contains reinsurance contracts held, which cede some of the risks relating to the marine insurance product groups based on a simple quota share arrangement. Where onerous contracts issued by the Company have been reinsured, a loss recovery component has been recognised. The liability reinsurance product line includes profit commission arrangements (accounted for as a non-distinct investment component in this illustrative publication). 'Assets for insurance acquisition cash flows' have been recognised in the statement of financial position representing acquisition cash flows that are expected to be recovered from premiums received on renewal of existing contracts (Refer to Note 11).

Other modelling and disclosure assumptions to note include:

- Premiums received from insurance and reinsurance contracts issued, less payments of reinsurance premiums for reinsurance contracts held, are mostly invested in financial assets taking the form of debt instruments
- Some financial assets are measured at fair value through profit or loss, some at fair value through other comprehensive income, while others are measured at amortised cost
- The disclosures reflect the choice (under IFRS 17.88) to disaggregate insurance finance income and expense, in respect of contracts issued in the personal accident insurance product line, between profit or loss and other comprehensive income. With the amount recognised in profit or loss determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. Other product lines have not made the election to disaggregate.

Key new disclosures since February 2019 publication:

This publication has been updated for the amendments to IFRS 17 issued 25 June 2020.

The most significant changes made in the light of these amendments include:

- Accounting for assets for insurance acquisition cash flows – refer to:
  - Accounting policies – Note 2.2.5.5
  - Significant estimates and judgements – Note 5.1.1
  - Detailed disclosures required by IFRS 17 included in the following notes (shaded for reference):
    - Insurance service expense - Note 6
    - Personal accident insurance – Note 11.1.1
    - Marine Insurance – Note 11.1.2
    - Liability reinsurance issued – Note 11.1.4
- Accounting for a loss-recovery component on initial recognition of an onerous group of underlying insurance contracts – refer to:
  - Accounting policies – Notes 2.2.5.2 and 2.2.6.3
  - Detailed disclosures required by IFRS 17 included in (shaded for reference):
    - Marine Insurance - Note 11.2.1

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

In €000	Notes	2023	2022 restated	IAS 1.81A, IAS 1.9(d), IAS 1.10(b), IAS 1.51(b)-(e) IAS 1.29, IAS 1.32 IAS 1.104,
				IAS 1.46, IAS 1.45
Insurance revenue		10,829	10,727	*IAS 1.82(a)(ii), IFRS 17.83*
Insurance service expense	6	(9,421)	(9,643)	*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		781	644	*IAS 1.82(a)(i)*
Other interest and similar income		358	334	
Net fair value gains/(losses) on financial assets at fair value through profit or loss		104	(14)	*IFRS 7.20(a)(i)*
Net fair value gains on derecognition of financial assets measured at fair value through other comprehensive income		6	–	*IAS 1.82(aa)*
Impairment loss on financial assets		(5)	(2)	*IAS 1.82(ba)*
Net foreign exchange income/(expense)		8	(35)	
Total investment income	7	**1,252**	**927**	
Insurance finance expenses for insurance contracts issued	7	(265)	(237)	*IAS 1.82(bb), IFRS 17.87*
Reinsurance finance income for reinsurance contracts held	7	36	9	*IAS 1.82(bc), IFRS 17.82*
Net insurance financial result		**(229)**	**(228)**	
Other income and expense		(210)	(191)	
Profit before tax		**2,213**	**1,560**	
Income tax expense		(231)	(172)	*IAS 1.82(d), IAS 12.77*
Profit for the year		**1,982**	**1,388**	*IAS 1.81A(a)*
Other comprehensive income				
OCI to be reclassified to profit or loss in subsequent periods				*IAS 1.82A(a)(ii)*
Change in fair value of financial assets	7	179	(35)	*IFRS 7.20(a)(viii)*
Amount reclassified to profit or loss	7	(1)	2	*IFRS 7.20(a)(viii)*
Debt instruments at fair value through other comprehensive income	7	**178**	**(33)**	
Insurance finance (expense)/income for insurance contracts issued	7	(13)	4	*IFRS 17.88(b), 89(b)*
Net insurance financial result		**(13)**	**4**	
Income tax relating to items that may be reclassified		(33)	6	
Total other comprehensive income		**132**	**(23)**	*IAS 1.81A(b)*
Total Comprehensive income		**2,114**	**1,365**	*IAS 1.81A(c)*

The accounting policies and Notes on pages 11 to 80 form part of, and should be read in conjunction with, these financial statements.

Commentary

Paragraph 10 of IAS 1 *Presentation of Financial Statements* 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 Company applies the titles suggested in IAS 1.

The Company has elected as an accounting policy choice to present a single statement of profit or loss and other comprehensive income rather than two statements - a statement of profit or loss and a statement of comprehensive income. IFRS 17.80 requires entities to disaggregate the amounts recognised in the statement of profit or loss and other comprehensive income (OCI) into: an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

Alternatively, the Company could consider a different layout of the statement of profit or loss and other comprehensive income considering the requirement in IAS 1.82(a) to present the total revenue on the face of the statement of profit or loss depending on its activities and other sources of revenue.

IFRS 17.81 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 Company 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 Company 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 are included as amounts recoverable from the reinsurer.

IAS 1.97 requires entities to disclose the nature and amounts of expenses when significant, therefore a further breakdown of insurance service expenses and other income and expense may be required in the notes to financial statements. The requirement has not been affected by IFRS 17 or IFRS 9.

IAS 1.82(a), as updated with effect from the date an entity applies IFRS 9, requires the separate disclosure of interest revenue calculated using the effective interest method.

IFRS 17.88 provides an accounting policy choice relating to insurance finance income and 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 amount included in OCI in a period is the difference between total IFIE and the amount recognised in profit or loss. The standard allows this choice to be made 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 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. 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 Company 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 5.1.3 for current discount rates). In the event of transfer of a group of insurance contracts or the derecognition of an insurance contract, the IFIE is transferred to profit or loss. For other groups of insurance contracts, the Company does not disaggregate IFIE between profit or loss and OCI.

Statement of financial position

In €000	Notes	As at 31 December 2023	As at 31 December 2022 restated	As at 1 January 2022 restated	
					IAS 1.10(a) *IAS 1.51(c)*
Assets					*IAS 1.51(d),(e)*
Cash and cash equivalents		2,276	1,888	2,700	*IAS 1.54(i)*
Equity and debt instruments at fair value through profit or loss	8	6,597	5,452	4,517	*IAS 1.54(d), IFRS 7.8(a)*
Debt instruments at fair value through other comprehensive income	9	11,356	10,688	9,526	*IFRS 7.8(h)*
Debt instruments at amortised cost	10	1,036	987	940	
Insurance contract assets	11	35	49	37	*IFRS 17.78(a)*
Reinsurance contract assets	11	808	1,408	1,401	*IFRS 17.78(c)*
Total assets		**22,108**	**20,472**	**19,121**	
Liabilities					
Current tax liabilities		140	175	22	*IAS 1.54(n)*
Insurance contract liabilities	11	13,004	13,589	13,764	*IFRS 17.78(b)*
Deferred tax liabilities		163	41	50	*IAS 1.56, IAS 1.54(o)*
Other payables		210	190	173	*IAS 1.55*
Total liabilities		**13,517**	**13,995**	**14,009**	
Equity					
Issued capital		150	150	150	*IAS 1.54(r) , IAS 1.78(e)*
Retained earnings		8,177	6,195	4,807	*IAS 1.54(r), IAS 1.78(e)*
Fair value reserve		268	126	152	*IAS 1.54(r), IAS 1.78(e)*
Insurance/reinsurance finance reserve		(4)	6	3	*IAS 1.54(r), IAS 1.78(e)*
Total equity		**8,591**	**6,477**	**5,112**	
Total liabilities and equity		**22,108**	**20,472**	**19,121**	

The accounting policies and Notes on pages 11 to 80 form part of, and should be read in conjunction with, these financial statements.

Commentary – Statement of financial position

Paragraph 60 of IAS 1 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 Company 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 3.2.1.

Under IAS 1.10(f), an entity must present an opening statement of financial position ('third balance sheet') when it changes its accounting policies, makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position.

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.

To apply IFRS 17 retrospectively, at the transition date entities must: identify, recognise and measure each group of insurance contracts as if IFRS 17 had always applied; derecognise any existing balances that would not exist had IFRS 17 always applied; and recognise any resulting net difference in equity.

Statement of changes in equity

For the year ended 31 December 2023

In €000	Notes	Issued capital	Fair value reserve	Insurance/ reinsurance finance reserve	Retained Earnings	Total equity	
							IAS 1.106 *IAS 1.51(b)-(e)* *IAS 1.78(e)*
At 31 December 2021, as previously reported		**150**	**114**	**–**	**5,298**	**5,562**	
Impact of initial application of IFRS 17	1.1.1.3	–	–	3	(438)	(435)	*IAS 8.28(g)*
Impact of initial application of IFRS 9	1.1.3	–	38	–	(53)	(15)	*IAS 8.28(g)*
Restated balance as at 1 January 2022		**150**	**152**	**3**	**4,807**	**5,112**	
Profit for the year		–	–	–	1,388	1,388	*IAS 1.106(d)(i)*
Other comprehensive income for the year		–	(26)	3	–	(23)	*IAS 1.106(d)(ii)*
Total comprehensive income		**–**	**(26)**	**3**	**1,388**	**1,365**	
Restated balance as at 31 December 2022		**150**	**126**	**6**	**6,195**	**6,477**	
Profit for the year		–	–	–	1,982	1,982	*IAS 1.106(d)(i)*
Other comprehensive income for the year		–	142	(10)	–	132	*IAS 1.106(d)(ii)*
Total comprehensive income		**–**	**142**	**(10)**	**1,982**	**2,114**	*IAS 1.106(a)*
Balance as at 31 December 2023		**150**	**268**	**(4)**	**8,177**	**8,591**	

The accounting policies and Notes on pages 11 to 80 form part of, and should be read in conjunction with, these financial statements.

Commentary – Statement of changes in equity

The Company included lines for the impact of initial recognition of IFRS 17 and IFRS 9 that show the impact of the restatement to opening balances as at the transition date.

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 Company 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.

Statement of cash flows

Commentary

For the purposes of this publication, we have not provided an illustrative cash flow statement. The layout of the Statement of cash flows has not been specifically changed by IFRS 17 or IFRS 9. Refer to the Statement of Cash flows in EY's *Good Insurance* (2017) publication.

Scope of the publication

Please refer to *Appendix 1- Scope of the Publication*
for a summary of the disclosures required by IFRS 17 and IFRS 7 covered in this publication.

Notes to the financial statements

Notes to the Financial Statements

Commentary

The following accounting policies and notes do not represent a complete set of accounting policies for a non-life insurer, but are a series of extracts relevant for this publication. We use 'Note X' when referring to notes that are not included in this publication, but would otherwise be required in a complete set of financial statements prepared in accordance with IFRS. *IAS 1.10(e) IAS 1.112 IAS 1.113*

Good General presents disaggregated information about insurance contracts and reinsurance contracts by major product line in line with paragraph 95 and 96 of IFRS 17. The Company has four major product lines that it manages and operates independently: personal accident insurance, marine insurance, property insurance and liability reinsurance assumed. As each product line is managed and operates separately, the Company decided that this level of disaggregation would provide a basis for the users of the financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows. In the Company's judgement, this level of disaggregation was necessary to ensure that useful information was not obscured either by the inclusion of a large amount of insignificant detail or by the aggregation of items that have different characteristics. Entities will make their own judgements about the appropriate level of disaggregation for their businesses and are not required by IFRS 17 to disaggregate information in the same way or at the same level of detail as the Company. Once the decision for appropriate level of disaggregation is made, then the IFRS 17 disclosures need to be provided separately for each unit of aggregation. *IFRS 17.93-96*

1. Changes in accounting policies and disclosures

1.1. New and amended standards and interpretations

In these financial statements, the Company has applied IFRS 17 and IFRS 9 for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. *IAS 8.14 IAS 8.28*

IAS 8.28(a)

1.1.1. IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 *Insurance Contracts* for annual periods on or after 1 January 2023.

The Company has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows: *IAS 8.28(b)*

IAS 8.28(c)

1.1.1.1. Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. *IFRS 17 Appendix A*

The Company was previously permitted under IFRS 4 to continue accounting using its previous (Euroland GAAP) accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17. *IFRS 17.53*

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided *IFRS 17.55*
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart *IFRS 17.56*
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision) *IFRS 17.57*
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses. *IFRS 17.59(b)*
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts. *IFRS 17.70A*

1.1. New and amended standards and interpretations *(continued)*

The Company expenses its insurance acquisition cash flows for its property insurance product line immediately upon payment and capitalises insurance acquisition cash flows for all other product lines.

For product lines where insurance acquisition cash flows are not immediately expensed, the Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

IFRS 17.28A, B, C
IFRS 17.B35A

IFRS 17.55(a)(iii)

Commentary

In accordance with paragraph 59(a) of IFRS 17, entities may choose to recognise any insurance acquisition cash flows as an expense when it incurs those costs, provided the coverage period of each contract in the group is no more than one year. Where this option is not chosen, acquisition cash flows are required by paragraphs 28A and B35A of IFRS 17 to be allocated to groups of insurance contracts.

IFRS 4 does not prescribe the accounting treatment for insurance acquisition cash flows, therefore, if the accounting treatment chosen under IFRS 17 differs from their previous treatment, entities should disclose this change as required by paragraph 28(c) of IAS 8.

The Company's classification and measurement of insurance and reinsurance contracts is explained in Note 2.1.

1.1.1.2. Changes to presentation and disclosure

IAS 8.28(c)
IFRS 17.78

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

IFRS 17.14-24

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

IFRS 17.80-82

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

1.1. New and amended standards and interpretations (continued)

1.1.1.3. Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied *IFRS 17.C4*
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity

Commentary

For the purposes of the transition requirements in IFRS 17, the date of initial application is the beginning of the annual reporting period in which an entity first applies IFRS 17 (i.e., 1 January 2023 for an entity first applying the standard with an annual reporting period ending 31 December 2023). IFRS 17 also refers to the transition date as the beginning of the annual reporting period immediately preceding the date of initial application (i.e., 1 January 2022 for an entity first applying the standard with an annual reporting period ending 31 December 2023). *IFRS 17.C2(a)* *IFRS 17.C2(b)*

IFRS 17.C3(a) states that an entity is not required to present the quantitative information required by paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. IAS 8.28(f) requires, for the current period and each prior period presented, disclosure of the amount of the accounting policy change adjustment for each financial statement line item affected, and for basic and diluted earnings per share. No detailed reconciliation is required upon transition to IFRS 17. *IFRS 17.C3(a)*

For the purposes of these illustrative disclosures it has been assumed that Good General was able to apply IFRS 17 retrospectively to identify, recognise and measure and calculate assets for insurance acquisition cash flows at the transition date. If this is impracticable for an entity, it could measure the assets for insurance acquisition cash flows using either: *IFRS 17.C5B*

(a) *Modified retrospective approach*

If the modified retrospective approach is applied for certain groups of contracts, IFRS 17 requires an entity to use the same systematic and rational method expected to be used post transition to allocate any insurance acquisition cash flows paid (or for which a liability has been recognised applying another IFRS standard) before the transition date to groups of insurance contracts recognised at transition date and after the transition date. *IFRS 17.C14A-B*

To the extent that an entity does not have reasonable and supportable information to apply a systematic and rational method of allocation, any asset for insurance acquisition cash flows for groups of insurance contracts must be set to nil. *IFRS 17.C14D*

(b) *Fair value approach*

In applying the fair value approach, the amount of the asset for insurance acquisition cash flows must be determined as the amount of insurance acquisition cash flows that an entity would incur at the transition date to obtain rights to: *IFRS 17.C24A*

(a) Recover insurance acquisition cash flows from premiums of insurance contracts issued before the transition date but not yet recognised at the transition date;

(b) Future insurance contracts that are renewals of insurance contracts recognised at the transition date and insurance contracts described in (a); and

(c) Future insurance contracts, other than those in (b), after the transition date without paying again insurance acquisition cash flows the entity has already paid that are directly attributable to the related portfolio of insurance contracts.

