

**GD Insurance Company DAC**

**Directors' Report and Audited Financial Statements**

**For the financial year ended 31 May 2025**

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**COMPANY INFORMATION – FOR THE FINANCIAL YEAR ENDED 31 MAY 2025**

**Board of Directors**

Mr Benjamin Huwer  
Mr John Magee  
Mr Chad Jackson  
Mr James Davies

**Solicitors**

LK Shields & Partners  
38 Upper Mount Street  
Dublin 2  
Ireland

**Secretary**

Maple Secretaries Limited  
38 Upper Mount Street  
Dublin 2  
Ireland

**Registered Office**

Ground Floor  
Charlotte House, Charlemont Street  
Dublin 2  
Ireland

**Auditors**

Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13-18 City Quay  
Dublin 2  
Ireland

**Bankers**

Citibank Europe plc  
1 North Wall Quay  
IFSC  
Dublin 1  
Ireland

ING Bank N.V.  
P.O. Box 1800  
1000 BV Amsterdam  
The Netherlands

**Manager**

Marsh Management Services (Dublin) Limited  
Charlotte House  
Charlemont Street  
Dublin 2  
Ireland

**DIRECTORS' REPORT – FOR THE FINANCIAL YEAR END 31 MAY 2025 - CONTINUED**

The Board of Directors (the “Directors”) present their annual report and audited financial statements for GD Insurance Company DAC (the “Company”) for the financial year ended 31 May 2025.

**Principal activities and review of business**

The Company was established to provide commercial insurance coverage for FedEx Express International B.V. and its subsidiaries. The Company is licensed by the Central Bank of Ireland to issue direct policy and assumed reinsurance coverage in respect of non-life insurance classes 1 - Accident, 2 - Sickness, 3 - Land Vehicle, 5 - Aircraft, 7 - Goods in Transit, 8 - Fire and Natural Forces, 9 - Other Damage to Property, 10 - Motor Vehicle Liability, 13 - General Liability and 16 - Miscellaneous Financial Loss.

Gross premiums written for the year amounted to €15,297,833 (2024: €15,823,238) relating to premiums on property, cargo all risk and liability, group personal accident, motor, aviation hull and general liability insurance cover. Outward reinsurance premiums for the year amounted to €2,234,869 (2024: €2,501,743).

Gross claims incurred amounted to €11,630,857 (2024: €9,321,918). The reinsurers' share of claims incurred amounted to €3,922,545 (2024: €1,650,946).

The net operating expenses for the year amounted to €2,124,961 (2024: €1,612,986) and include management, actuarial and other administrative costs of running the Company.

**Principal risks and uncertainties**

The principal risks of the Company relate to the losses arising on direct insurance and assumed reinsurance business written in respect of the risk of group companies. This exposure includes risk of under reserving of losses resulting in increased claims incurred in future periods. This risk is managed by having a reinsurance strategy in place, which limits the net losses the Company is exposed to in a given period. The reinsurance strategy includes the appointment of reinsurance intermediaries and includes minimum security ratings for the reinsurance panel. Risk is also managed through the review of existing and new business policies by the Board in conjunction with the brokers.

The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. Details in relation to the Company's financial risk exposures are outlined in Note 18 to the Financial Statements.

**Subsequent events**

There have been no significant events affecting the Company since the financial year end.

**Future developments**

The Directors expect that present insurance activities will continue subject to modification, as and when necessary, of the terms of insurance agreements to reflect changes in market conditions.

**Going concern**

The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern. In making this assessment, the directors considered factors such as the Company's financial performance, its exposure to insurance risks, investment risks and credit risks, the liquidity of its assets, and its capital strength. The directors are satisfied that the Company is adequately capitalised and continues to be in compliance with all regulatory requirements under the Solvency II regime.

The directors are therefore satisfied that the financial statements should continue to be prepared on a going concern basis.

**DIRECTORS' REPORT – FOR THE FINANCIAL YEAR END 31 MAY 2025 - CONTINUED**

**Dividends**

No dividends were paid or declared in 2025 (2024: €Nil).

**Results and Key performance indicators (KPIs)**

Both the level of business and the financial position at the end of the year were satisfactory. The results for the year are set out on pages 15 and 16.

<b>Results for the Financial Year</b>	<b>2025</b>	<b>2024</b>
	<b>€'000</b>	<b>€'000</b>
Profit on ordinary activities before tax	4,924	6,209
Tax on profit on ordinary activities	(628)	(836)
Profit on ordinary activities after tax	4,296	5,373

<b>Key Performance Indicators</b>	<b>2025</b>	<b>2024</b>
	<b>€'000</b>	<b>€'000</b>
Earned premiums, net of reinsurance	13,063	13,614
Claims incurred, net of reinsurance	(7,958)	(9,096)
Profit on ordinary activities after tax	4,296	5,373

**Directors**

The present membership of the Board and the Directors who held office during the financial year are:

Mr Benjamin Huwer  
Mr John Magee  
Mr Chad Jackson  
Mr James Davies

**Directors' and Secretary's interests in shares or debentures**

As at 31 May 2025 or date of appointment, if later, none of the Directors and the Company Secretary held an interest in the Company or any group Company exceeding 1% of the nominal share capital of the undertaking.

**Corporate governance requirements**

The Company is subject to the requirements of the "Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015" and has been in compliance with all requirements therein during the financial year. The Company is not required to comply with the additional requirements applicable to High Impact designated insurance undertakings as outlined in Section 1.3 of the Corporate Governance Requirements for Insurance Undertakings 2015.

**Accounting records**

In accordance with sections 281 to 285 of the Companies Act 2025, the measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the Company's registered office at Ground Floor, Charlotte House, Charlemont Street, Dublin 2, Ireland.