At the transition date, the standard requires entities to exclude from the measurement of any group of insurance contracts the amount of any asset for insurance acquisition cash flows. *IFRS 17.C24B*

1.1. New and amended standards and interpretations *(continued)*

1.1.2. IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17. *IFRS 9.7.1.1*

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9. Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of 1 January 2022 and are disclosed in Note 1.1.3. *IAS 8.28* *IFRS 9.7.2.1* *IFRS 9.7.2.15*

Commentary *IFRS 9.7.2.15*

Comparative information for instruments in the scope of IFRS 9 may only be restated if this is possible without the use of hindsight. For the purposes of these illustrative disclosures it has been assumed that Good General Insurance was able to restate comparatives without the use of hindsight.

As per IFRS 9.7.2.1, IFRS 9 must not be applied to items that have already been derecognised at the date of initial application. As such, if an entity chooses to restate comparatives, IAS 39 must continue to be applied to any items derecognised during the comparative period. For the purposes of these illustrative disclosures, it has been assumed that Good General did not derecognise any IAS 39 assets during 2022. Accordingly, IFRS 9 is applied to all financial instruments for the comparative period. *IFRS 9.7.2.1*

If an entity restating comparative information has assets that were disposed of in the comparative period, the entity will apply IAS 39 recognition and measurement requirements to those assets in the comparative period. It will also need to produce the relevant IAS 39 related disclosures for these assets including:

- The IAS 39 accounting for gains/losses and income on such assets in the statement of profit or loss
- IAS 39 classifications for the restated opening statement of financial position
- Relevant IAS 39 accounting policies
- Any relevant note disclosures

For illustrative IAS 39 related disclosures please refer **to EY's** ***Good Insurance*** **(2017) publication**

The nature of the changes in accounting policies can be summarised, as follows:

1.1.2.1. Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. *IFRS 9.4.1.1* *IFRS 9.4.1.2* *IFRS 9.4.1.4*

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition *IFRS 9.4.1.1* *IFRS 9.4.1.4*
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company) *IFRS 9.4.1.2A*
- Debt instruments at amortised cost *IFRS 9.4.1.4*

The Company's classification of its financial assets is explained in Note 2.3. The quantitative impact of applying IFRS 9 as at 1 January 2022 is disclosed in Note 1.1.3. *IFRS 9.4.1.2*

1.1. New and amended standards and interpretations *(continued)*

1.1.2.2. Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for debt instruments held at FVOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. *IFRS 9.5.5.1*

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full LTECL. *IFRS 9.5.5.3* *IFRS 9.5.5.5* *IFRS 9.Appendix A*

The Company's debt instruments at FVOCI and amortised cost comprise quoted bonds that are graded in the top investment category (Very Good and Good) by the Euroland Credit Agency and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure such instruments on a 12-month ECL (12mECL) basis. The Company does, however, consider that there has been a significant increase in credit risk for a previously assessed low credit risk investment when any contractual payments on these instruments are more than 30 days past due. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade. *IFRS 9.B5.5.22-24*

The Company considers an instrument to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. There were no such instances in 2023 or 2022. *IFRS 7.35F(b)* *IFRS 9.5.5.9* *IFRS 9.B5.5.37*

The adoption of the ECL requirements of IFRS 9 has resulted in increases in impairment allowances in respect of the Company's debt instruments. The increase in allowance was adjusted to retained earnings.

As it was possible to do so without the use of hindsight, the Company restated the statement of financial position as at 1 January 2022, resulting in decreases in financial assets and retained earnings amounting to €11,000, respectively. The statement of profit or loss for the year ended 31 December 2022 was also restated, resulting in increases in impairment loss on financial assets amounting to €2,000.

Details of the Company's impairment method are disclosed in Note 2.3.6. The quantitative impact of applying IFRS 9 as at 1 January 2022 is disclosed in Note 1.1.3.

1.1.2.3. Changes in disclosure – IFRS 7

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 *Financial Instruments: Disclosures* was also amended. The Company applied the amended disclosure requirements of IFRS 7, together with IFRS 9, for the year beginning 1 January 2023. Changes include transition disclosures as shown in Note 1.1.3. Detailed qualitative and quantitative information about the ECL calculations, such as the assumptions and inputs used, are set out in Notes 2.3.6.1 and 5.2.1.

Reconciliations from opening to closing ECL allowances are presented in Notes 3.2.4.4.1 and 3.2.4.4.2.

Commentary

IFRS 7 also requires additional and more detailed disclosures for hedge accounting even for entities opting to continue to apply the hedge accounting requirements of IAS 39.

For the purposes of these illustrative disclosures, it has been assumed that Good General does not hedge account and, as such, these disclosures have not been included.

1.1. New and amended standards and interpretations *(continued)*

1.1.3. Transition disclosures – IFRS 9

The following pages set out the impact of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's ECLs.

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of initial application date 1 January 2023 is, as follows:

IFRS 7.42I
IAS 8.28
IAS 1.38

In €000		1 January 2023						
		IAS 39 measurement		Re-	Remeasurement		IFRS 9	
Financial assets	**Ref**	**Category**	**Amount**	**classification**	**ECL**	**Other**	**Amount**	**Category**
Cash and balances with banks		L&R[1]	1,888	-	-		1,888	AC[2]
Debt instruments at amortised cost			N/A	1,001	(2)	(12)	987	AC
From: Financial investments – AFS	A			1,001	*(2)*	*(12)*		
		L&R	**1,888**	**1,001**	**(2)**	**(12)**	**2,875**	AC
Financial investments – AFS[3]			11,689	(11,689)	-		N/A	
To: Debt instruments at FVOCI	B			(10,688)	(61)	61		
To: Debt instruments at amortised cost	A			*(1,001)*	*(61)*	*61*		
		AFS	**11,689**	**(11,689)**	**-**		**N/A**	
Debt instruments at fair value through OCI			N/A	10,688			10,688	FVOCI
From: Financial Investments – AFS	B			10,688				
			N/A	**10,688**	**-**	**-**	**10,688**	**FVOCI**
Financial assets at fair value through profit or loss (designated)	C	FVPL (designated)	5,452	(5,452)	-		-	FVPL (designated)
Financial assets at fair value through profit or loss (mandatory)			N/A	5,452	-		5,452	FVPL (mandatory)
		FVPL	**5,452**	**-**	**-**	**-**	**5,452**	**FVPL**
Non-financial assets								
Deferred tax assets	D		243		-	(2)	241	
Total assets			**19,272**	**-**	(2)	(14)	**19,256**	

[1] Loans and receivables
[2] Amortised cost
[3] Available for sale

A As of 1 January 2023, the Company classified a portion of its previous AFS portfolio as debt instruments at amortised cost. These instruments met the solely payments of principal and interest (SPPI) criterion, were not actively traded and were held with the intention to collect cash flows and without the intention to sell. The fair value of these instruments that the Company still held at 31 December 2023 was €1,005,000. The change in fair value over 2023 that would have been recorded in OCI had these instruments continued to be revalued through OCI, is €4,000.

B As of 1 January 2023, the Company assessed the remainder of its debt instrument portfolio which had previously been classified as AFS debt instruments. The Company concluded that these instruments are managed within a business model of collecting contractual cash flows and selling the financial assets. Accordingly, the Company classified these investments as debt instruments measured at FVOCI.

C As at 1 January 2023, the Company assessed its assets previously designated at FVPL under IAS 39. Under IFRS 9, the Company classifies all its equity instruments as mandatorily measured at FVPL. In respect of debt instruments previously designated FVPL under IAS 39, upon evaluation, as the Company's business model is to manage this portfolio of instruments on a fair value basis, these assets did not meet the criterion for recognition at amortised cost or FVOCI and as such are mandatorily measured at FVPL.

D The impact of adopting IFRS 9 on deferred tax is set out on the next page and in Note X.

1.1. New and amended standards and interpretations *(continued)*

The following table reconciles the aggregate opening loan loss provision allowances under IAS 39 to the ECL allowances under IFRS 9 at date of initial application. Further details are disclosed in Notes 3.2.4.4.1 and 3.2.4.4.2.

IFRS 7.42P

In €000	Loan loss provision under IAS 39 at 31 December 2022	Re-measurement	ECLs under IFRS 9 at 1 January 2023
Impairment allowance for			
Available-for-sale debt investment securities per IAS 39/Debt instruments at amortised cost under IFRS 9:	–	2	2
Available-for-sale debt investment securities per IAS 39/debt financial assets at FVOCI under IFRS 9	–	61	**61**
	–	**63**	**63**

Commentary

On initial application of IFRS 9, entities are required to revisit the FVPL designations previously made in accordance with IAS 39 and are also given an opportunity to make new designations in accordance with IFRS 9. More specifically, on the date of initial application:

- Any previous designation of a financial asset as measured at FVPL may be revoked in any case, but must be revoked if such designation no longer eliminates, or significantly reduces, an accounting mismatch
- A financial asset or a financial liability may be designated as measured at FVPL, if such designation would now eliminate or significantly reduce an accounting mismatch
- Any previous designation of a financial liability as measured at FVPL that was made on the basis that it eliminated or significantly reduced an accounting mismatch may be revoked in any case, but must be revoked if such designation no longer eliminates or significantly reduces an accounting mismatch
- Any investment in a non-derivative equity instrument that meets the definition of equity under IAS 32 and is not held for trading, may be designated as non-recyclable FVOCI. The Company does not make use of this measurement category.

Under IAS 39, in certain circumstances, entities may choose to elect to hold equity instruments at cost. The option to hold such investments at cost is no longer available under IFRS 9. The Company did not elect to use that option in the past.

We specifically draw attention to IFRS 7.42M-N that requires the following disclosures where financial assets are reclassified to amortised cost:

- The fair value of the financial asset at the year end and the fair value gains and losses that would have been recognised in profit or loss during the period if the assets had not been reclassified

And when entities reclassify financial assets out of FVPL into FVOCI or amortised cost:

- The effective interest rate (EIR) determined on the date of initial application and the recognised interest revenue or expense

We have addressed these disclosures, as relevant, in the narrative part of the transition tables.

For the purposes of these disclosures, we assumed the deferred tax balances can be offset in accordance with the requirements of IAS 12 *Income Taxes*.

IFRS 7 includes disclosure requirements at the date of initial application of IFRS 9 (1 January 2023). As Good General has restated comparative balances effective 1 January 2022, the following additional tables have been included to provide the user with additional information about the transition to IFRS 9 and the adjustments to opening balances of retained earnings and the fair value reserve as at 1 January 2022, in conjunction with the effects of the transition to IFRS 17 on that date.

1.1. New and amended standards and interpretations *(continued)*

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as of 1 January 2022 is, as follows:

IFRS 7.42I
IAS 8.28
IAS 1.38

In €000	1 January 2022						
	IAS 39 measurement		Re-	Remeasurement		IFRS 9	
Financial assets	**Category**	**Amount**	**classification**	**ECL**	**Other**	**Amount**	**Category**
Cash and balances with banks	L&R[1]	2,700	-	-		2,700	AC[2]
Debt instruments at amortised cost		N/A	953	(2)	(11)	940	AC
From: Financial investments - AFS			953	(2)	(11)		
	L&R	**2,700**	**953**	**(2)**	**(11)**	**3,640**	AC
Financial investments - AFS[3]		10,479	(10,479)	-		N/A	
To: Debt instruments at FVOCI			(9,526)				
To: Debt instruments at amortised cost			(953)				
	AFS	**10,479**	**(10,479)**	**-**		**N/A**	
Debt instruments at fair value through OCI		N/A	9,526	(59)	59	9,526	FVOCI
From: Financial Investments - AFS			9,526	(59)	59		
		N/A	**9,526**	**-**	**-**	**9,526**	**FVOCI**
Financial assets at fair value through profit or loss (designated)	FVPL (designated)	4,517	(4,517)	-		-	FVPL (designated)
Financial assets at fair value through profit or loss (mandatory)		N/A	4,517	-		4,517	FVPL (mandatory)
	FVPL	**4,517**	**-**	**-**	**-**	**4,517**	**FVPL**
Non-financial assets							
Deferred tax assets		237		-	(2)	235	
Total assets		**17,933**	**-**	(2)	(13)	**17,918**	

[1] Loans and receivables
[2] Amortised cost
[3] Available for sale

The following table reconciles the aggregate opening loan loss provision allowances under IAS 39 to the ECL allowances under IFRS 9 as at date of transition. Further details are disclosed in Notes 3.2.4.4.1 and 3.2.4.4.2.

IFRS 7.42P

In €000	Loan loss provision under IAS 39 at 31 December 2021	Re-measurement	ECLs under IFRS 9 at 1 January 2022
Impairment allowance for			
Available-for-sale debt investment securities per IAS 39/Debt instruments at amortised cost under IFRS 9:	–	2	2
Available-for-sale debt investment securities per IAS 39/debt financial assets at FVOCI under IFRS 9	–	59	59
	–	**61**	**61**

Notes to the Financial Statements

1.1. New and amended standards and interpretations *(continued)*

The impact of transition to IFRS 9 on reserves and retained earnings is, as follows:

IAS 1.106(b)
IAS 8.28(f)
IAS 1.17(c)
IAS 1.38

In €000	
Fair value reserve	
Closing balance under IAS 39 (31 December 2021)	114
Reclassification of debt instruments from available-for-sale to amortised cost	(11)
Adjustment for recognition of ECL under IFRS 9 for debt financial assets at FVOCI	59
Deferred tax in relation to IFRS 9 application	(10)
Opening balance under IFRS 9 (1 January 2022)	**152**
Retained earnings	
Closing balance under IAS 39 (31 December 2021)	5,298
Impact of initial application of IFRS 17	(547)
Deferred tax in relation to IFRS 17 application	109
Recognition of IFRS 9 ECLs for debt instruments measured at amortised cost and at FVOCI (see above)	(61)
Deferred tax in relation to IFRS 9 application	8
Opening balance under IFRS 9 and IFRS 17 (1 January 2022)	**4,807**
Total change in equity (after tax) due to the application of new standards	
Fair value reserve	38
Retained earnings	(53)
Total change in equity due to the application of IFRS 9	**(15)**
Insurance/ reinsurance finance reserve	3
Retained earnings	(438)
Total change in equity due to the application of IFRS 17	**(435)**

Commentary

The disclosures of the impact of the transition to IFRS 9 on reserves and retained earnings, deferred tax and provisions are not specified by IFRS 9 and IFRS 7. However, providing such disclosures is in line with both IAS 1.106(b) and IAS 8.28(f), which require entities to disclose the effects of retrospective application. IAS 1.17(c) and IAS 1.38 also require entities to provide additional disclosures when otherwise the information would be insufficient to enable users to understand the impact of particular transactions and to assist comparability.

2. Summary of significant accounting policies

2.1. Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. *IFRS 17.B18- B19*

The Company also issues 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 Company does not issue any contracts with direct participating features.

Commentary

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 Appendix A*

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. *IFRS 17.BC67*

The basic definition of an insurance contract is unchanged from IFRS 4, which means that, in many cases, contracts that were insurance contracts under IFRS 4 are expected to be insurance contracts under IFRS 17. However, there have been clarifications to the related application guidance explaining the definition to require that: *IFRS 17.B20*

- An insurer should consider the time value of money in assessing whether the additional benefits payable in any scenario are significant *IFRS 17.B19*
- A contract does not transfer significant insurance risk if there is no scenario with commercial substance in which the insurer can suffer a loss on a present value basis *IFRS 17.B19*
- If a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is still deemed to transfer significant insurance risk, if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts. This guidance in IFRS 17.B19 is new compared to that contained in IFRS 4

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.B18*

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. *IFRS 17.B20*

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. *IFRS 17.BC78*

IFRS 4 contained an illustrative example which implied insured benefits must be greater than 101% of the benefits payable if the insured event did not occur for there to be insurance risk in an insurance contract. However, no equivalent example has been included in IFRS 17. It is not disputed in the Basis for Conclusions that a 10% chance of a 10% loss results in a transfer of significant insurance risk and, indeed, the words 'extremely unlikely' and 'a small proportion' suggests that the IASB envisages that significant insurance risk could exist at a different threshold than a 10% probability of a 10% loss. *IFRS 4.IG2.E1.3* *IFRS 17.BC77*

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 inconsistency in practice as to what these dividing lines are, at least at the margins.

Notes to the Financial Statements

2.1. Insurance and reinsurance contracts classification *(continued)*

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 *Presentation of Financial Statements* 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 4 Appendix A, IFRS 17.BC 347-348

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 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.

2.2. Insurance and reinsurance contracts accounting treatment

2.2.1. Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation. *IFRS 17.10*

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. *IFRS 17.B32*

2.2.2. Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Company previously applied aggregation levels under Euroland GAAP, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Company 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 Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains 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 17.14*

The Company has elected to group together those contracts that would fall into different 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 17.14*

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows: *IFRS 17.126, IFRS 17.20*

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company 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 Company 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 Company 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
- Environmental factors, e.g., a change in market experience or regulations

The Company 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.

2.2.3. Recognition

The Company 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
- 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 Company 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 Company 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. *IFRS 17.62, IFRS 17.62A*

And

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

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above. *IFRS 17.28*

Commentary:

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 and due date for the initial premium. However, IFRS 17 only requires recognition of issued insurance contracts before these dates if facts and circumstances indicate that the contracts in the group to which the PAA applies are onerous. 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. *IFRS 17.BC 140-145*

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

2.2.4. Contract boundary

The Company 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 Company can compel the policyholder to pay the premiums, or in which the Company 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 Company 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:
- The Company 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 *IFRS 17.B64*
- 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.

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

2.2.5. Measurement - Premium Allocation Approach

	IFRS 17 Options	*Adopted approach*	
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for property insurance and liability reinsurance assumed is one year or less and so qualifies automatically for PAA. Both marine insurance and personal accident insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.	*IFRS 17.53*
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For one-year property business, insurance acquisition cash flows are expensed as incurred. For all other business, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	*IFRS 17. 59 (a)* *IFRS 17.28A,* *IFRS 17.B35A*
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For marine and personal accident insurance, an allowance is made for accretion of interest on the LFRC. For all other business, there is no allowance as the premiums are received within one year of the coverage period.	*IFRS 17.56*
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money.	*IFRS 17.59 (b)*
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For the personal accident product line, the impact on LFIC of changes in discount rates will be captured within OCI, in line with the accounting for assets backing this product line. For all other business, the change in LFIC as a result of changes in discount rates will be captured within profit or loss.	*IFRS 17. 88*

Commentary

The PAA provides entities with a number of accounting policy choices which have been presented above in a tabular format. As shown above, the Company has made an election for each of the five accounting policy choices available in respect of the PAA approach, as appropriate to the circumstances of the Company.
In such cases, the commentary provides details of which policy has been selected, the reasons for this policy selection, and summarises the difference in the disclosure requirements. While it is not expected that entities will necessarily take a similar approach in practice, the Company has elected different accounting policy choices for its insurance product lines to demonstrate disclosures related to the options available under the PAA.

These are accounting policy choices made in accordance with IAS 8, unless indicated otherwise by IFRS 17.

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

2.2.5.1. Insurance contracts – initial measurement

The Company 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 2.2.4)

Or

- For contracts longer than one year, the Company 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 model. In assessing materiality, the Company has also considered qualitative factors such as
  the nature of the risk and types of its lines of business. *IFRS 17.55*

The Company 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)*

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as: *IFRS 17.97(c)*

- The premiums, if any, received at initial recognition *IFRS 17.55(a)*
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, *IFRS 17.B66A*
- 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 Company 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 Company 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 Company 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 Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 2.2.6.2.

Commentary:

IFRS 17.59(b) does not require an entity to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred. Nevertheless, an entity may choose to adjust future cash flows for various reasons, for example, to apply the same calculation without a necessity to analyse time period between the claims incurred and an expected date of payment.

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

2.2.5.2. Reinsurance contracts held – initial measurement

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company 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 Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. *IFRS 17.66A, B, IFRS 17.70A*

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. *IFRS 17.B119D* *IFRS 17.B119E*

IFRS 17.70A

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Commentary:

A loss recovery component is recognised when an entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on the addition of onerous underlying contracts to a group, if and only if the reinsurance contract held is entered into before or at the same time as the onerous underlying insurance contracts are recognised. *IFRS 17.B119C, IFRS 17.66A*

2.2.5.3. Insurance contracts – subsequent measurement

The Company 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: *IFRS 17.55 (b)*

- Plus premiums received in the period
- Minus insurance acquisition cash flows, with the exception of property insurance product line for which the Company chooses to expense insurance acquisition cash flows as they occur (please see Note 2.2.5.1)
- 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

The Company 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 Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred. *IFRS 17.59 (b), IFRS 17.97(b)*

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company 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 Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 2.2.6.2.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

2.2. Insurance and reinsurance contracts accounting treatment *(continued)*

2.2.5.4. 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 Company has established a loss-recovery component, the Company 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 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. *IFRS 17.B119F*

Commentary

The standard does not include guidance on the subsequent treatment of a loss-recovery component that was recognised at initial recognition of a group of underlying insurance contracts.

Per IFRS 17 paragraph B119F, the carrying amount of 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 an entity expects to recover from the group of reinsurance contracts held and thus should be nil when 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 zero in line with reductions in the onerous group of underlying insurance contracts. *IFRS 17.B119F*

2.2.5.5. Insurance acquisition cash flows

IFRS 17 Appendix A

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 17.28A
IFRS 17.B35A

With the exception of the property insurance product line, for which the Company chooses to expense insurance acquisition cash flows as they occur, the Company uses a systematic and rational method to allocate:

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

- (i) to that group; and
- (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(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 17.28B*

The asset for insurance acquisition cash flow 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 Company expects to derecognise the above asset for insurance acquisition cash flows are disclosed in Note 11. *IFRS 17.28C*

IFRS 17.B35B

At the end of each reporting period, the Company revises 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.

IFRS 17.28E
IFRS 17.B35D

After any re-allocation, the Company 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 Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- 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.

IFRS 17.28F

The Company 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.

2.2. Insurance and reinsurance contracts accounting treatment (*continued*)

2.2.5.6. Insurance contracts – modification and derecognition

The Company 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 Company 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 Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

2.2.6. Presentation

The Company 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.

The Company 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. *IFRS 17.80*

The Company 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 Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued. *IFRS 17.82*

2.2.6.1. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But 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*

The Company 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. *IFRS 17.B127*

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

2.2.6.2. Loss components

The Company 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 Note 2.2.2 indicate that a group of insurance contracts is onerous, the Company 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 Note 2.2.5.3. 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*

2.2. Insurance and reinsurance contracts accounting treatment (*continued*)

Commentary

When entities apply the premium allocation approach for a group of contracts which is assessed as onerous, then a loss component should be established as per the calculation in IFRS 17.57. Given the simplified nature of the premium allocation approach, entities could also consider using practical applications that would achieve the same accounting outcome as if IFRS 17.57 were applied.

2.2.6.3. Loss-recovery components

As described in Note 2.2.5.2 above, where the Company 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 Company 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*

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. *IFRS 17.B119F*

2.2.6.4. Insurance finance income and expense

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; and
- The effect of financial risk and changes in financial risk.

The Company disaggregates insurance finance income or expenses on insurance contracts issued for its personal accident product line between profit or loss and OCI. 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 Company's financial assets backing the personal accident insurance portfolios are predominantly measured FVOCI. For all other business, the Company 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 17.118*

2.2.6.5. Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company 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, and 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. *IFRS 17.86*

2.3. Financial assets

Commentary

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

The following illustrative disclosures are considered appropriate for the Company. 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.

2.3.1. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 2.3.2.1.1 and 2.3.2.1.2. *IFRS 9.5.1.1*

Financial instruments are initially recognised on the trade date measured at their fair value (as defined in Note X). Except for financial assets and financial liabilities recorded at FVPL, transaction costs are added to this amount. *IFRS 9.5.1.1A*

2.3.2. Measurement categories

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following: *IFRS 9.4.1.1*

- Amortised cost, as explained in Note 2.3.2.1
- FVOCI, as explained in Note 2.3.2.2
- FVPL, as explained in Note 2.3.2.3

2.3.2.1. Debt instruments measured at amortised cost

Debt instruments 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 instrument 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 are outlined below.

2.3.2.1.1. Business model assessment

The Company 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 Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company 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 Company'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 Company'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
- 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 Company'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 Company's original expectations, the Company 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*

2.3.2.1.2. The SPPI test

As a second step of its classification process the Company 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 Company 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*

2.3.2.2. Debt instruments measured at fair value through other comprehensive income

The Company applies the new category under IFRS 9 for debt instruments measured 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

These instruments largely comprise debt instruments that had previously been classified as available-for-sale under IAS 39. 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.

2.3.2.3. Financial assets measured at fair value through profit or loss

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under IFRS 9. This category includes debt 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*

2.3.3. Subsequent measurement

2.3.3.1. 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. ECLs are recognised in the statement of profit or loss when the investments are impaired. *IFRS 9.5.4.1* *IFRS 9.5.4.2*

2.3.3.2. Debt instruments at fair value through other comprehensive income

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 Note 2.4.1. The ECL calculation for debt instruments at FVOCI is explained in Note 2.3.6.2. Where the Company 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. *IFRS 9.5.7.10-11*

2.3.3.3. 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 assets mandatorily required to be measured at FVPL is recorded using contractual interest rate, as explained in Note 2.4.2. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating 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)*

2.3 Financial assets (*continued*)

2.3.4. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. *IFRS 9.4.4.2* *IFRS 9.B4.4.1*

2.3.5. Derecognition

2.3.5.1. 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 Company 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 Company has transferred substantially all the risks and rewards of the asset; or (b) the Company 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 Company 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*

When the Company 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 Company's continuing involvement, in which case, the Company 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 Company has retained. *IFRS 9.3.2.15*

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 Company could be required to pay. *IFRS 9.3.2.16(a)*

2.3.5.2. Derecognition due to substantial modification of terms and conditions

The Company 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. *IFRS 9.5.4.3* *IFRS 9.B5.5.25-26*

When assessing whether or not to derecognise an instrument, amongst others, the Company 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

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 Company records a modification gain or loss. *IFRS 9.5.4.3*

2.3 Financial assets (*continued*)

2.3.6. Impairment of financial assets

IFRS 9.5.5.1

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

- Impairment losses on financial instruments - Note 3.2.4.4
- Disclosures for significant judgements and estimates - Note 5.2.1

The Company 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 Company expects to receive, discounted at the appropriate effective interest rate.

IFRS 9.5.5.1

ECLs are recognised in two stages. 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, 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 9.5.5.3
IFRS 9.5.5.5

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

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

The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company 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.

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

2.3.6.1. The calculation of ECLs

The Company 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 Company in accordance with the contract and the cash flows that the entity expects to receive.

IFRS 7.33(b)

When estimating the ECLs, the Company 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.

IFRS 9.5.5.17
IFRS 9.B5.5.28

- 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 Company would expect to receive. It is usually expressed as a percentage of the EAD.

2.3 Financial assets (*continued*)

The Company 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 Company 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 IFRS 9.B5.5.44*
- LTECL — When an instrument has shown a significant increase in credit risk since origination, the Company 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 IFRS 9.B5.5.44*
- Impairment — For debt instruments considered credit-impaired, the Company 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 IFRS 9.B5.5.44*

2.3.6.2. 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. *IFRS 9.5.5.2*

2.3.6.3. Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as: *IFRS 7.35G(b)*

- GDP growth
- Central Bank base rates

Commentary

The above inputs are general economic indicators that we have chosen for illustrative purposes only. In practice, further indicators such as commodity price inflation rates, currency exchange rates and government budget deficits may be used too.

The illustrative disclosure is provided on the assumptions:

- That it is the Company'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 Company will sell the instrument and purchase instruments meeting the required investment grade

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

2.3.7. Write-offs

Financial assets are written off either partially or in their entirety only when the Company 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. There were no write-offs over the periods reported in these financial statements. *IFRS 7.35F(e) IFRS 9.5.4.4*

2.4. Recognition of interest income

2.4.1. 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. Similar to interest bearing financial assets previously classified as available-for-sale or held to maturity under IAS 39, interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. 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 discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company 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 to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income. *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*

2.4.2. Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement.

In its *Interest income calculated using the effective interest method* the Company 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 Company calculates interest income 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*

3. Insurance and financial risk

Commentary

The requirements to disclose information relating to the nature, timing and uncertainty of future cash flows that arise from insurance contracts are not new. Many similar insurance and financial (including credit, liquidity and market) risk disclosures were included in IFRS 4, often phrased to the effect that an insurer should make disclosures about insurance contracts, assuming that these were within the scope of IFRS 7. The equivalent disclosures now required by IFRS 17 are more specific to the circumstances of the measurement of insurance contracts in the standard, with no cross reference to IFRS 7.

There are a number of subtle differences between the new and existing disclosures, for example, IFRS 17.128(a)(ii) requires the sensitivity analyses for each type of market risk to be disclosed in a way that explains the relationship between the sensitivities to changes in risk exposures arising from insurance contracts and those arising from financial assets held. In addition, claims development figures must now be undiscounted, whereas IFRS 4 was silent on this.

In order to reflect overall financial risk disclosure for the Company, relevant disclosures from IFRS 7.31-42 have been presented alongside the IFRS 17 required disclosures in section 3.2 below.

Disclosures relevant to the impairment accounting under IFRS 9 for instruments held by the Company as required by IFRS 7.35A-N are illustrated in Note 3.2.4.3 below.