**DIRECTORS' REPORT – FOR THE FINANCIAL YEAR END 31 MAY 2025 - CONTINUED**

**Statement of relevant audit information**

So far as each of the Directors in office at the date of approval of the financial statements are aware:

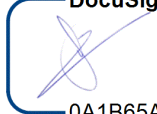
- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

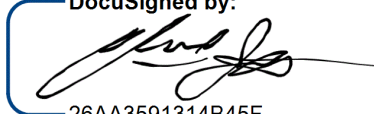
This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

**Auditors**

The auditors, Grant Thornton, who were appointed for the financial year, will continue in office as auditors in accordance with the provisions of Section 383 (2) of the Companies Act 2014.

Signed on behalf of the Board:

DocuSigned by:  
  
0A1B65A2582A402...  
John Magee  
Director

DocuSigned by:  
  
26AA3591314B45F...  
Chad Jackson  
Director

Date: 29 August 2025

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard ("FRS") 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts (Generally Accepted Accounting Practice in Ireland).

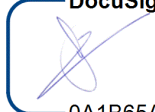
Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

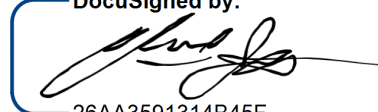
In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board:

DocuSigned by:  
  
0A1B65A2582A402...  
John Magee  
Director

DocuSigned by:  
  
26AA3591314B45F...  
Chad Jackson  
Director

Date: 29 August 2025

# Independent auditor's report to the members of GD Insurance Company DAC

## Report on the audit of the financial statements

### **Opinion**

We have audited the financial statements of GD Insurance Company DAC (the “Company”), which comprise the Profit and loss account – technical account, Profit and loss account – non-technical account, Statement of comprehensive income, Balance sheet and Statement of changes in equity for the financial year ended 31 May 2025, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and FRS 103 “Insurance Contracts” (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 May 2025 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (“ISAs (Ireland)”) and applicable law. Our responsibilities under those standards are further described in the ‘Responsibilities of the auditor for the audit of the financial statements’ section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusion relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue as a going concern basis of accounting included understanding the process and related controls that management has followed in preparing their assessment and assessing the reasonableness of projections, included within the Company's Own Risk and Solvency Assessment (“ORSA”), prepared to support the use of the going concern assumption. We have also reviewed the board meeting minutes to check for events and conditions not considered in management's assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Independent auditor's report to the members of GD Insurance Company DAC

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

### *Overall audit strategy*

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on the considerations set out below, our area of focus included valuation of technical provisions – claims outstanding.

### *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole taking into account the structure of the Company as a non-life captive insurance company, the accounting processes and the controls, and the industry in which it operates.

### *Materiality and audit approach*

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the entity and its environment, the history of misstatements and the complexity of the Company, regulatory requirements and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Company to be €1.23 million (2024: €1.14 million), which is 2.5% (2024: 2.5%) of shareholders' funds. We believe that a percentage of shareholders' funds reflects the interests of the key stakeholders of the Company as financial stability and solvency through capital are key performance metrics. In applying our judgement, we considered a number of factors, i.e. concentration of ownership, number of external users of the financial statements, stability of the business environment in which it operates and the level of regulation in the sector.

Performance materiality is defined as the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our materiality, namely €0.92 million (2024: €0.86 million). We have set performance materiality at this percentage due to our expectations about the likelihood of misstatements, primarily based on prior year experience. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

# Independent auditor’s report to the members of GD Insurance Company DAC

## Key audit matters (continued)

### Materiality and audit approach (continued)

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €0.06 million (2024: €0.05 million), which is set at 5% (2024: 5%) of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, as set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Description of significant matter	Our audit response
<p><i>Valuation of technical provisions – Claims outstanding</i></p> <p>The technical provisions – claims outstanding balance consist of claims incurred but not reported (‘IBNR’), outstanding loss reserve (‘OSLR’) and a margin for uncertainty (MFU) in the calculation of the provision.</p> <p>The valuation of IBNR is a complex and judgmental area and there is a risk of errors in the data, assumptions, methodology and mechanics of the actuarial valuation. We considered the valuation of IBNR to be a significant risk for the Company, which can have a material impact on the reported results.</p> <p>Given the significance and materiality of the balance of technical provisions – claims outstanding to the financial statements as a whole, combined with the judgement and estimation required in the valuation of IBNR, we identified this as a key audit matter.</p> <p>The Company’s technical provisions - claims outstanding as at 31 May 2025 amounting to €32,821,000 (2024: €29,151,000). These comprise of IBNR, OSLR and MFU amounting to €23,662,000 (2024: €20,078,000), €7,976,000 (2024:€8,373,000) and €1,183,000 (2024:€700,000), respectively.</p> <p>Refer to the accounting policies in note 3(d), 3(f), note 4 and disclosures in notes 16 and 19 of the financial statements for further information.</p>	<p>Our response to address these risks includes:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the business process and performed evaluation of the design and test of implementation of key controls relevant to the valuation of technical provisions (claims outstanding).</li> </ul> <p><b>Methodology, Models and Assumptions</b></p> <p>With the assistance of our actuarial experts, we evaluated the methodologies and key assumptions employed by management in the valuation of IBNR. This involved:</p> <ul style="list-style-type: none"> <li>reviewed the methodologies, models and assumptions used by management and assessed and challenged it whether it is appropriate and reasonable in accordance with applicable reporting framework or industry experience;</li> <li>reviewed governance and financial controls around change in methodologies, models and assumptions during the year;</li> <li>compared assumptions with industry benchmarks and historical trends.</li> </ul> <p><b>Data:</b></p> <ul style="list-style-type: none"> <li>Tested the completeness and accuracy of the data used in the valuation of technical provision for consistency with underlying records.</li> <li>Performed test of details on data inputs such as premiums, claims paid during the year and outstanding loss reserve by selecting samples and vouched them to invoices, bank statement, latest loss adjusters report and third-party bordereaux reports.</li> </ul> <p><b>Results:</b></p> <p>With assistance of our actuarial experts,</p>