3.1. Insurance risk

3.1.1. Non-Life insurance contracts and reinsurance contracts

The Company principally issues the following types of non-life insurance contracts: personal accident; marine; property; and liability reinsurance. *IFRS 17.121, IFRS 17.124*

For non-life insurance 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 Company 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 Company. The Company 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 Company purchases reinsurance 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 Company 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 Company 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 Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

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

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

IFRS 17.127
IFRS 17.125(a)

In €000	2023			2022		
	Insurance	Reinsurance held	Net	Insurance	Reinsurance held	Net
Personal accident insurance	5,079	–	5,079	6,324	–	6,324
Marine insurance	4,005	(808)	3,197	3,830	(1,408)	2,422
Property insurance	2,887	–	2,887	2,379	–	2,379
Liability reinsurance issued	998	–	998	1,007	–	1,007
Total net insurance contracts	**12,969**	**(808)**	**12,161**	**13,540**	**(1,408)**	**12,132**

3.1. Insurance risk *(continued)*

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

IFRS 17.127
IFRS 17.125(a)

In €000	2023				
	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance	Total
Euroland	**5,079**	**3,022**	**2,887**	**998**	**11,986**
Contracts issued	5,079	3,224	2,887	998	12,188
Reinsurance held	–	(202)	–	–	(202)
United States	**–**	**158**	**–**	**–**	**158**
Contracts issued	–	764	–	–	764
Reinsurance held	–	(606)	–	–	(606)
Total net insurance contracts	**5,079**	**3,180**	**2,887**	**998**	**12,145**

In €000	2022				
	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance	Total
Euroland	**6,324**	**2,175**	**2,379**	**1,007**	**11,885**
Contracts issued	6,324	2,622	2,379	1,007	12,332
Reinsurance held	–	(447)	–	–	(447)
United States	**–**	**247**	**–**	**–**	**247**
Contracts issued	–	1,208	–	–	1,208
Reinsurance held	–	(961)	–	–	(961)
Total net insurance contracts	**6,324**	**2,422**	**2,379**	**1,007**	**12,130**

3.1. Insurance risk *(continued)*

3.1.1.1. 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 Note 5.1.2) 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)*

In €000	2023				
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Weighted average term to settlement	+ 10 %	42	40	38	37
Expected loss	+ 10 %	(733)	(712)	(718)	(704)
Inflation rate	+ 1 %	(110)	(107)	(81)	(78)
Weighted average term to settlement	- 10 %	(42)	(40)	(38)	(37)
Expected loss	- 10 %	733	712	718	704
Inflation rate	- 1 %	110	107	81	78

In €000	2022				
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Weighted average term to settlement	+ 10 %	44	41	40	39
Expected loss	+ 10 %	(775)	(741)	(764)	(733)
Inflation rate	+ 1 %	(119)	(115)	(85)	(83)
Weighted average term to settlement	- 10 %	(44)	(41)	(40)	(39)
Expected loss	- 10 %	775	741	764	733
Inflation rate	- 1 %	119	115	85	83

Commentary

The impact of sensitivities to changes in discount rates is minimal due to the combination of:

- The liability for incurred claims for the portfolio included in property insurance product line not being discounted as claims are expected to be settled within a year
- The discount rate for liability for remaining coverage being set at the date of initial recognition remaining unchanged and therefore not subject to variation

Notes to the Financial Statements

3.1. Insurance risk (continued)

3.1.1.2. Claims development table

IFRS 17.C28

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.

As required by IFRS 17, in setting claims provisions, the Company 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.

The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross undiscounted liabilities for incurred claims for 2023 - Personal accident insurance

IFRS 17.130

€000 **Accident year**	**Before 2019***	**2019***	**2020***	**2021**	**2022**	**2023**	**Total**
At end of accident year				1,209	1,115	1,109	
One year later				1,223	1,088		
Two years later				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)	
One year later				(956)	(925)		
Two years later				(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**

	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	11.1.1	869	22	891

IFRS 17.130

***** For this product line there are no open claims for these accident years.

3.1. Insurance risk *(continued)*

Gross undiscounted liabilities for incurred claims for 2023 - Marine Insurance

IFRS 17.130

€000 **Accident year**	**Before 2019**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year		1,264	1,359	1,448	2,222	2,158	
One year later		1,304	1,378	1,424	2,238		
Two years later		1,300	1,332	1,433			
Three years later		1,329	1,368				
Four years later		1,352					
Gross estimates of the undiscounted amount of the claims		**1,352**	**1,368**	**1,433**	**2,238**	**2,158**	**8,549**
At end of accident year		(319)	(411)	(511)	(616)	(544)	
One year later		(839)	(961)	(984)	(1,360)		
Two years later		(1,080)	(1,167)	(1,206)			
Three years later		(1,224)	(1,315)				
Four years later		(1,296)					
Cumulative payments to date		**(1,296)**	**(1,315)**	**(1,206)**	**(1,360)**	**(544)**	**(5,721)**
Gross undiscounted liabilities for incurred claims	228	56	53	227	878	1,614	3,056
Effect of discounting							(205)
Total gross liabilities for incurred claims							**2,851**

	Note	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Total gross liabilities for incurred claims		**2,780**	**70**	**2,851**
Related to				
Marine insurance	11.1.2	2,780	70	2,851

IFRS 17.130

Notes to the Financial Statements

3.1. Insurance risk *(continued)*

Net undiscounted liability for incurred claims for 2023 - Marine insurance

IFRS 17.130

€000 Accident year	Before 2019	2019	2020	2021	2022	2023	Total
At end of accident year		923	992	1,086	1,328	1,572	
One year later		952	1,006	1,068	1,290		
Two years later		949	972	1,074			
Three years later		970	999				
Four years later		987					
Net estimates of the undiscounted amount of the claims		**987**	**999**	**1,074**	**1,290**	**1,572**	**5,922**
At end of accident year		(191)	(247)	(307)	(370)	(327)	
One year later		(503)	(576)	(591)	(816)		
Two years later		(648)	(700)	(724)			
Three years later		(735)	(789)				
Four years later		(777)					
Cumulative payments to date		**(777)**	**(789)**	**(724)**	**(816)**	**(327)**	**(3,433)**
Net undiscounted liability for incurred claims	148	210	209	351	474	1,245	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	11.1.2	**2,780**	**70**	**2,851**
Amounts recoverable from reinsurers	11.2.1	(332)	(8)	(341)
Total net liabilities for incurred claims		**2,448**	**62**	**2,510**
Marine insurance	11.1.2, 11.2.1	2,448	62	2,510

3.1. Insurance risk *(continued)*

Gross undiscounted liabilities for incurred claims for 2023 - Liability reinsurance issued

€000 Accident year	Before 2019*	2019*	2020	2021	2022	2023	Total
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**

IFRS 17.130

***** For this product line there are no open claims for these accident years.

	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	11.1.4	493	11	504

IFRS 17.130

Commentary

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 Company's decision to provide disaggregated disclosures on this basis.
2) The Company 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. IFRS 4 was silent regarding this.
4) The Company has elected to use the practical expedient for transition in IFRS 17.C28 to not disclose previously unpublished information about its claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.
5) 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 Company has not disclosed development information.

3.1. Insurance risk *(continued)*

6) 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 Company has disclosed full development information. It could also be acceptable to not disclose the full 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.
7) 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.
8) Both gross and net claims development disclosure has been presented for illustrative purposes.
9) 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.
10) IFRS 17.130 requires the reconciliation of the claims development disclosure with the aggregate carrying amount of the groups of insurance contracts, which an entity discloses applying paragraph 100(c). This is provided below the claims development table.

3.2. Financial risk

Commentary

The disclosure included below in respect of financial assets is considered appropriate given the non-complex lower risk financial assets held by the Company. 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.

3.2.1. Liquidity risk

Liquidity risk is the risk that the Company 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 Company's exposure to liquidity risk: *IFRS 17.124(a),(b)*

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

The Company 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 Company also has committed lines of credit that it can access to meet liquidity needs.

3.2.1.1. Maturity profiles

Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis)

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 Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented. *IFRS 17.132(b)* *IFRS 17.127* *IFRS 17.125(a)*

Commentary

IFRS 17.132 provides entities with two options for completing the maturity profile. The option that is not presented below is to provide an analysis of the remaining contractual undiscounted net cash flows. Entities should consider which is most appropriate to their user. The Company 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 Company's current accounting policy and industry's best practice.

The disclosure below only includes liabilities for incurred claims. As per IFRS 17.132(b), 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 IFRS 17.132(c)

3.2. Financial risk *(continued)*

In €000	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
	2023						
Personal accident insurance	495	374	–	–	–	–	869
Marine insurance	1,402	445	417	185	108	223	2,780
Property insurance	2,729	–	–	–	–	–	2,729
Liability reinsurance	389	74	30	–	–	–	493
TOTAL	**5,015**	**893**	**447**	**185**	**108**	**223**	**6,871**

In €000	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
	2022						
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 for financial assets (contractual undiscounted cash flow basis)

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

In €000	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	No maturity	Total
	2023							
Financial assets								
Cash and cash equivalents	2,276	–	–	–	–	–	–	2,276
Equity and debt instruments at FVPL	4,586	655	547	220	129	264	507	6,908
Debt instruments at FVOCI	2,475	2,109	2,058	2,038	1,752	1,392	-	11,824
Debt instruments at amortised cost	254	233	205	159	208	-	-	1,059
TOTAL	**9,591**	**2,997**	**2,810**	**2,417**	**2,089**	**1,656**	**507**	**22,067**

3.2. Financial risk *(continued)*

In €000	2022							
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	No maturity	Total
Financial assets								
Cash and cash equivalents	1,888	–	–	–	–	–	–	1,888
Equity and debt instruments at FVPL	3,606	408	339	136	79	163	902	5,633
Debt instruments at FVOCI	2,397	2,036	1,973	1,715	1,561	1,270	–	10,952
Debt instruments at amortised cost	249	214	187	203	163	–	–	1,016
TOTAL	**8,140**	**2,658**	**2,499**	**2,054**	**1,803**	**1,433**	**902**	**19,489**

Commentary

IFRS 7.B11E requires an 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, it has 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 Company's insurance and reinsurance contract liabilities.

It should be noted that IFRS 17.132 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.

Current and non-current assets and liabilities

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

IAS 1.61

In €000	2023			2022		
	No more than 12 months	More than 12 months	Total	No more than 12 months	More than 12 months	Total
Financial assets	**9,420**	**11,845**	**21,265**	**7,965**	**11,050**	**19,015**
Cash and cash equivalents	2,276	–	2,276	1,888	–	1,888
Equity and debt instruments at FVPL	4,475	2,122	6,597	3,518	1,934	5,452
Debt instruments at FVOCI	2,415	8,941	11,356	2,328	8,360	10,688
Debt instruments at amortised cost	254	782	1,036	231	756	987
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	**(8,305)**	**(4,699)**	**(13,004)**	**(8,111)**	**(5,478)**	**(13,589)**
Insurance issued	(8,305)	(4,699)	(13,004)	(8,111)	(5,478)	(13,589)
Reinsurance held	–	–	–	–	–	–

3.2. Financial risk *(continued)*

3.2.2. Market risk

Commentary

The sensitivity analysis required by IFRS 17.128(a)(ii) expands on the previous requirement of IFRS 4.39(d) by requiring the sensitivity analysis for 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 17.129 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 (similar to the provision in IFRS 4.39(d)(ii)). Further narrative information is also required to explain the method used to prepare such sensitivity, 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.

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 Company'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 Company'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 Company's contractual requirements.

The nature of the Company'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. *IFRS 17.124(c) IFRS 7.33(c)*

3.2.2.1. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. *IFRS 17.124(a),(b) IFRS 7.33-34*

The Company's principal transactions are carried out in euros and its exposure to foreign exchange risk arises primarily with respect to the US dollar. The Company's financial assets are primarily denominated in the same currencies as its insurance contract liabilities. *IFRS 17.128(a)(ii)*

The Company mitigates some of the foreign currency risk associated with insurance contracts by holding reinsurance contracts denominated in the same currencies as its insurance contract liabilities.

3.2. Financial risk *(continued)*

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

IFRS 17.125(a), IFRS 17.127

	2023			2022		
In €000	**Euro**	**US dollar**	**Total**	**Euro**	**US dollar**	**Total**
Financial assets	**20,296**	**969**	**21,265**	**17,504**	**1,511**	**19,015**
Cash and cash equivalents	2,231	45	2,276	1,865	23	1,888
Equity and debt instruments at FVPL	6,597	–	6,597	5,452	–	5,452
Debt instruments at FVOCI	10,432	924	11,356	9,200	1,488	10,688
Debt instruments at amortised cost	1,036	–	1,036	987	–	987
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	**(12,203)**	**(766)**	**(12,969)**	**(12,330)**	**(1,210)**	**(13,540)**
Personal accident insurance	(5,079)	–	(5,079)	(6,324)	–	(6,324)
Marine insurance	(3,239)	(766)	(4,005)	(2,620)	(1,210)	(3,830)
Property insurance	(2,887)	–	(2,887)	(2,379)	–	(2,379)
Liability reinsurance	(998)	–	(998)	(1,007)	–	(1,007)
Reinsurance held	–	–	–	–	–	–

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(b)

IFRS 17.128(c)

IFRS 17.128(b)

IFRS 17.128(a)

		2023		2022	
In €000	**Change in exchange rate**	**Impact on profit before tax**	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**
Euro/US dollar exchange rate					
Insurance and reinsurance contracts	+ 10%	(16)	(17)	(25)	(26)
Financial assets	+10%	106	83	149	119
Insurance and reinsurance contracts	- 10%	16	17	25	26
Financial assets	-10%	(106)	(83)	(149)	(119)

3.2.2.2. Interest rate risk

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.

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

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

There is no direct contractual relationship between financial assets and insurance contracts. However, the Company'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.

3.2. Financial risk *(continued)*

The Company has no significant concentration of interest rate risk.

IFRS 17.127
IFRS 7.34(c)

The Company 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 Company's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

IFRS 17.125(a)

In €000	2023	2022
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	**10,356**	**10,688**
Debt instruments at amortised cost	**1,036**	**987**

Commentary

In respect of insurance or reinsurance contract assets or liabilities for remaining coverage 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.

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

3.2. Financial risk *(continued)*

IFRS 17.128(a)(ii)

In €000	2023			2022	
	Change in Interest rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Insurance and reinsurance contracts	+100 bps	32	50	29	47
Debt instruments	+100 bps	(284)	(314)	(291)	(321)
Insurance and reinsurance contracts	- 100 bps	(33)	(52)	(31)	(51)
Debt instruments	- 100 bps	302	332	305	338

3.2.2.3. Price risk

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

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

IFRS 7.33(b)
IFRS 17.124(a)

The Company'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 7.33(b)

The Company has no significant concentration of price risk.

IFRS 7.34(c)
IFRS 17.127

At the reporting date, the Company's exposure to price risk is through equity investments held at fair value listed on the Euronext was €507,000 (2022: €902,000). Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the Euronext 100 market index, the Company has determined that an increase/(decrease) of 10% on the index could have an impact of approximately €50,700 (2022: € 90,200) increase/(decrease) on the profit before tax and approximately €38,500 (2022: €68,700) increase/decrease on equity.

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.

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

3.2.3. 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 Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company 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 Company's strategic planning and budgeting process.

IFRS 17.124(a)(b)

Commentary

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.

3.2. Financial risk *(continued)*

3.2.4. Credit risk

Commentary

The specific credit risk disclosures required by IFRS 17.121-126 and 131 along with disclosures relevant to the impairment accounting under IFRS 9 for instruments held by the Company as required by IFRS 7.35A-N are illustrated below.

In respect of the financial assets held by the Company, 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 one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation. *IFRS 7.33(a),(b)*

The following policies and procedures are in place to mitigate the Company's exposure to credit risk. *IFRS 17.124(a),(b)*

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

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

Reinsurance is placed with counterparties that have 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. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default.

The nature of the Company'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)*

3.2.4.1. The Company's internal rating process

The Company'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.

3.2. Financial risk *(continued)*

The Company'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

3.2.4.2. Credit exposure

The table below provides information regarding the credit risk exposure of the Company by classifying Very good+ as the highest possible rating. Assets that fall outside the range of Very good+ to Good are classified as non-investment grade. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk. The Company 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)*

	2023					
In €000	**Financial Services**	**Government**	**Retail and Wholesale**	**Construction and Materials**	**Manufacturing and Petroleum**	**Total**
Cash and cash equivalents	2,276	–	–	–	–	2,276
Debt instruments at FVPL	2,094	3,572	497	233	201	6,597
Debt instruments at FVOCI	3,311	6,086	743	734	482	11,356
Debt instruments at amortised cost	–	1,036	–	–	–	1,036
Reinsurance contract assets	808	–	–	–	–	808
Total credit risk exposure	**8,489**	**10,694**	**1,240**	**967**	**683**	**22,073**

3.2. Financial risk *(continued)*

In €000	2022 Financial Services	Government	Retail and Wholesale	Construction and Materials	Manufacturing and Petroleum	Total
Cash and cash equivalents	1,888	–	–	–	–	1,888
Debt instruments at FVPL	2,056	3,141	186	69	–	5,452
Debt instruments at FVOCI	3,117	5,728	729	705	409	10,688
Debt instruments at amortised cost	–	987	–	–	–	987
Reinsurance contract assets	1,408	–	–	–	–	1,408
Total credit risk exposure	**8,469**	**9,856**	**915**	**774**	**409**	**20,423**

Credit exposure by credit rating

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

IFRS 17,131(a)
IFRS 17.131(b)
IFRS 17.125(a)
IFRS 7.35M

In €000	2023 High grade	Standard grade	Past due but not impaired	Not rated	Total
Cash and cash equivalents	2,276	–	–	–	2,276
Debt instruments at FVPL	6,299	298	–	–	6,597
Debt instruments at FVOCI	9,470	1,886	–	–	11,356
Debt instruments at amortised cost	1,036	–	–	–	1,036
Reinsurance contract assets	796	12	–	–	808
Total credit risk exposure	**19,877**	**2,196**	**–**	**–**	**22,073**

In €000	2022 High grade	Standard grade	Past due but not impaired	Not rated	Total
Cash and cash equivalents	1,888	–	–	–	1,888
Debt instruments at FVPL	5,220	232	–	–	5,452
Debt instruments at FVOCI	8,930	1,758	–	–	10,688
Debt instruments at amortised cost	987	–	–	–	987
Reinsurance contract assets	1,390	18	–	–	1,408
Total credit risk exposure	**18,415**	**2,008**	**–**	**–**	**20,423**

The Company's maximum exposure to credit risk from insurance contract assets issued is €8,000 (2022: €8,000)

The Company actively manages its product mix to ensure that there is no significant concentration of credit risk. *IFRS 17.127*

3.2. Financial risk *(continued)*

3.2.4.3. Impairment assessment

The Company's ECL assessment and measurement method is set out below.

3.2.4.3.1.Significant increase in credit risk, default and cure

The Company 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 Company assesses whether there has been a significant increase in credit risk since initial recognition. *IFRS 7.35F(f) IFRS 9.5.5.9*

The Company 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 Company 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 *IFRS 7 Appendix*
- 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 *IFRS 9.B5.5.36, 37*
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

The Company 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 Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. *IFRS 7.B8A(c)*

In rare cases when an instrument identified as defaulted, it is the Company'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.

3.2.4.3.2.Expected credit loss

The Company 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%.

In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

3.2.4.4. Impairment losses on financial investments subject to impairment assessment

3.2.4.4.1.Debt instruments measured at FVOCI

The table below shows the fair value of the Company's debt instruments measured at FVOCI by credit risk, based on its internal credit rating system. Details of the Company's internal grading system are explained in Note 3.2.4.1:

IFRS 7.35M

In €000	**2023**			**2022**		
Internal rating grade	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
Performing						
High grade	9,470	–	9,470	8,930	–	8,930
Standard grade	1,264	622	1,886	1,040	718	1,758
Past due but not impaired	–	–	–	–	–	–
Total Net Amount	**10,734**	**622**	**11,356**	**9,970**	**718**	**10,688**

3.2. Financial risk *(continued)*

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

	2023			2022		
In €000	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
Fair value as at 1 January	**9,970**	**718**	**10,688**	**8,853**	**673**	**9,526**
New assets originated or purchased	1,800	–	1,800	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	**10,734**	**622**	**11,356**	**9,970**	**718**	**10,688**

IFRS 7.35H(a)-(c)(c)
IFRS 7.42P

	2023			2022		
In €000	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
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**

3.2.4.4.2.Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 3.2.4.1. *IFRS 7.35I(a)-(d)*

IFRS 7.35M

In €000	2023			2022		
Internal rating grade	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
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**

3.2. Financial risk *(continued)*

An analysis of changes in the gross amount and the corresponding ECLs is, as follows:

	2023			2022		
In €000	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
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**

Commentary

IFRS 7.IG20B provides a reconciliation in a tabular format to help address the requirements of IFRS 7.35I to provide an explanation of how significant changes in gross balances have contributed to changes in ECLs. The Company has provided a similar table for debt instruments measured at FVOCI.

IFRS 7.35H(a)-(c)
IFRS 7.42P

	2023			2022		
In €000	**12mECL**	**LTECL**	**Total**	**12mECL**	**LTECL**	**Total**
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

In respect of the requirements of IFRS 7.35J, these illustrative disclosures assume that there were no modifications of contractual cash flows on financial assets.

In respect of the requirements of IFRS 7.35K, these illustrative disclosures assume that there was no collateral held or other credit enhancements related to the debt instruments held by the Company.

In respect of the requirements of IFRS 7.35L, these illustrative disclosures assume that there were no debt instruments written off by the Company in the periods disclosed.

4. Capital

4.1. Capital management objectives, policies and approach

The Company 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 Company 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 Company 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)*

The Company 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 Company'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 Company has elected to include in the same group contracts where the Company'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 Company 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 Company'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 Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company'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 Company is focused on the creation of value for shareholders.

The primary source of capital used by the Company is total equity. The Company 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 Company 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 Company has made no significant changes, from previous years, to its policies and processes for its capital structure. *IAS 1.135(c)*

4.1. Capital management objectives, policies and approach *(continued)*

Commentary

IAS 1.134 and IAS 1.135 require entities to make qualitative and quantitative disclosures regarding their objectives, policies and processes for managing capital. IAS 1.135(e) requires that if an entity has not complied with its externally imposed capital requirements, the consequence of such non-compliance must be disclosed. IFRS 17.126 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 IAS1.134 and 1.135. Entities should disclose information based on the requirements of their regulatory framework.

Available capital resources:

IAS 1.135(b)

	31 December		1 January
In €000	**2023**	**2022**	**2022**
Total equity	8,591	6,477	5,112
Adjustments onto a regulatory basis	(1,121)	(1,418)	(1,421)
Available capital resources	**7,470**	**5,101**	**3,691**
Prescribed capital amount	**1,569**	**1,654**	**1,688**

The adjustments onto a regulatory basis represent assets inadmissible for regulatory reporting purposes.

5. Significant judgements and estimates

IAS 1.125

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 are discussed below. The Company based its assumptions and estimates on parameters available when the 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 Company. Such changes are reflected in the assumptions when they occur. The Company 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 Company is managed.

5.1. Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now 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.

5.1.1. Liability for remaining coverage

Insurance acquisition cash flows

IFRS 17.59(a)

In the property insurance product line, the Company 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.

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 would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

5.1. Insurance and reinsurance contracts *(continued)*

Onerous groups

IFRS 17.56

For groups of contracts that are onerous, 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.

Time value of money

For the marine and personal insurance product lines, the Company 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.

5.1.2. 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. *IFRS 17.117(a)*

The main assumption underlying these techniques is that a Company'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, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) 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.

Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company 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 an allowance 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.

5.1.3. Discount rates

Insurance contract liabilities 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 rates. *IFRS 17.117(c)(iii)*

Discount rates applied for discounting of future cash flows are listed below: *IFRS 17.120*

	1 year		3 years		5 years		10 years	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
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%
Liability reinsurance contracts issued								
EUR	0.8%	0.9%	1.1%	1.2%	1.4%	1.5%	1.7%	1.8%
USD	2.1%	2.2%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%

5.1. Insurance and reinsurance contracts (*continued*)

Commentary

IFRS 17.117(b) requires entities 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 more market data or information becoming available.

5.1.4. Risk adjustment for non-financial risk

- The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. *IFRS 17.117(c)(ii)* *IFRS 17.119*
- The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company 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 Company 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.

Commentary

The above example assumes the confidence level approach has been adopted to determine the risk adjustment. Other approaches may be adopted (e.g., a cost of capital approach).

5.1.5. Assets for insurance acquisition cash flows

IFRS 17.B35A

The Company 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.

At the end of each reporting period, the Company 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 Company 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 2025 and 2026. As a result, the assets for insurance acquisition cash flows for those groups were reduced, and allocations to 2024 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*

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. *IFRS 17.28E*

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

5.2. Financial assets

5.2.1. Impairment losses on 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.

6. Insurance service expense

The breakdown of insurance service expenses by major product lines is presented below:

In €000		2023				
		Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued	Total
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**

In €000		2022				
		Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued	Total
Incurred claims and other expenses	a	1,115	2,158	4,265	1,232	8,773
Amortisation of insurance acquisition cash flows	a	33	293	–	125	450
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**	**9,643**

Notes: *IAS 1.97*

a. The nature and amount of material expense included is disclosed in Note X.

Commentary

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 in accordance with IFRS 17.100.

For the property insurance portfolios, the Company 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 forward in Note 11.1.3, which is in line with Illustrative example 10 from *Illustrative Examples for IFRS 17 Insurance Contracts.*

7. 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:

IFRS 17.110

In €000	2023					
	Insurance related				Non-insurance related	Total
	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued		
Investment income						
Amounts recognised in the profit or loss						
Interest revenue calculated using the effective interest method *(IFRS 7.20(b))*	311	–	–	–	470	781
Other interest and similar income	–	152	146	60	–	358
Net fair value gains/(losses) on financial assets at fair value through profit or loss *(IFRS 7.20(a)(i))*	–	43	55	6	–	104
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)
Net foreign exchange income/(expenses)	–	8	–	–	–	8
Total amounts recognised in the profit or loss	**313**	**203**	**201**	**66**	**469**	**1,252**
Amounts recognised in OCI	**70**	**–**	**–**	**–**	**108**	**178**
Total investment income	**383**	**203**	**201**	**66**	**577**	**1,430**
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)**
Represented by:						
Amounts recognised in profit or loss	(162)	(84)	–	(19)	–	(265)
Amounts 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**
Represented by:						
Amounts recognised in profit or loss	–	36	–	–	–	36
Amounts recognised in OCI	–	–	–	–	–	–
Total net investment income, insurance finance expenses and reinsurance finance income	**208**	**155**	**201**	**47**	**577**	**1,188**
Represented by:						
Amounts recognised in profit or loss	151	155	201	47	469	1,023
Amounts recognised in OCI	57	–	–	–	108	165

7. Total investment income and net insurance financial result *(continued)*

IFRS 17.110

In €000	2022					
	Insurance related				Non-insurance related	
	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued		Total
Investment income						
Amounts recognised in the profit or loss						
Interest revenue calculated using the effective interest method	357	–	–	–	287	644
Other interest and similar income	–	146	131	57	–	334
Net fair value gains/(losses) on financial assets at fair value through profit or loss	–	(7)	(3)	(4)	–	(14)
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)
Net foreign exchange income/(expenses)	–	(35)	–	–	–	(35)
Total amounts recognised in the profit or loss	**356**	**104**	**128**	**53**	**286**	**927**
Amounts recognised in OCI	**(21)**	**–**	**–**	**–**	**(12)**	**(33)**
Total investment income	**335**	**104**	**128**	**53**	**274**	**894**
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)**
Represented by:						
Amounts recognised in profit or loss	(184)	(36)	–	(17)	–	(237)
Amounts 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**
Represented by:						
Amounts recognised in profit or loss	–	9	–	–	–	9
Amounts recognised in OCI	–	–	–	–	–	-
Total net investment income, insurance finance expenses and reinsurance finance income	**155**	**77**	**128**	**36**	**274**	**670**
Represented by:						
Amounts recognised in profit or loss	172	77	128	36	286	699
Amounts recognised in OCI	(17)	–	–	–	(12)	(29)

IFRS 7.20(b)

IFRS 7.20(a)(i)

The Company does not have any gains or losses arising from the derecognition of financial assets measured at amortised cost.

IFRS 7.20(a)(vi), IFRS 7.20A

7. Total investment income and net insurance financial result *(continued)*

Commentary

The Company has disclosed finance income and expenses and the investment return on its assets in a tabular format. IFRS 17 does not require this level of detail; entities may provide qualitative notes disclosures as opposed to a detailed table to cover the requirement in IFRS 17.110 to explain the relationship between insurance finance income or expenses and the investment return on assets. *IFRS 7.20(a)(i)*

IFRS 7.20(a)(i) requires an entity to disclose separately gains and losses on financial assets designated 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 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 Company defines credit risk as a financial risk as per Appendix A of IFRS 17. As such, the Company 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 standard.

The breakdown of the assets by related insurance product line is presented below:

	2023					
	Insurance related				Non-insurance related	
In €000	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued		Total
Equity and debt instruments at fair value through profit or loss	–	2,709	2,804	1,084	–	6,597
Debt instruments at fair value through other comprehensive income	5,695	–	–	–	5,661	11,356
Debt instruments at amortised cost	–	–	–	–	1,036	1,036
Total	**5,695**	**2,709**	**2,804**	**1,084**	**6,697**	**18,989**

	2022					
	Insurance related				Non-insurance related	Total
In €000	Personal accident insurance	Marine insurance	Property insurance	Liability reinsurance issued		
Equity and debt instruments at fair value through profit or loss	–	2,021	2,413	1,018	–	5,452
Debt instruments at fair value through other comprehensive income	6,433	–	–	–	4,255	10,688
Debt instruments at amortised cost	–	–	–	–	987	987
Total	**6,433**	**2,021**	**2,413**	**1,018**	**5,242**	**17,127**

The Company manages separate asset portfolios to support the insurance contracts issued in each major product line.

Commentary

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.

8. Equity and debt instruments at fair value through profit or loss

The breakdown of financial assets measured at FVPL is, as follows:

IFRS 7.8

In €000	31 December 2023	31 December 2022	1 January 2022
Fair value (mandatory)			
Equity securities	507	902	746
Government debt instruments			
Euroland	3,572	3,141	2,603
Other debt instruments			
Financial institutions	1,568	1,024	771
Non-financial institutions	950	385	397
Total other debt instruments	2,518	1,409	1,168
Total equity and debt instruments at FVPL	**6,597**	**5,452**	**4,517**

9. Debt instruments measured at fair value through other comprehensive income

The breakdown of debt instruments measured at FVOCI is, as follows. For information relating to impairment refer to note 3.2.4.4.1.

IFRS 7.8

In €000	31 December 2023	31 December 2022	1 January 2022
Debt instruments measured at FVOCI			
Government debt instruments			
Euroland	6,086	5,729	5,106
Other debt instruments			
Financial institutions	3,311	3,116	2,777
Non-financial institutions	1,959	1,843	1,643
Total other debt instruments	5,269	4,959	4,420
Total debt instruments measured at FVOCI	**11,356**	**10,688**	**9,526**

The loss allowance for debt investments at FVOCI of 62,000 (2022: 61,000) does not reduce the carrying amount of these investments (which are measured at fair value), but gives rise to an equal and opposite gain in OCI. *IFRS 7.16A*

10. Debt instruments measured at amortised cost

The breakdown of debt instruments measured at amortised cost is, as follows. For information relating to impairment refer to note 3.2.4.4.2.