## Independent auditor's report to the members of GD Insurance Company DAC

	<ul style="list-style-type: none"> <li>• Reviewed and assessed the reasonableness of movement during the year, including impact of change methodology, model and assumptions.</li> <li>• Reviewed and evaluated retrospective review performed by management by comparing the actual versus expected analysis to the subsequent movements in ultimate claims.</li> <li>• Reviewed and evaluated basis of recognition Margin for uncertainty.</li> </ul> <p><b>Disclosures</b></p> <ul style="list-style-type: none"> <li>• Assessed the adequacy of the disclosures relating to the technical provisions (claims outstanding) in the notes to the financial statements.</li> </ul> <p><b>Our planned audit procedures were completed without material exception.</b></p>
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### Other information

Other information comprises the information included in the annual report, other than the financial statements and the auditor's report thereon, including the Director's Report. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014, excluding the requirements on sustainability reporting in Part 28.

# Independent auditor's report to the members of GD Insurance Company DAC

## **Matters on which we are required to report by exception**

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

## **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102 and FRS 103, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

## ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland).

## Independent auditor's report to the members of GD Insurance Company DAC

### **Responsibilities of the auditor for the audit of the financial statements (continued)**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As the Company operates in the insurance industry, which is a highly regulated environment, the Audit Engagement Partner considered the experience and expertise of the engagement team, including actuarial expert to ensure that the team had the appropriate competence and capabilities. Based on our understanding of the Company and industry we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014 and European Union (Insurance Undertakings Financial Statements) Regulations 2015. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates.

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the entity's current activities, the scope of its authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- inspection of the Company's regulatory (including Central Bank of Ireland) and legal correspondence and review of minutes during the year to corroborate enquiries made;
- obtaining an understanding of the Company's control environment including internal controls established to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including claims outstanding; and
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The primary responsibility for the prevention and detection of irregularities rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

# Independent auditor's report to the members of GD Insurance Company DAC

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Report on other legal and regulatory requirements**

We were appointed by the Board of Directors in March 2019 to audit the financial statements for the financial year ended 31 May 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years.

We have not provided non-audit services prohibited by the IAASA's Ethical Standard and have remained independent of the entity in conducting the audit.

The audit opinion is consistent with the additional report to the board of directors.



Christopher Rogers  
For and on behalf of

## **Grant Thornton**

Chartered Accountants & Statutory Audit Firm  
Dublin

4 September 2025

**PROFIT AND LOSS ACCOUNT – TECHNICAL ACCOUNT**  
**for the financial year ended 31 May 2025**

	Note	2025 €'000	2024 €'000
<b>Earned premiums, net of reinsurance</b>			
Gross premiums written	5	<b>15,298</b>	15,823
Outward reinsurance premiums		<b>(2,235)</b>	(2,502)
<b>Net premiums written</b>		<b><u>13,063</u></b>	<u>13,321</u>
Change in the provision for unearned premiums, gross amount	16	<b>138</b>	348
Change in the provision for unearned premiums, reinsurers' share	16	<b>(141)</b>	(55)
Net change in the provision for unearned premiums		<b><u>(3)</u></b>	<u>293</u>
<b>Earned premiums, net of reinsurance</b>		<b><u>13,060</u></b>	<u>13,614</u>
Allocated investment return transferred from the non-technical account	7	<b><u>975</u></b>	<u>1,344</u>
<b>Claims incurred, net of reinsurance</b>			
Claims paid			
- gross amount	5	<b>(7,958)</b>	(9,331)
- reinsurers' share	5	<b>-</b>	235
Net claims paid		<b><u>(7,958)</u></b>	<u>(9,096)</u>
Change in the provision for claims			
- gross amount	16	<b>(3,673)</b>	9
- reinsurers' share	16	<b>3,923</b>	1,416
Net change in the provision for claims		<b><u>250</u></b>	<u>1,425</u>
<b>Claims incurred, net of reinsurance</b>		<b>(7,708)</b>	(7,671)
Net operating expenses	6	<b><u>(2,125)</u></b>	<u>(1,613)</u>
<b>Total balance on the technical account for non-life insurance business</b>		<b><u>4,202</u></b>	<u>5,674</u>

The notes on pages 19-34 form part of these financial statements.

**PROFIT AND LOSS ACCOUNT - NON-TECHNICAL ACCOUNT**  
**for the financial year ended 31 May 2025**

	Note	2025 €'000	2024 €'000
<b>Balance on the technical account - non-life insurance business</b>		<b>4,202</b>	5,674
Investment income	7	1,668	1,999
Gain / (Loss) on foreign exchange		29	(120)
Allocated investment return transferred to the non-life insurance business technical account	7	<u>(975)</u>	<u>(1,344)</u>
<b>Profit on ordinary activities before taxation</b>	8	<b>4,924</b>	6,209
Tax on profit on ordinary activities	10	<u>(628)</u>	<u>(836)</u>
<b>Profit for the financial year</b>		<b><u>4,296</u></b>	<b><u>5,373</u></b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the financial year ended 31 May 2025**

	2025 €'000	2024 €'000
Profit for the financial year	<b>4,296</b>	5,373
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>4,296</u></b>	<b><u>5,373</u></b>

The notes on pages 19-34 form part of these financial statements.