IFRS 7.8

In €000	31 December 2023	31 December 2022	1 January 2022
Debt instruments at amortised cost			
Government debt instruments			
Euroland	1,036	987	940
Total debt instruments at amortised cost	**1,036**	**987**	**940**

Notes to the Financial Statements

11. 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:

	2023			2022			
In €000	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**	*IFRS 17.78*
Insurance contracts issued							
Personal accident insurance	–	5,079	5,079	–	6,324	6,324	
Marine insurance	–	4,005	4,005	–	3,830	3,830	
Property insurance	–	2,887	2,887	–	2,379	2,379	
Liability reinsurance issued	(35)	1,033	998	(49)	1,056	1,007	
Total insurance contracts issued	**(35)**	**13,004**	**12,969**	**(49)**	**13,589**	**13,540**	
Reinsurance contracts held							
Marine insurance	(808)	–	(808)	(1,408)	–	(1,408)	
Total reinsurance contracts held	**(808)**	**–**	**(808)**	**(1,408)**	**–**	**(1,408)**	

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company 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 company is managed.

Commentary

IFRS 17.95 requires entities 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 17.96, as follows: *IFRS 17.95, IFRS 17.96*

(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, that IFRS 17 disclosures need to be provided separately for each unit of aggregation.

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

11.1.1. 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:

		2023						
In €000		**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**	*IFRS 17.100(a(-(c), IFRS 17.105A, B*
		Excluding loss component	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**			
Insurance contract liabilities as at 01/01		5,561	–	858	22	(117)	6,324	*IFRS 17.99(b)*
Insurance contract assets as at 01/01		–	–	–	–		–	*IFRS 17.99(b)*
Net insurance contract (assets)/liabilities as at 01/01		**5,561**	**–**	**858**	**22**	**(117)**	**6,324**	
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, B*
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	*IFRS 17.105A, B*
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	142	–	–	–	–	142	*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		**142**	**–**	**(1,118)**	**–**	**(4)**	**(980)**	
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		**4,266**	**–**	**869**	**22**	**(78)**	**5,079**	
Insurance contract liabilities as at 31/12		4,188	–	869	22	(78)	5,079	*IFRS 17.99(b)*
Insurance contract assets as at 31/12		–	–	–	–	–	–	*IFRS 17.99(b)*
Net insurance contract (assets)/liabilities as at 31/12		**4,266**	**–**	**869**	**22**	**(78)**	**5,079**	

Notes to the Financial Statements

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

In €000		2022						
		Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total	IFRS 17.100(a)-(c) IFRS 17.105A, B
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment			
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, B
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	IFRS 17.105A, B
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**	424	–	–	–	–	424	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		**406**	**–**	**(1,121)**	**–**	**(85)**	**(800)**	
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		**5,561**	**–**	**858**	**22**	**(117)**	**6,324**	
Insurance contract liabilities as at 31/12		5,561	–	858	22	(117)	6,324	IFRS 17.99(b)
Insurance contract assets as at 31/12		–	–	–	–	–	–	IFRS 17.99(b)
Net insurance contract (assets)/liabilities as at 31/12		**5,561**	**–**	**858**	**22**	**(117)**	**6,324**	

11.1. 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 a straight-line basis during the coverage period of the respective group of contracts. Please see extracts from accounting policy for details on Note 2.2.5.5.

b. The Company 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 Note 2.2.6.4 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

IFRS 17.100 requires entities to 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 are to be disclosed according to IFRS 17.103 and IFRS 17.105, and comprise amounts recognised in profit or loss and cash flows.

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 paragraphs 105A and 105B. An entity may choose to exclude this reconciliation from this table and present it as a separate roll-forward elsewhere. .

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 Company 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 was 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.

11.1. 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

In €000	2023						
	Up to 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Expected timing of derecognition of assets balance as at 31/12	**38**	**22**	**10**	**6**	**2**	**–**	**78**

In €000	2022						
	Up to 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Expected timing of derecognition of assets balance as at 31/12	**43**	**36**	**20**	**12**	**6**	**–**	**117**

Commentary

The above disclosure reflects to requirement to disclose quantitative information in appropriate time bands around when the Company expects to derecognise an asset for insurance acquisition cash flows. The Company considers the above time bands to be appropriate in respect of its products, however. entities should consider which is most appropriate to their business.

Notes to the Financial Statements

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

11.1.2. 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:

In €000		2023						
		Liabilities for remaining coverage		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**	*IFRS 17.100(a)-(c)* *IFRS 17.105A, B*
		Excluding loss component	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**			
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, B*
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	*IFRS 17.105A, B*
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		–	–	(1,599)	–	–	(1,599)	*IFRS 17.105(a)(iii)*
Insurance acquisition cash flows		(85)	–	–	–	(147)	(232)	*IFRS 17.105(a)(ii)* *IFRS 17.105A*
Total cash flows		**2,325**	**–**	**(1,599)**	**–**	**(147)**	**579**	
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts		**(131)**	**–**	**–**	**–**	**131**	**–**	*IFRS 17.105A*
Other movements		**–**	**–**	**–**	**–**	**–**	**–**	*IFRS 17.105(d)*
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**	

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

In €000		2022						
		Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total	*IFRS 17.100(a)-(c) IFRS 17.105A, B*
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment			
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, B*
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	*IFRS 17.105A, B*
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		–	–	(1,311)	–	–	(1,311)	*IFRS 17.105(a)(iii)*
Insurance acquisition cash flows		(146)	–	–	–	(224)	(370)	*IFRS 17.105(a)(ii) IFRS 17.105A*
Total cash flows		**2,622**	**–**	**(1,311)**	**–**	**(224)**	**1,087**	
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts		**(115)**	**–**	**–**	**–**	**115**	**–**	*IFRS 17.105A*
Other movements		**–**	**–**	**–**	**–**	**–**	**–**	*IFRS 17.105(d)*
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**	

11.1. 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 a straight-line basis during the coverage period of the respective group of contracts. Please see extracts from the accounting policy for details on Note 2.2.5.5.
b. The Company has made an accounting policy choice for the product line to recognise net insurance finance expense in profit or loss only. Please refer to Note 2.2.6.4. for details.
c. Any refunds of premiums have been included in this line.

Commentary

Losses on onerous contracts are represented by the loss component recognised and partly reversed. In 2022, loss was recognised for one of the groups of contracts (group A) as it became onerous. In 2023, the insured event occurred, and the loss component was partly transferred to liability for incurred claims, the remaining part of the loss was 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 US 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, we calculated figures in USD and then translated to EUR.

IFRS 17.28C, IFRS 17.109A

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:

	2023						
In €000	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Expected timing of derecognition of assets balance as at 31/12	121	102	80	61	39	–	**403**

	2022						
In €000	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Expected timing of derecognition of assets balance as at 31/12	131	100	82	59	34	–	**406**

Notes to the Financial Statements

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

11.1.3. 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 Company 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 on Note 2.

		2023					
		Liabilities for remaining coverage		**Liabilities for incurred claims**		**Total**	*IFRS 17.100(a)-(c)*
In €000		**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
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**	
Other movements		**–**	**–**	**–**	**–**	**–**	*IFRS 17.105(d)*
Net insurance contract (assets)/liabilities as at 31/12		**93**	**–**	**2,729**	**65**	**2,887**	
Insurance contract liabilities as at 31/12		93	–	2,729	65	2,887	*IFRS 17.99(b)*
Insurance contract assets as at 31/12		–	–	–	–	–	*IFRS 17.99(b)*
Net insurance contract (assets)/liabilities as at 31/12		**93**	**–**	**2,729**	**65**	**2,887**	

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

In €000		2022					
		Liabilities for remaining coverage		Liabilities for incurred claims		Total	IFRS 17.100(a)-(c)
		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
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 Company 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 Note 2.2.5.3. for details. *IFRS 17.59(a)* *IFRS 17.59(b)*

b. Any refunds of premiums have been included in this line.

Commentary

An entity may choose to recognise insurance acquisition cash flows as expense when they occurred only if the coverage period is less than one year. *IFRS 17.59(a)*

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

11.1.4. 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:

		2023						
		Liabilities for remaining coverage		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**	*IFRS 17.100(a)-(c) IFRS 17.105A, B*
In €000		**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**			
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, B*
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	*IFRS 17.105A, B*
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**	

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

In €000		2022 Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of the present value of future cash flows	Liabilities for incurred claims: Risk adjustment	Assets for insurance acquisition cash flows	Total	*IFRS 17.100 (a)-(c) IFRS 17. 105A, B*
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, B*
Reversal of impairment of assets for insurance acquisition cash flows		–	–	–	–	–	–	*IFRS 17.105A, B*
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**	

Notes:

a. Insurance acquisition cash flows were allocated on a straight-line basis during the coverage period of the respective group of contracts. Please see extracts from the accounting policy for details on Note 2.2.5.5.

b. The Company 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. *IFRS 17.109A*

f. As at 31 December 2023 and 31 December 2022, all assets for insurance acquisition cash flows are expected to be derecognised within one year.

11.1. Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims *(continued)*

Commentary

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 included in reinsurance contracts issued. Profit commission is closely related to reinsurance contracts issued and must not be separated, but will be shown in the separate line in the roll-forward for presentation purposes. The investment component will be excluded from insurance revenue and insurance service expenses as required by IFRS 17.85.

The Company has determined that it does not expect renewal insurance contracts 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.

11.2. Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

11.2.1. 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:

		2023					
		Assets for remaining coverage		**Amounts recoverable on incurred claims**		**Total**	*IFRS 17.100(a)-(c)*
In €000		**Excluding loss-recovery component**	**Loss-recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
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		131	–	–	–	131	*IFRS 17.105(a)(i)*
Amounts received		–	–	(759)	–	(759)	*IFRS 17.105(a)(iii)*
Total cash flows		**131**	**–**	**(759)**	**–**	**(629)**	
Other movements		**–**	**–**	**–**	**–**	**–**	*IFRS 17.105(d)*
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**	

11.2. 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)*

In €000		2022 Assets for remaining coverage: Excluding loss-recovery component	2022 Assets for remaining coverage: Loss-recovery component	2022 Amounts recoverable on incurred claims: Estimates of the present value of future cash flows	2022 Amounts recoverable on incurred claims: Risk adjustment	Total	IFRS 17.100(a)-(c)
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		757	–	–	–	757	IFRS 17.105(a)(i)
Amounts received		–	–	(726)	–	(726)	IFRS 17.105(a)(iii)
Total cash flows		**757**	**–**	**(726)**	**–**	**(31)**	
Other movements		**–**	**–**	**–**	**–**	**–**	IFRS 17.105(d)
Net reinsurance contract assets/(liabilities) as at 31/12		**951**	**15**	**431**	**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**	

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 Company applies a consistent accounting policy to reinsurance contracts held and recognises net insurance finance expense in profit or loss only. Please refer to Note 2.2.5.4 for details.

c. During 2022, 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.

11.2. 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)*

Commentary

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 17.100 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.

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. Though the presentation is not required by IFRS 17, it could be useful for the stakeholders to provide additional information similar to current reporting on reinsurance contracts held. An allocation of reinsurance premiums reconciles to an allocation of reinsurance premiums in the Statement of Comprehensive Income (gross presentation option as per IFRS 17.86). Amounts recoverable reconcile to the amounts recoverable in the Statement of Comprehensive Income.

Reinsurance finance income comprises accrual of interest on net reinsurance assets.

Appendix 1- Scope of the Publication

This publication contains disclosures required by IFRS 17 and only new and extended disclosures required by IFRS 7 *Financial instruments: Disclosures* (connected with the adoption of IFRS 9) considered relevant for insurers, accompanied by relevant accounting policies.

The summary of the disclosures required by IFRS 17 and IFRS 7 are presented below:

Reference	Guidance	New/extended/existing	Link to the disclosure
Insurance and reinsurance contracts			
IFRS 17.78	Present separately in the statement of financial position the carrying amount of portfolios of: (a) Insurance contracts issued that are assets; (b) Insurance contracts issued that are liabilities; (c) Reinsurance contracts held that are assets; and (d) Reinsurance contracts held that are liabilities.	New	Statement of financial position
IFRS 17.80	Disaggregate the amounts recognised in the statement(s) of profit or loss and other comprehensive income into: (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.	New	Statement of profit or loss and other comprehensive income
IFRS 17.82	Present income or expenses from reinsurance contracts held separately from the expenses or income from insurance contracts issued.	New	Statement of profit or loss and other comprehensive income
IFRS 17.83 - 85	Present in profit or loss: 1. Insurance revenue arising from groups of insurance contracts that depict the provision of services 2. Insurance service expenses arising from a group of insurance contracts issued, comprising incurred claims, other incurred insurance service expenses and other amounts	New	Statement of profit or loss and other comprehensive income
IFRS 17.86	Present the insurance service result from a group of reinsurance contracts held as a single amount or present separately amounts recovered from the reinsurer and an allocation of the premiums paid (with specific treatment identified for the amounts contingent on claims). The allocation of premiums paid shall not be presented as a reduction in revenue. An entity should treat amounts recognised relating to recovery of losses as amounts recovered from the reinsurer.	New	Statement of profit or loss and other comprehensive income
IFRS 17.88 - 90	Make an accounting policy choice between: including insurance finance income or expenses for the period in profit or loss; or disaggregating insurance finance income or expenses between an amount recognised in profit or loss and in other comprehensive income.	Existing	Statement of profit or loss and other comprehensive income
IFRS 17.97	If an entity uses the premium allocation approach, it shall disclose: (a) which of the criteria in premium allocation approach it has satisfied; (b) whether it makes an adjustment for the time value of money and the effect of financial risk; and (c) the method it has chosen to recognise insurance acquisition cash flows.	New	Summary of significant accounting policies – Note 2
IFRS 17.98 - 99	Disclose reconciliations that show how the net carrying amounts of contracts within the scope of IFRS 17 changed during the period because of cash flows and income and expenses recognised in the statement(s) of financial performance. Separate reconciliations shall be disclosed for insurance contracts issued and reinsurance contracts held. Adapt the reconciliations to reflect the features of reinsurance contracts held that differ from insurance contracts issued. Provide enough information in the reconciliations to enable users of financial statements to identify changes	New	Insurance and reinsurance contracts - Note 11

Reference	Guidance	New/extended/existing	Link to the disclosure
	from cash flows and amounts that are recognised in the statement(s) of financial performance. To comply with this requirement: (a) disclose, in a table, the reconciliations set out in paragraphs 100, 102, 103, 105; and (b) for each reconciliation, present the net carrying amounts at the beginning and at the end of the period, disaggregated into a total for portfolios of contracts that are assets and a total for portfolios of contracts that are liabilities, that equal the amounts presented in the statement of financial position.		
IFRS 17.100, 103, 105	Disclose reconciliations from the opening to the closing balances separately for each of: (a) the net liabilities (or assets) for the remaining coverage component, excluding: (b) any loss component (c) the liabilities for incurred claims. For insurance contracts to which the premium allocation approach has been applied, disclose separate reconciliations for: (i) the estimates of the present value of the future cash flows; and (ii) the risk adjustment for non-financial risk. Separately disclose in the reconciliations required above each of the following amounts related to insurance services, if applicable: (a) insurance revenue. (b) insurance service expenses, showing separately: (i) incurred claims (excluding investment components) and other incurred insurance service expenses; (ii) amortisation of insurance acquisition cash flows; (iii) changes that relate to past service (iv) changes that relate to future service (c) investment components excluded from insurance revenue and insurance service expenses (with any refunds of premiums that become payable at the same time unless refunds of premiums are presented as part of the cash flows in the period). Separately disclose each of the following amounts not related to services provided in the period, if applicable: (a) cash flows in the period, including: (i) premiums received for insurance contracts issued (or paid for reinsurance contracts held); (ii) insurance acquisition cash flows; and (iii) incurred claims paid and other insurance service expenses paid for insurance contracts issued (or recovered under reinsurance contracts held), excluding insurance acquisition cash flows. (b) the effect of changes in the risk of non-performance by the issuer of reinsurance contracts held; (c) insurance finance income or expenses; and (d) any additional line items that may be necessary to understand the change in the net carrying amount of the insurance contracts.	New	Insurance and reinsurance contracts - Note 11
IFRS 17.101, 104, 105	For insurance contracts other than those to which the premium allocation approach has been applied, disclose reconciliations from the opening to the closing balances separately for each of: (a) the estimates of the present value of the future cash flows; (b) the risk adjustment for non-financial risk; and (c) the contractual service margin. Separately disclose in the reconciliations required above each of the following amounts related to services, if applicable:	New	*Not disclosed, refer to Good Life Insurance - General Model publication*

Appendix 1- Scope of the Publication

Reference	Guidance	New/extended/existing	Link to the disclosure
	(a) changes that relate to future service showing separately: (i) changes in estimates that adjust the contractual service margin; (ii) changes in estimates that do not adjust the contractual service margin, i.e., losses on groups of onerous contracts and reversals of such losses; and (iii) the effects of contracts initially recognised in the period. (b) changes that relate to current service (c) changes that relate to past service Separately disclose each of the following amounts not related to services provided in the period, if applicable: (a) cash flows in the period, including: (i) premiums received for insurance contracts issued (or paid for reinsurance contracts held); (ii) insurance acquisition cash flows; and (iii) incurred claims paid and other insurance service expenses paid for insurance contracts issued (or recovered under reinsurance contracts held), excluding insurance acquisition cash flows. (b) the effect of changes in the risk of non-performance by the issuer of reinsurance contracts held; (c) insurance finance income or expenses; and (d) any additional line items that may be necessary to understand the change in the net carrying amount of the insurance contracts.		
IFRS 17.105A, 105B	For insurance acquisition cash flows allocated to expected contract renewals that are recognised as an asset, (a) disclose a reconciliation from the opening to the closing balance of assets and aggregate information for the reconciliation at a level that is consistent with that for the reconciliation of insurance contracts, applying paragraph 98. (b) separately disclose in the above reconciliation any recognition of impairment losses and reversals of impairment losses applying paragraph 28D.	New	Insurance and reinsurance contracts - Note 11
IFRS 17.106	For insurance contracts issued other than those to which the premium allocation approach has been applied, disclose an analysis of the insurance revenue recognised in the period comprising: (a) The amounts relating to the changes in the liability for remaining coverage, separately disclosing: (i) The insurance service expenses incurred during the period; (ii) The change in the risk adjustment for non-financial risk; (iii) The amount of the contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period; and (iv) other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service. (b) The allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows.	New	*Not disclosed, refer to Good Life Insurance - General Model publication*
IFRS 17.107, 108	For insurance contracts other than those to which the premium allocation approach has been applied, disclose the effect on the statement of financial position separately for insurance contracts issued and reinsurance contracts held that are initially recognised in the period, showing their effect at initial recognition on: (a) the estimates of the present value of future cash outflows, showing separately the amount of the insurance acquisition cash flows;	New	*Not disclosed, refer to Good Life Insurance - General Model publication*

Reference	Guidance	New/extended/existing	Link to the disclosure
	(b) the estimates of the present value of future cash inflows; (c) the risk adjustment for non-financial risk; and (d) the contractual service margin. Separately disclose amounts resulting from: (a) contracts acquired from other entities in transfers of insurance contracts or business combinations; and (b) groups of contracts that are onerous.		
IFRS 17.109	For insurance contracts other than those to which the premium allocation approach has been applied, disclose when the entity expects to recognise the contractual service margin remaining at the end of the reporting period in profit or loss quantitatively, in appropriate time bands. Such information shall be provided separately for insurance contracts issued and reinsurance contracts held.	New	*Not disclosed, refer to Good Life Insurance - General Model publication*
IFRS 17.109A	For insurance acquisition cash flows allocated to expected contract renewals that are recognised as an asset, disclose quantitatively, in appropriate time bands, when the asset is expected to be derecognised and include those cash flows in the measurement of the group of insurance contracts to which they are allocated.	New	Insurance and reinsurance contracts - Note 11
IFRS 17.110	Disclose and explain the total amount of insurance finance income or expenses in the reporting period. In particular, explain the relationship between insurance finance income or expenses and the investment return on its assets, to enable users of its financial statements to evaluate the sources of finance income or expenses recognised in profit or loss and other comprehensive income.	New	Total investment income and net insurance financial result - Note 7
IFRS 17.111	For contracts with direct participation features, the entity shall describe the composition of the underlying items and disclose their fair value.	New	*Not disclosed, subject to future publication (Variable fee approach)*
IFRS 17.112	For contracts with direct participation features, if an entity chooses not to adjust the contractual service margin for some changes in the fulfilment cash flows, it shall disclose the effect of that choice on the adjustment to the contractual service margin in the current period.	New	*Not disclosed, subject to future publication (Variable fee approach)*
IFRS 17.113	For contracts with direct participation features, if an entity changes the basis of disaggregation of insurance finance income or expenses between profit or loss and other comprehensive income, disclose, in the period when the change in approach occurred: (a) the reason why the entity was required to change the basis of disaggregation; (b) the amount of any adjustment for each financial statement line item affected; and (c) the carrying amount of the group of insurance contracts to which the change applied at the date of the change.	New	*Not disclosed, subject to future publication (Variable fee approach)*
IFRS 17.114	Provide disclosures that enable users of financial statements to identify the effect of groups of insurance contracts measured at the transition date applying the modified retrospective approach or the fair value approach on the contractual service margin and insurance revenue in subsequent periods. Hence, disclose the reconciliation of the contractual service margin, and the amount of insurance revenue, separately for: (a) insurance contracts that existed at the transition date to which the entity has applied the modified retrospective approach; (b) insurance contracts that existed at the transition date to which the entity has applied the fair value approach; and (c) all other insurance contracts.	New	*Not disclosed, refer to Good Life Insurance - General Model publication*

Appendix 1- Scope of the Publication

Reference	Guidance	New/extended/existing	Link to the disclosure
IFRS 17.115	For all periods in which disclosures are made to enable users of financial statements to understand the nature and significance of the methods used and judgements applied in determining the transition amounts, explain how the entity determined the measurement of insurance contracts at the transition date.	New	*Not disclosed, refer to Good Life Insurance - General Model publication*
IFRS 17.116	For all periods in which cumulative amounts included in other comprehensive income determined applying transition paragraphs C18 (b), C19 (b), C24A(b) and C24A(c) exist, disclose a reconciliation from the opening to the closing balance of the cumulative amounts included in other comprehensive income for financial assets measured at fair value through other comprehensive income related to the groups of insurance contracts. The reconciliation shall include, for example, gains or losses recognised in other comprehensive income in the period and gains or losses previously recognised in other comprehensive income in previous periods reclassified in the period to profit or loss.	New	*Not disclosed, refer to Good Life Insurance - General Model publication*
IFRS 17.117	Disclose the significant judgements and changes in judgements made in applying IFRS 17. Specifically, the inputs, assumptions and estimation techniques used, including: (a) the methods used to measure insurance contracts within the scope of IFRS 17 and the processes for estimating the inputs to those methods. Unless impracticable, an entity shall also provide quantitative information about those inputs. (b) any changes in the methods and processes for estimating inputs used to measure contracts, the reason for each change, and the type of contracts affected. (c) to the extent not covered in (a), the approach used: (i) to distinguish changes in estimates of future cash flows arising from the exercise of discretion from other changes in estimates of future cash flows for contracts without direct participation features; (ii) to determine the risk adjustment for non-financial risk, including whether changes in the risk adjustment for non-financial risk are disaggregated into an insurance service component and an insurance finance component or are presented in full in the insurance service result; (iii) to determine discount rates; (iv) to determine investment components;	Expanded	Significant judgements and estimates - Note 5
IFRS 17.117	(v) to determine the relative weighting of the benefits provided by insurance coverage and investment-return service or by insurance coverage and investment-related service.	Expanded	*Not disclosed, subject to future publication (Variable fee approach)*
IFRS 17.118	If an entity chooses to disaggregate insurance finance income or expenses into amounts presented in profit or loss and amounts presented in other comprehensive income, disclose an explanation of the methods used to determine the insurance finance income or expenses recognised in profit or loss.	New	Summary of significant accounting policies - Note 2.2.6.4
IFRS 17.119	Disclose the confidence level used to determine the risk adjustment for non-financial risk. If the entity uses a technique other than the confidence level technique for determining the risk adjustment for non-financial risk, disclose the technique used and the confidence level corresponding to the results of that technique.	New	Significant judgements and estimates - Note 5.1.4
IFRS 17.120	Disclose the yield curve (or range of yield curves) used to discount cash flows that do not vary based on the returns on underlying items. When an entity provides this disclosure in aggregate for a number of groups of insurance contracts, it shall provide such disclosures in the form of weighted averages, or relatively narrow ranges.	New	Significant judgements and estimates - Note 5.1.3

Reference	Guidance	New/extended/existing	Link to the disclosure
IFRS 17.121, 122, 124	Disclose information that enables users of its financial statements to evaluate the nature, amount, timing and uncertainty of future cash flows that arise from contracts within the scope of IFRS 17. These disclosures focus on the insurance and financial risks that arise from insurance contracts and how they have been managed. Financial risks typically include, but are not limited to, credit risk, liquidity risk and market risk. For each type of risk arising from contracts within the scope of IFRS 17, disclose: (a) the exposures to risks and how they arise;(b) the entity's objectives, policies and processes for managing the risks and the methods used to measure the risks; and (c) any changes in (a) or (b) from the previous period.	Existing	Insurance and financial risk - Note 3.1, 3.2
IFRS 17.125	For each type of risk arising from contracts within the scope of IFRS 17, disclose summary quantitative information about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to the entity's key management personnel. Even if not provided internally to key management personnel, the following risks should be addressed (see 127 - 132 below): (a) concentrations of risk (b) insurance and market risks (c) insurance risk - claims development (d) credit risk (e) liquidity risk	Existing	Insurance and financial risk - Note 3.1, 3.2
IFRS 17.126	Disclose information about the effect of the regulatory frameworks in which the entity operates; for example, minimum capital requirements or required interest-rate guarantees. If contracts are included in the same group in spite of any legal or regulatory constraints on prices or levels of benefits, disclose that fact.	Expanded	Capital - Note 4
IFRS 17.127	Disclose information about concentrations of risk arising from contracts within the scope of IFRS 17, including a description of how the entity determines the concentrations, and a description of the shared characteristic that identifies each concentration (for example, the type of insured event, industry, geographical area, or currency). Concentrations of financial risk might arise, for example, from interest-rate guarantees that come into effect at the same level for a large number of contracts. Concentrations of financial risk might also arise from concentrations of non-financial risk; for example, if an entity provides product liability protection to pharmaceutical companies and also holds investments in those companies.	Existing	Insurance and financial risk- Note 3.1, 3.2
IFRS 17.128(a)(ii)	Disclose information about sensitivities to changes in risk variables arising from contracts within the scope of IFRS 17. To comply with this requirement, disclose: (a) a sensitivity analysis that shows how profit or loss and equity would have been affected by changes in risk variables that were reasonably possible at the end of the reporting period: (ii) for each type of market risk—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 the entity.	Expanded	Financial risk - Note 3.2
IFRS 17.128 (except 128(a)(ii)), 129	Disclose information about sensitivities to changes in risk variables arising from contracts within the scope of IFRS 17. To comply with this requirement, disclose: (a) a sensitivity analysis that shows how profit or loss and equity would have been affected by changes in risk variables that were reasonably possible at the end of the reporting period:	Existing	Insurance and financial risk - Note 3.1, 3.2

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Reference	Guidance	New/extended/existing	Link to the disclosure
	(i) for insurance risk — the effect for insurance contracts issued, before and after risk mitigation by reinsurance contracts held; (b) the methods and assumptions used in preparing the sensitivity analysis; and (c) changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis, and the reasons for such changes. If an entity prepares a sensitivity analysis that shows how amounts different from those specified above are affected by changes in risk variables and uses that sensitivity analysis to manage risks arising from contracts within the scope of IFRS 17, it may use that sensitivity analysis in place of the analysis specified above. Also disclose: (a) an explanation of the method used in preparing such a sensitivity analysis and of the main parameters and assumptions underlying the information provided; and (b) an explanation of the objective of the method used and of any limitations that may result in the information provided.		
IFRS 17.130	Disclose actual claims compared with previous estimates of the undiscounted amount of the claims (i.e., claims development). The disclosure about claims development shall start with the period when the earliest material claim(s) arose and for which there is still uncertainty about the amount and timing of the claims payments at the end of the reporting period; but the disclosure is not required to start more than 10 years before the end of the reporting period. The entity is not required to disclose information about the development of claims for which uncertainty about the amount and timing of the claims payments is typically resolved within one year. Reconcile the disclosure about claims development with the aggregate carrying amount of the groups of insurance contracts, which the entity discloses applying paragraph 100(c).	Existing New	Insurance risk - Note Error! Reference source not found.
IFRS 17.131	For credit risk that arises from contracts within the scope of IFRS 17, Disclose: (a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period, separately for insurance contracts issued and reinsurance contracts held; and (b) information about the credit quality of reinsurance contracts held that are assets.	Existing	Financial risk - Note 3.2.4
IFRS 17.132(a)	For liquidity risk arising from contracts within the scope of IFRS 17, disclose: (a) a description of how the entity manages the liquidity risk.	Existing	Financial risk - Note 3.2.1
IFRS 17.132(b)	For liquidity risk arising from contracts within the scope of IFRS 17, disclose: (b) separate maturity analyses for portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities that show, as a minimum, net cash flows of the groups for each of the first five years after the reporting date and in aggregate beyond the first five years. An entity is not required to include in these analyses liabilities for remaining coverage measured under PSS. The analyses may take the form of: (i) an analysis, by estimated timing, of the remaining contractual undiscounted net cash flows; or (ii) an analysis, by estimated timing, of the estimates of the present value of the future cash flows.	Expanded	Financial risk - Note 3.2.1
IFRS 17.132(c)	(c) the amounts that are payable on demand, explaining the relationship between such amounts and the carrying amount of the related portfolios of contracts, if not disclosed applying (b) of this paragraph.	New	Financial risk - Note 3.2.1

Reference	Guidance	New/extended/existing	Link to the disclosure
Financial assets and financial liabilities			
IFRS 7.8	The carrying amounts of each of the following categories, as specified in IFRS 9, shall be disclosed either in the statement of financial position or in the notes: (a) financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of IFRS 9; (ii) those measured as such in accordance with the election in paragraph 3.3.5 of IFRS 9; (iii) those measured as such in accordance with the election in paragraph 33A of IAS 32; and (iv) those mandatorily measured at fair value through profit or loss in accordance with IFRS 9. (e) Financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of IFRS 9 and (ii) those that meet the definition of held for trading in IFRS 9. (f) Financial assets measured at amortised cost. (g) Financial liabilities measured at amortised cost. (h) Financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of IFRS 9.	New	Statement of financial position
IFRS 7.9, B5(aa)	If a financial asset has been designated as measured at fair value through profit or loss (or group of financial assets) that would otherwise be measured at fair value through other comprehensive income or amortised cost, disclose: (a) the maximum exposure to credit risk of the financial asset (or group of financial assets) at the end of the reporting period. (b) the amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk. (c) the amount of change, during the period and cumulatively, in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk of the financial asset determined either: (i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk; or (ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the asset. Changes in market conditions that give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates. (d) the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the financial asset was designated.	Existing	*Not in scope of this publication as considered unlikely for an insurer to regularly require this to be disclosed*
IFRS 7.10	If a financial liability has been designated as at fair value through profit or loss in accordance with paragraph 4.2.2 of IFRS 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income, disclose: (a) the amount of change, cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability.	New	*Not applicable for this publication as no financial liabilities classified as FVPL*