**BALANCE SHEET**  
 as at 31 May 2025

	Note	2025 €'000	2024 €'000
<b>Assets</b>			
<b>Reinsurers' share of technical provisions</b>			
Reinsurers' share of claims outstanding	16	10,794	6,871
Provision for unearned premiums	16	1,052	1,193
		<u>11,846</u>	<u>8,064</u>
<b>Debtors</b>			
Debtors arising out of insurance operations	13	20	9
Debtors arising out of reinsurance operations	13	6,026	5,266
Deferred tax asset	11	1,419	2,048
		<u>7,465</u>	<u>7,323</u>
<b>Other assets</b>			
Cash at bank	12	70,698	66,236
Intercompany balance receivable	12	5,378	4,767
		<u>76,076</u>	<u>71,003</u>
<b>Prepayments</b>			
Other prepayments		20	44
		<u>20</u>	<u>44</u>
<b>Total assets</b>		<u>95,407</u>	<u>86,434</u>
<b>Shareholders' funds and liabilities</b>			
<b>Capital and reserves</b>			
Called-up share capital	14	681	681
Profit and loss account		49,283	44,987
		<u>49,964</u>	<u>45,668</u>
<b>Shareholders' funds</b>			
		<u>49,964</u>	<u>45,668</u>
<b>Technical provisions</b>			
Claims outstanding	16	32,821	29,151
Provisions for unearned premiums	16	6,829	6,967
		<u>39,650</u>	<u>36,118</u>
<b>Creditors</b>			
Creditors arising out of insurance operations	15	143	764
Creditors arising out of reinsurance operations	15	5,370	3,578
		<u>5,513</u>	<u>4,342</u>
<b>Accruals</b>			
		<u>280</u>	<u>306</u>
<b>Total shareholders' funds and liabilities</b>		<u>95,407</u>	<u>86,434</u>

**On behalf of the Board**

DocuSigned by:



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**John Magee**

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**Chad Jackson**
**Date: 29 August 2025**

The notes on pages 19-34 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**for the financial year ended 31 May 2025**

	<b>Called up share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total Shareholders' funds €'000</b>
Balance at 1 June 2024	681	44,987	45,668
Profit for the financial year	-	4,296	4,296
Balance at 31 May 2025	<u>681</u>	<u>49,283</u>	<u>49,964</u>
	<b>Called up share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total Shareholders' funds €'000</b>
Balance at 1 June 2023	681	39,614	40,295
Profit for the financial year	-	5,373	5,373
Balance at 31 May 2024	<u>681</u>	<u>44,987</u>	<u>45,668</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

### 1 General information

The Company was established to provide commercial insurance coverage for FedEx International Express B.V. (formerly named TNT Express B.V.) and its subsidiaries. The Company is licensed by the Central Bank of Ireland in respect of non-life insurance classes 1 - Accident, 2 - Sickness, 3 - Land Vehicle, 5 - Aircraft, 7 - Goods in Transit, 8 - Fire and Natural Forces, 9 - Other Damage to Property, 10 - Motor Vehicle Liability, 13 - General Liability and 16 - Miscellaneous Financial Loss.

The Company's place of registration / registered office is Ground Floor, Charlotte House, Charlemont Street, Dublin 2 and registration number is 222165.

### 2 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with Irish law and accounting standards including FRS 102 – The financial reporting standard applicable to the UK and Republic of Ireland and FRS 103 – Insurance contracts (Irish Generally Accepted Accounting Practice in Ireland), the Companies Act 2014, and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

### 3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

#### (a) Basis of accounting

The Company's financial statements have been prepared under the historical cost convention.

In accordance with FRS 103, the Company has applied existing accounting policies for insurance contracts. The preparation of financial statements in conformity with FRS 102 and FRS 103 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

#### (b) Going concern

The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern. In making this assessment, the directors considered factors such as the Company's financial performance, its exposure to insurance risks, investment risks and credit risks, the liquidity of its assets, and its capital strength. The directors are satisfied that the Company is adequately capitalised and continues to be in compliance with all regulatory requirements under the Solvency II regime.

The directors are therefore satisfied that the financial statements should continue to be prepared on a going concern basis.

#### (c) Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. In these financial statements, the Company has taken advantage of the following exemptions:

- From the requirements of section 7 of FRS 102 and section 3, paragraph 3.17(d) to present a statement of cash flows, on the basis that it is a qualifying entity.
- From disclosing the Company's key management personnel compensation, as required by FRS 102 paragraph 33.7; and

**NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025**

**Summary of significant accounting policies - continued**

**(c) Disclosure exemptions for qualifying entities under FRS 102 - continued**

- From disclosing related party transactions with its parent and wholly owned subsidiaries of the parent group.

**(d) Insurance Contracts**

In accordance with FRS 103, the Company has applied existing accounting policies for insurance and reinsurance contracts.

The technical result is determined at the end of each accounting period whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

- (i) Premiums written relate to business incepted during the year.
- (ii) Unearned premium provisions in respect of the proportion of premiums relating to risks in future periods of account are calculated on a daily pro-rata basis.
- (iii) Acquisition costs, which represent commission and other related expenses, are deferred subject to recoverability and amortised over the period in which the related premiums are earned.
- (iv) Claims incurred comprise claims and related expenses paid in the period and changes in provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses. Where applicable, deductions are made for salvage and other recoveries.
- (v) The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or assumed reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses.

Reinsurance assets are measured consistently with the amounts associated with the underlying insurance contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is reduced to its recoverable amount. The impairment loss is recognised as an expense in the income statement. The asset is impaired if objective evidence is available to suggest that it is probable that the Company will not be able to collect the amounts due from reinsurers.

**(e) Deferred acquisition costs**

Acquisition costs comprise costs arising from the conclusion of insurance contracts. They include both direct costs, such as intermediary commissions or the cost of drawing up the insurance document or including the insurance contract in the portfolio, indirect costs, such as the advertising costs or the administrative expenses connected with the processing of proposals and the issuing of policies.

**NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025**

**Summary of significant accounting policies - continued**

**(e) Deferred acquisition costs - continued**

Deferred acquisition costs are costs arising from the conclusion of insurance contracts that are incurred during the reporting period but which relate to a subsequent reporting period and which are carried forward to subsequent reporting periods.

Deferred acquisition costs are amortised over the period in which the related premiums are earned.

The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset amortisation is recorded in the profit and loss account – technical account.

Commissions receivable on outwards reinsurance contracts are deferred and amortised on a straight line basis over the term of the expected premiums payable.

**(f) Estimation techniques – claims outstanding**

Claims outstanding comprise provisions for the estimated cost of settling all claims incurred up to, but not paid at the balance sheet date, whether reported or not, together with all related claims handling expenses. Claims outstanding are based on latest available information from the fronting companies or loss adjusters.

The projections of the Company's loss reserves are based upon generally accepted actuarial techniques. However, it should be understood that there is a degree of variation associated with all projections, and some deviation from projected claims activity should be expected. Further details are disclosed in note 19.

Claims settlement and development during the year ended 31 May 2025 was considered in determining the loss reserves at 31 May 2025.

**(g) Foreign currencies**

**(i) Functional and presentation currency**

The Company's functional and presentation currency is the Euro, denominated by the symbol "€" and unless otherwise stated, the financial statements have been presented in thousands ('000).

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year, foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

**(h) Income tax**

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred tax assets and liabilities are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025**

**Summary of significant accounting policies - continued**

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

**(j) Deferred tax**

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

The Minimum Tax Directive provides for a European Union (EU) wide implementation of Pillar Two of the Organisation for Economic Co-operation and Development's (OECD's) Two Pillar solution. The Pillar Two rules provide that income of large groups is taxed at a minimum effective rate of 15% on a jurisdictional basis. The newly enacted tax legislation was implemented in two phases, with changes effective on 1 January 2024 and 1 January 2025. No amounts have been recognised in current tax for the year ended 31 May 2025.

The Company is in the process of assessing the potential implications arising from the recently enacted Pillar two legislation, utilising the latest available financial data. While the Company may be subject to additional top-up taxes in Ireland it is not yet possible to estimate the potential impact based on the information available at the time of financial statements approval. The Company expects to progress its assessment during 2025/2026.

**(k) Cash at bank**

Cash at bank includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

**(l) Intercompany balance receivable**

The Intercompany balance receivable consists of funds held on the group cash pool at ING Bank. Funds are non-interest bearing and available to recall upon demand.

**(m) Investment income**

Investment income is recognised in the non-technical account as it is earned. Investment income on monies earned from insurance operations in the year is allocated to the technical account.

**(n) Distribution to equity shareholders**

Dividends and other distributions to the Company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the Company's shareholders.

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

## Summary of significant accounting policies - continued

## (o) Share capital presented as equity

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Critical accounting estimates and assumptions

In the application of the Company's accounting policies, as described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate primarily to the actuarial assumptions used in the determination of claims outstanding – see note 19.

5 Analysis of business	Gross premiums written €'000	Gross premiums earned €'000	Gross claims incurred €'000	Net operating expenses €'000	Reinsurance result €'000
Year ended 31 May 2025:					
<b>Insurance and Reinsurance</b>					
Group personal accident	-	3	-	-	-
Motor vehicles	130	127	22	18	-
Cargo all risk and liability	6,405	6,194	2,645	890	(2,404)
Property	3,779	3,918	(22)	525	-
General liability	4,984	5,194	8,986	692	3,950
	<u>15,298</u>	<u>15,436</u>	<u>11,631</u>	<u>2,125</u>	<u>1,546</u>
Year ended 31 May 2024:					
<b>Insurance and Reinsurance</b>					
Group personal accident	5	9	-	1	-
Motor vehicles	123	120	38	12	-
Cargo all risk and liability	6,009	6,135	2,473	613	(2,745)
Property	4,062	4,090	(1,220)	414	-
General liability	5,624	5,817	8,031	573	1,839
	<u>15,823</u>	<u>16,171</u>	<u>9,322</u>	<u>1,613</u>	<u>(906)</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

**5 Analysis of premiums – continued**

All gross premiums written relate to risks of the parent company and fellow subsidiaries. The following premiums were written during the year:

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Ireland	<b>163</b>	165
EU countries	<b>7,546</b>	7,334
Australia	<b>858</b>	791
Hong Kong	<b>294</b>	277
New Zealand	<b>29</b>	33
Singapore	<b>277</b>	279
Norway	<b>42</b>	46
United States	<b>1,935</b>	1,042
Rest of the World	<b>4,154</b>	5,856
	<b><u>15,298</u></b>	<u>15,823</u>

**6 Net operating expenses**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Commissions	<b>1,325</b>	812
Administrative expenses	<b>800</b>	801
	<b><u>2,125</u></b>	<u>1,613</u>

**7 Investment income**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Allocated to the technical account	<b>975</b>	1,344
Allocated to the non-technical account	<b>694</b>	655
	<b><u>1,668</u></b>	<u>1,999</u>

Investment income comprises interest earned on bank deposits with credit institutions.

The allocated investment income from the non-technical account to the non-life insurance account has been allocated on the basis of the relationship between the average technical provisions and shareholders' funds. The allocated investment income relates to fire & damage to property.

**8 Profit on ordinary activities before taxation is stated after**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Profit on ordinary activities before taxation	<b>4,924</b>	6,209
This amount is stated after charging:		
Audit fee in relation to the Company's financial statements	<b>42</b>	32
Audit fee in relation to Solvency II	<b>-</b>	20
(Gain) / Loss on foreign exchange	<b>(29)</b>	120
	<b><u>13</u></b>	<u>172</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

**9 Management and administration**

The Company has no employees and has entered into a management agreement with Marsh Management Services (Dublin) Limited (“Marsh”). Under this agreement, Marsh has undertaken to provide accounting, administrative and clerical services to the Company and to provide or obtain necessary operating facilities.

FedEx Express Netherlands B.V. provide claims handling, premium management, risk management, treasury and internal audit services.

The Board of Directors did not receive remuneration for their services during the financial year (2024: Nil).

**10 Taxation on profit on ordinary activities**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Irish corporation tax charge for the year	<u>628</u>	<u>836</u>
Profit on ordinary activities before tax	<u>4,924</u>	<u>6,209</u>
Profit on ordinary activities multiplied by the average rate of Irish corporation tax for the year of 12.5% (2024: 12.5%)	<b>616</b>	776
Prior year adjustment	<b>12</b>	60
Profit on ordinary activities multiplied by the average rate of Irish corporation tax for the year of 12.5% (2024: 12.5%)	<u>628</u>	<u>836</u>

**11 Deferred tax**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
At 1 June	<b>2,048</b>	2,837
Movement	<b>(628)</b>	(789)
At 31 May	<u>1,420</u>	<u>2,048</u>

At the balance sheet date, the Company has unused tax losses of €11,355,581 (2024: €16,280,102) available to offset against future profits. A deferred tax asset of €1,419,448 (2024: €2,047,672), which can be carried forward indefinitely, has been recognized in respect of such losses.

The Minimum Tax Directive provides for a European Union (EU) wide implementation of Pillar Two of the Organisation for Economic Co-operation and Development's (OECD's) Two Pillar solution. The Pillar Two rules provide that income of large groups is taxed at a minimum effective rate of 15% on a jurisdictional basis. The newly enacted tax legislation was implemented in two phases, with changes effective on 1 January 2024 and 1 January 2025. No amounts have been recognised in current tax for the year ended 31 May 2025.

The Company is in the process of assessing the potential implications arising from the recently enacted Pillar two legislation, utilising the latest available financial data. While the Company may be subject to additional top-up taxes in Ireland it is not yet possible to estimate the potential impact based on the information available at the time of financial statements approval. The Company expects to progress its assessment during 2025 / 2026.

**12 Other assets**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Cash at bank	<b>70,698</b>	66,236
Intercompany balance receivable	<b>5,378</b>	4,767
	<u>76,076</u>	<u>71,003</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

**12 Other assets - continued**

The Intercompany balance receivable relates to the funds held on a non-interest bearing Intercompany cash pool account at ING bank. Funds held in the Intercompany cash pool are available on demand.

<b>13 Debtors</b>	<b>2025</b>	2024
	<b>€'000</b>	€'000
Debtors arising out of insurance operations	<b>20</b>	9
Debtors arising out of reinsurance operations	<b>6,026</b>	5,266
	<b>6,046</b>	5,275
<b>14 Called-up share capital</b>	<b>2025</b>	2024
	<b>€'000</b>	€'000
<b>Authorised</b>		
10,000 ordinary shares of €454 each	<b>4,538</b>	4,538
<b>Allotted and fully paid – presented as equity</b>		
1,500 ordinary shares of €454 each	<b>681</b>	681
<b>15 Creditors arising out of insurance operations</b>	<b>2025</b>	2024
	<b>€'000</b>	€'000
Losses payable	<b>143</b>	764
	<b>143</b>	764
<b>Creditors arising out of reinsurance operations</b>	<b>2025</b>	2024
	<b>€'000</b>	€'000
Losses payable	<b>203</b>	272
Premium payable	<b>5,167</b>	3,306
	<b>5,370</b>	3,578

All balances are expected to be settled within 12 months.

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

16 Technical provisions	Provision for unearned premiums €'000	Claims outstanding €'000	Total €'000
<b>Gross</b>			
At 1 June 2024	6,967	29,151	36,118
Change in the provision	(138)	3,673	3,535
Movement in foreign exchange	-	(3)	(3)
	<u>6,829</u>	<u>32,821</u>	<u>39,650</u>
<b>Reinsurance amount</b>			
At 1 June 2024	(1,193)	(6,871)	(8,064)
Change in the provision	141	(3,923)	(3,782)
Movement in foreign exchange	-	-	-
	<u>(1,052)</u>	<u>(10,794)</u>	<u>(11,846)</u>
<b>Net technical provisions</b>			
At 1 June 2024	5,774	22,280	28,054
Change in the provision	3	(250)	(247)
Movement in foreign exchange	-	(3)	(3)
	<u>5,777</u>	<u>22,027</u>	<u>27,804</u>
	Provision for unearned premiums €'000	Claims outstanding €'000	Total €'000
<b>Gross</b>			
At 1 June 2023	7,315	29,157	36,472
Change in the provision	(348)	(9)	(357)
Movement in foreign exchange	-	3	3
	<u>6,967</u>	<u>29,151</u>	<u>36,118</u>
<b>Reinsurance amount</b>			
At 1 June 2023	(1,248)	(5,455)	(6,703)
Change in the provision	55	(1,416)	(1,361)
Movement in foreign exchange	-	-	-
	<u>(1,193)</u>	<u>(6,871)</u>	<u>(8,064)</u>
<b>Net technical provisions</b>			
At 1 June 2023	6,067	23,702	29,769
Change in the provision	(293)	(1,425)	(1,718)
Movement in foreign exchange	-	3	3
	<u>5,774</u>	<u>22,280</u>	<u>28,054</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

**17 Capital management**

The Board's policy is to maintain a strong capital base to protect creditors' interests and meet regulatory requirements while still creating shareholder value. The Company manages its capital by considering both regulatory and economic capital.