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Reference	Guidance	New/extended/existing	Link to the disclosure
	(b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation. (c) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers. (d) if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition.		
IFRS 7.10A	A financial liability designated as at fair value through profit or loss in accordance with paragraph 4.2.2 of IFRS 9 and all changes in the fair value of that liability (including the effects of changes in the credit risk of the liability) is required to be presented in profit or loss, disclose: (a) the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability; and (b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.	Existing	*Not applicable for this publication as no financial liabilities classified as FVPL*
IFRS 7.11	Disclose: (a) a detailed description of the methods used to comply with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of IFRS 9, including an explanation of why the method is appropriate. (b) if the disclosure given, either in the statement of financial position or in the notes, to comply with the requirements in paragraph 9(c), 10(a) or 10A(a) or paragraph 5.7.7(a) of IFRS 9 does not faithfully represent the change in the fair value of the financial asset or financial liability attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant. (c) a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. If required to present the effects of changes in a liability's credit risk in profit or loss, the disclosure must include a detailed description of the economic relationship described in paragraph B5.7.6 of IFRS 9.	Existing New	*Not applicable for this publication as no financial liabilities classified as FVPL*
IFRS 7.11A, 11B	If investments in equity instrument has been designated to be measured at fair value through other comprehensive income, as permitted by paragraph 5.7.5 of IFRS 9, it shall disclose: (a) Which investments in equity instruments have been designated to be measured at fair value through other comprehensive income? (b) The reasons for using this presentation alternative. (c) The fair value of each such investment at the end of the reporting period. (d) Dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. (e) Any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers. In addition, if investments in equity instruments measured at fair value through other comprehensive income were derecognised during the reporting period, disclose: (a) The reasons for disposing of the investments.	New	*Not applicable for this publication as no equity instruments held at FVOCI*

Reference	Guidance	New/extended/existing	Link to the disclosure
	(b) The fair value of the investments at the date of derecognition. (c) The cumulative gain or loss on disposal.		
IFRS 7.12B, 12C, 12D	If, in the current or previous reporting periods any financial assets have been reclassified in accordance with paragraph 4.4.1 of IFRS 9, disclose: (a) The date of reclassification. (b) A detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements. (c) The amount reclassified into and out of each category. For each reporting period following reclassification until derecognition, disclose for assets reclassified out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income in accordance with paragraph 4.4.1 of IFRS 9: (a) the effective interest rate determined on the date of reclassification; and (b) The interest revenue recognised. If, since the last annual reporting date, financial assets have been reclassified out of the fair value through other comprehensive income category so that they are measured at amortised cost or out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income disclose: (a) the fair value of the financial assets at the end of the reporting period; and (b) The fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets had not been reclassified.	New	*Not applicable for this publication – no reclassifications are assumed to have occurred*
IFRS 7.13A-F	**Offsetting financial assets and financial liabilities** In respect of all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 and recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32 disclose information to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on the financial position. This includes the effect or potential effect of rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A. Disclose, at the end of the reporting period, the following quantitative information separately for recognised financial assets and recognised financial liabilities that are within the scope above: (a) the gross amounts of those recognised financial assets and recognised financial liabilities; (b) the amounts that are set off in accordance with the criteria in paragraph 42 of IAS 32 when determining the net amounts presented in the statement of financial position; (c) the net amounts presented in the statement of financial position; (d) the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including: (i) amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of IAS 32; and (ii) amounts related to financial collateral (including cash collateral); and	Existing	*Not in scope of current publication (refer to current Good Insurance Note 46)*

Reference	Guidance	New/extended/existing	Link to the disclosure
	(e) the net amount after deducting the amounts in (d) from the amounts in (c) above. The above shall be presented in a tabular format, separately for financial assets and financial liabilities, unless another format is more appropriate. The total amount disclosed in accordance with (d) for an instrument shall be limited to the amount in (c) for that instrument. Include a description of the rights of set-off associated with the recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with (d), including the nature of those rights.		
IFRS 7.14, 15, 38	**Collateral** Disclose: (a) the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 3.2.23(a) of IFRS 9; and (b) the terms and conditions relating to its pledge. When collateral (of financial or non-financial assets) is held and the holder is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, disclose: (a) the fair value of the collateral held; (b) the fair value of any such collateral sold or repledged, and whether there is an obligation to return it; and (c) the terms and conditions associated with its use of the collateral. When financial or non-financial assets are obtained during the period by taking possession of collateral held as security or by calling on other credit enhancements (e.g., guarantees), and such assets meet the recognition criteria in other IFRSs, disclose for such assets held at the reporting date: (a) the nature and carrying amount of the assets; and (b) when the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.	Existing	*Not in scope of current publication (refer to current Good Insurance Note 28, 47)*
IFRS 7.16A	The carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9 is not reduced by a loss allowance. The loss allowance shall not be presented separately in the statement of financial position as a reduction of the carrying amount of the financial asset, however it shall be disclosed in notes to the financial statements.	New	Debt instruments measured at fair value through other comprehensive income – Note 9
IFRS 7.17	If an instrument that contains both a liability and an equity component has been issued and it has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), disclose the existence of those features.	Existing	*Not in scope of this publication as considered unlikely for an insurer to regularly require this to be disclosed*
IFRS 7.18-19	**Defaults and breaches** For loans payable recognised at the end of the reporting period, disclose: (a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable; (b) the carrying amount of the loans payable in default at the end of the reporting period; and (c) whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.	Existing	*Not in scope of this publication as considered unlikely for an insurer to regularly require this to be disclosed*

Reference	Guidance	New/extended/existing	Link to the disclosure
	If, during the period, there were breaches of loan agreement terms other than those described above, disclose the same information as required by (a)-(c) if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period).		
IFRS 7.20	Disclose the following items of income, expense, gains or losses either in the statement of comprehensive income or in the notes: (a) net gains or net losses on: (i) financial assets or financial liabilities measured at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of IFRS 9, and those on financial assets or financial liabilities that are mandatorily measured at fair value through profit or loss in accordance with IFRS 9 (e.g., financial liabilities that meet the definition of held for trading in IFRS 9). For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss. (v) financial liabilities measured at amortised cost. (vi) financial assets measured at amortised cost. (vii) investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9. (viii) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period. (b) total interest revenue and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss. (c) fee income and expense (other than amounts included in determining the effective interest rate) arising from: (i) financial assets and financial liabilities that are not at fair value through profit or loss; and (ii) trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions.	Categories and scoping have been amended	Statement of profit or loss and other comprehensive income and Total investment income and net insurance financial result - Note 7
IFRS 7.20A	Disclose an analysis of the gain or loss recognised in the statement of comprehensive income arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets. This disclosure shall include the reasons for derecognising those financial assets.	New	Total investment income and net insurance financial result - Note 7
IFRS 7.21	In accordance with paragraph 117 of IAS 1 *Presentation of Financial Statements*, discloses significant accounting policies comprising the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.	New (as the approach to classification has changed)	Summary of significant accounting policies – Note 2.3
IFRS 7.21A-24G	**Hedge accounting** Apply the disclosure requirements in paragraphs 21B-24F for those risk exposures that an entity hedges and	Existing	*Not in scope of current publication (refer to current Good Insurance Note 28)*

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Reference	Guidance	New/extended/existing	Link to the disclosure
	for which it elects to apply hedge accounting. Hedge accounting disclosures shall provide information about: (a) an entity's risk management strategy and how it is applied to manage risk; (b) how the entity's hedging activities may affect the amount, timing and uncertainty of its future cash flows; and (c) the effect that hedge accounting has had on the entity's statement of financial position, statement of comprehensive income and statement of changes in equity. The hedge accounting disclosure shall cover: (a) The risk management strategy [IFRS 7.22A-C]; (b) The amount, timing and uncertainty of future cashflows [IFRS 7.23A-F]; (c) The effects of hedge accounting of financial position and performance [IFRS 7.24A-F]; and (d) information relating to where a credit exposure has been designated as measured at fair value through profit or loss [IFRS 7.24G].		
IFRS 7.25-30	**Fair value** Except where the following apply: (a) the carrying amount is a reasonable approximation of fair value; or (d) for lease liabilities. for each class of financial assets and financial liabilities, disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount. In disclosing fair values, group financial assets and financial liabilities into classes, but offset them only to the extent that their carrying amounts are offset in the statement of financial position. Where a gain or loss is not recognised on initial recognition of a financial asset or financial liability because the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, disclose by class of financial asset or financial liability: (a) the accounting policy for recognising in profit or loss the difference between the fair value at initial recognition and the transaction price to reflect a change in factors (including time) that market participants would take into account when pricing the asset or liability. (b) the aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference. (c) why it was concluded that the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.	Existing	*Not in scope of current publication (refer to current Good Insurance Note 27, 28, 30, 33, 35, 40, 41, 43)*
IFRS 7.31-35	**Risks arising from financial instruments** Disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. The disclosure required should focus on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. Qualitative disclosure: For each type of risk arising from financial instruments, an entity shall disclose: (a) the exposures to risk and how they arise;	Existing	*Financial risk – Note 3.2*

Reference	Guidance	New/extended/existing	Link to the disclosure
	(b) its objectives, policies and processes for managing the risk and the methods used to measure the risk; and (c) any changes in (a) or (b) from the previous period. Quantitative disclosure For each type of risk arising from financial instruments, an entity shall disclose: (a) summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity. (b) the disclosures required by paragraphs 35A–42, to the extent not provided in accordance with (a). (c) concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b). If the disclosures as at the end of the period are unrepresentative of an entity's exposure to risk during the period, provide further information that is representative.		
IFRS 7 35A-N	Detailed **credit risk** disclosures based on new IFRS 9 impairment requirements, covering: (a) credit risk management practices; (b) quantitative and qualitative information about amounts arising from expected credit losses; and (c) credit risk exposure. The credit risk disclosures made shall enable users of financial statements to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows. To achieve this objective, credit risk disclosures shall provide: (a) information about an entity's credit risk management practices and how they relate to the recognition and measurement of expected credit losses, including the methods, assumptions and information used to measure expected credit losses; (b) quantitative and qualitative information that allows users of financial statements to evaluate the amounts in the financial statements arising from expected credit losses, including changes in the amount of expected credit losses and the reasons for those changes; and (c) information about an entity's credit risk exposure (i.e., the credit risk inherent in an entity's financial assets and commitments to extend credit) including significant credit risk concentrations.	New	Financial risk – Note 3.2.4
IFRS 7.36	For all financial instruments within the scope of IFRS 7, but to which the impairment requirements in IFRS 9 are not applied, disclose by class of financial instrument: (a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (e.g., netting agreements that do not quality for offset in accordance with IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. (b) a description of collateral held as security and other credit enhancements, and their financial effect (e.g., quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk (whether disclosed in accordance with (a) or represented by the carrying amount of a financial instrument).	Scope reduced to only require disclosure for financial instruments for which IFRS 9 impairment requirements are not applied.	*Not in scope of current publication (refer to current Good Insurance Note 47)*
IFRS 7.39	**Liquidity risk** Disclose:	Existing	Financial risk – Note 3.2.1

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Reference	Guidance	New/extended/existing	Link to the disclosure
	(a) a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities. (b) a maturity analysis for derivative financial liabilities. The maturity analysis shall include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows (see paragraph B11B). (c) a description of how it manages the liquidity risk inherent in (a) and (b).		
IFRS 7.40-42	**Market risk** Disclose: (a) a sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date; (b) the methods and assumptions used in preparing the sensitivity analysis; and (c) changes from the previous period in the methods and assumptions used, and the reasons for such changes; Or if an entity prepares a sensitivity analysis, such as value-at-risk, that reflects interdependencies between risk variables (e.g., interest rates and exchange rates) and uses it to manage financial risks, disclose: (a) an explanation of the method used in preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and (b) an explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved. When the sensitivity analyses disclosed in accordance with the above are unrepresentative of a risk inherent in a financial instrument (for example because the year-end exposure does not reflect the exposure during the year), disclose that fact and the reason that the sensitivity analyses are believed to be unrepresentative.	Existing	Financial risk - Note 3.2.2
IFRS 7.42A-H	**Transfers of financial assets** Disclosure required for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. An entity transfers all or a part of a financial asset (the transferred financial asset) if, and only if, it either: (a) transfers the contractual rights to receive the cash flows of that financial asset; or (b) retains the contractual rights to receive the cash flows of that financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. An entity shall disclose information that enables users of its financial statements: (a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.	Existing	*Not in scope of this publication as considered unlikely for an insurer to regularly require this to be disclosed*
IFRS 7.42L-M, O,P	**Initial application of IFRS 9** Disclose the following information for each class of financial assets and financial liabilities as at the date of initial application:	New	Changes in accounting policies and disclosures - Note 1.1.3

Reference	Guidance	New/extended/existing	Link to the disclosure
	(a) the original measurement category and carrying amount determined in accordance with IAS 39 or in accordance with a previous version of IFRS 9 (if the entity's chosen approach to applying IFRS 9 involves more than one date of initial application for different requirements); (b) the new measurement category and carrying amount determined in accordance with IFRS 9; (c) the amount of any financial assets and financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated, distinguishing between those that IFRS 9 requires an entity to reclassify and those that an entity elects to reclassify at the date of initial application. Disclose qualitative information to enable users to understand: (a) the application of the classification requirements in IFRS 9 to those financial assets whose classification has changed as a result of applying IFRS 9. (b) the reasons for any designation or de-designation of financial assets or financial liabilities as measured at fair value through profit or loss at the date of initial application. Disclose the changes in the classifications of financial assets and financial liabilities as at the date of initial application of IFRS 9, showing separately: (a) the changes in the carrying amounts on the basis of their measurement categories in accordance with IAS 39 (i.e., not resulting from a change in measurement attribute on transition to IFRS 9); and (b) the changes in the carrying amounts arising from a change in measurement attribute on transition to IFRS 9. Disclose the following for financial assets and financial liabilities that have been reclassified so that they are measured at amortised cost and, in the case of financial assets, that have been reclassified out of fair value through profit or loss so that they are measured at fair value through other comprehensive income, as a result of the transition to IFRS 9: (a) the fair value of the financial assets or financial liabilities at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets or financial liabilities had not been reclassified. All the above disclosures must permit the reconciliation between: (a) the measurement categories presented in accordance with IAS 39 and IFRS 9; and (b) the class of financial instrument. Disclose information to permit the reconciliation of the ending impairment allowances in accordance with IAS 39 and the provisions in accordance with IAS 37 to the opening loss allowances determined in accordance with IFRS 9.		
IFRS 7.42N	Disclose the following for financial assets and financial liabilities that have been reclassified out of the fair value through profit or loss category as a result of the transition to IFRS 9: (a) the effective interest rate determined on the date of initial application; and (b) the interest revenue or expense recognised. If an entity treats the fair value of a financial asset or a financial liability as the new gross carrying amount at	New	*Not applicable for this publication – no instruments have been reclassified out of the FVPL category as a result of transition*

Appendix 1- Scope of the Publication

Reference	Guidance	New/extended/existing	Link to the disclosure
	the date of initial application, the disclosures immediately above shall be made for each reporting period until derecognition.		
IFRS 7.42R-S	Disclose the carrying amount at the reporting date of the financial assets whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account: (a) the requirements related to the modification of the time value of money element in paragraphs B4.1.9B–B4.1.9D of AASB 9 until those financial assets are derecognised. (b) the exception for prepayment features in paragraph B4.1.12 of AASB 9 until those financial assets are derecognised.	New	*Not applicable for this publication – upon transition, the requirements for modification and prepayment were not determined to be impracticable*

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