The primary source of capital used by the Company is shareholders' funds.

The objective of the Company in managing its capital is to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of shareholders' funds, comprising called-up share capital and profit and loss account.

The Solvency II regulatory regime came into effect on 1 January 2016. The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations. The Company has entered a capital commitment deed with its parent. Under the terms of the deed the parent has agreed to pay a capital contribution to the Company to restore solvency coverage to within appetite if the Company's solvency coverage falls below an agreed threshold. During the year the Company did not receive a capital contribution from its parent.

The Company met all solvency requirements during the financial year and there were no solvency requirement breaches during the financial year.

**18 Financial risk management**

The Company monitors and manages the financial risks relating to the operations of the Company, including market risk (currency risk and interest rate risk), credit risk and liquidity risk.

**Market risk**

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities. The objective of the Company in managing its market risk is to ensure risk is managed in line with the Company's risk appetite.

*Foreign currency risk management*

The Company has exposure to currency risk as certain transactions are denominated in USD; hence exposures to exchange rate fluctuations can arise. The Company manages this risk by matching its USD financial assets to its USD insurance contract liabilities.

Carrying amounts of the Company's foreign currency denominated assets and liabilities are set out below.

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Cash at bank	<b>5,154</b>	8,267
Reinsurance balances receivable	<b>4,882</b>	4,185
Reinsurance balances payable	<b>(6,115)</b>	(3,882)
Claims outstanding	<b>(2,262)</b>	(3,210)
	<b>1,659</b>	5,360

The following table details the Company's sensitivity to a 10% increase and decrease in the US Dollar against the Euro. For each sensitivity test the impact of a change in a single factor is shown, with other assumptions unchanged.

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

## 18 Financial risk management - continued

	2025 €'000	2024 €'000
10% decrease in the US Dollar against the Euro		
- Pre-tax profit	(146)	(494)
- Shareholders' funds	(127)	(432)
10% increase in the US Dollar against the Euro		
- Pre-tax profit	146	494
- Shareholders' funds	127	432

Interest rate risk management

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

The table over sets out the impact on profit before tax and shareholders' equity of a 0.5% increase and decrease in interest rates, based on the exposure to interest rates throughout the financial year.

The Company is subject to interest rate risk on its outstanding balances for cash at bank but not its intercompany balance receivables since these financial instruments are non-interest bearing.

**Market risk - continued**

	2025 €'000	2024 €'000
0.5% increase in market interest rates		
- Pre-tax profit	342	318
- Shareholders' funds	300	279
0.5% decrease in market interest rates		
- Pre-tax profit	(342)	(318)
- Shareholders' funds	(300)	(279)

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The key area of exposure to credit risk for the Company is in relation to its financial assets.

There were no changes in the Company's credit risk exposure in the financial year nor to the objectives, policies and processes for managing credit risk.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company believes that credit risk is limited because all the counterparties are regulated credit institutions or insurance undertakings with high credit ratings assigned by international credit rating agencies.

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

## 18 Financial risk management - continued

The following table shows aggregated credit risk exposure for assets with external credit ratings.

<b>31 May 2025</b>	<b>A</b>	<b>Not Rated</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Cash at bank	70,698	-	70,698
Intercompany balance	5,378	-	5,378
Reinsurers' share of claims outstanding	10,794	-	10,794
Reinsurers' share of unearned premiums	1,052	-	1,052
Debtors arising out of insurance operations	-	20	20
Debtors arising out of reinsurance operations	6,026	-	6,026
	<u>93,948</u>	<u>20</u>	<u>93,968</u>
	<u>93,948</u>	<u>20</u>	<u>93,968</u>
<b>31 May 2024</b>	<b>A</b>	<b>Not Rated</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Cash at bank	66,236	-	66,236
Intercompany balance	4,767	-	4,767
Reinsurers' share of claims outstanding	6,871	-	6,871
Reinsurers share of unearned premiums	1,193	-	1,193
Debtors arising out of insurance operations	-	9	9
Debtors arising out of reinsurance operations	5,266	-	5,266
	<u>84,333</u>	<u>9</u>	<u>84,342</u>
	<u>84,333</u>	<u>9</u>	<u>84,342</u>

**Liquidity risk**

Liquidity risk is the risk that a Company cannot meet its obligations associated with financial liabilities as they fall due. The Company manages liquidity risk by matching the maturity profiles of assets and liabilities. This ensures that the Company has sufficient access to funds necessary to cover insurance claims and maturing liabilities. In practice, most of the Company's assets are loans to group companies which could be converted to cash when required.

The following table shows the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance contract liabilities.

<b>31 May 2025</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Claims outstanding	6,944	25,877	32,821
Creditors arising out of insurance operations	143	-	143
Creditors arising out of reinsurance operations	2,755	2,615	5,370
Accruals	280	-	280
	<u>10,122</u>	<u>28,492</u>	<u>38,614</u>
	<u>10,122</u>	<u>28,492</u>	<u>38,614</u>

## NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

## 18 Financial risk management - continued

31 May 2024	Less than 1 year €'000	1-5 years €'000	Total €'000
Claims outstanding	29,151	-	29,151
Creditors arising out of insurance operations	764	-	764
Creditors arising out of reinsurance operations	2,094	1,484	3,578
Accruals	306	-	306
	<u>32,315</u>	<u>1,484</u>	<u>33,799</u>

The following table shows the expected maturity profile of the Company's assets. This is based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

31 May 2025	Less than 1 year €'000	1-5 years €'000	Total €'000
Cash at bank	70,698	-	70,698
Intercompany balance receivable	5,378	-	5,378
Reinsurers' share of claims outstanding	1,582	9,212	10,794
Debtors arising out of insurance operations	5	15	20
Debtors arising out of reinsurance operations	1,737	4,289	6,026
	<u>79,400</u>	<u>13,516</u>	<u>92,916</u>

31 May 2024	Less than 1 year €'000	1-5 years €'000	Total €'000
Cash at bank	66,236	-	66,236
Intercompany balance receivable	4,767	-	4,767
Reinsurers share of claims outstanding	3,598	3,273	6,871
Debtors arising out of insurance operations	9	-	9
Debtors arising out of reinsurance operations	4,026	1,240	5,266
	<u>78,636</u>	<u>4,513</u>	<u>83,149</u>

## 19 Insurance risk management

The Company is a captive insurance undertaking insuring non-life risks of the parent Company. The insurance risks originate from the FedEx Express International B.V. (formerly named TNT Express B.V.) business as a transportation Company providing express delivery services to businesses and consumers worldwide.

The policies underwritten provide cover to the group operations for those risks, namely, Property Damage/Business Interruption, General Liability, Marine Cargo/Cargo Liability, Crime, Aviation Hull/Liabilities and other ancillary covers. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regards to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. The most significant risks of the Company arise from Property Damage/Business Interruption, General Liability and Marine Cargo/Cargo Liability.

## 19 Insurance risk management – continued

**NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025**

The concentration of the non-life insurance by line of business and geographical location of underlying risk is further disclosed in Note 5.

Regulatory capital is also managed, albeit not exclusively, by reference to the insurance risk to which the Company is exposed.

**Assumptions and sensitivity**

The risks associated with non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company uses several statistical techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios.

The Company considers that the liability for non-life insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

Some results of sensitivity testing are set out below, showing the impact on profit before tax and shareholders' funds gross and net of reinsurance. For each sensitivity test the impact of a change in a single factor is shown, with other assumptions unchanged.

Sensitivity testing

	<b>Pre-tax profit</b>		<b>Shareholders' funds</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
5% increase in loss ratios				
- Gross and net	<b>(385)</b>	(384)	<b>(337)</b>	(336)
5% decrease in loss ratios				
- Gross and net	<b>385</b>	384	<b>337</b>	336

**Claims development tables**

The tables over show the development of claims over a period of time on both a gross and net of reinsurance basis. FRS 103 requires that claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payment, but need not go back more than ten years. The top half of the table shows how the estimates of total claims for each accident year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025

19 Insurance risk management - continued

*Analysis of claims development per underwriting year—gross*

	17 months 2017	2018	2019	2020	2021	2022	2023	2024	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Estimate of ultimate claims incurred									
At end of accident year	9,083	2,013	-	-	-	-	-	-	
One year later	14,839	4,759	4,186	29,436	4,652	6,686	1,693	8,342	
Two years later	15,070	9,197	6,553	34,999	9,552	14,135	11,221		
Three years later	12,717	10,316	7,214	35,515	10,739	11,667			
Four years later	13,341	10,560	7,992	35,434	12,290				
Five years later	13,593	10,986	8,076	35,293					
Six years later	13,482	10,970	7,947						
Seven years later	13,013	8,262							
Eight years later	10,923								
Current estimate of ultimate claims incurred	10,923	8,262	7,947	35,293	12,290	11,667	11,221	8,342	
Cumulative payments to date	10,280	7,704	5,828	31,728	7,388	5,977	2,980	1,396	
Claims outstanding in balance sheet	643	558	2,119	3,565	4,902	5,690	8,241	6,946	<b>32,664</b>
Provision for prior financial years									<b>157</b>
Total liability in balance sheet									<b>32,821</b>

*Analysis of claims development per underwriting year— net*

	17 months 2017	2018	2019	2020	2021	2022	2023	2024	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Estimate of ultimate claims incurred									
At end of accident year	7,158	1,408	(93)	-	-	-	-	-	
One year later	9,953	4,155	2,635	29,436	4,652	6,686	1,694	6,760	
Two years later	10,264	8,391	5,802	34,999	9,553	12,753	9,846		
Three years later	9,698	10,159	6,309	34,105	10,081	10,430			
Four years later	9,728	10,398	6,095	33,963	10,418				
Five years later	9,810	10,684	6,132	32,734					
Six years later	9,828	10,919	7,328						
Seven years later	9,661	7,812							
Eight years later	8,003								
Current estimate of ultimate claims incurred	8,003	7,812	7,328	32,734	10,418	10,430	9,846	6,760	
Cumulative payments to date	7,711	7,653	5,828	31,728	7,389	5,977	2,980	1,396	
Claims outstanding in balance sheet	292	159	1,500	1,006	3,029	4,453	6,866	5,364	<b>22,669</b>
Provision for prior financial years									<b>(642)</b>
Total liability in balance sheet									<b>22,027</b>

20 Holding Company

**NOTES TO THE FINANCIAL STATEMENTS – for the financial year ended 31 May 2025**

The Company is a wholly owned subsidiary of FedEx Express International B.V. (formerly TNT Express B.V.), a Company incorporated and operating in the Netherlands. The largest and smallest group Company into which these financial statements are consolidated is FedEx Corporation, a Company incorporated in Delaware, USA. The consolidated financial statements may be obtained at: [https://s21.q4cdn.com/665674268/files/doc\\_financials/2024/ar/419404-1-10\\_FedEx\\_AR\\_WR.pdf](https://s21.q4cdn.com/665674268/files/doc_financials/2024/ar/419404-1-10_FedEx_AR_WR.pdf)

**21 Related party disclosures**

The Company has availed of the exemption in Section 33 of FRS 102 which permits qualifying subsidiaries of an undertaking not to disclose details of transactions between group entities that are eliminated on consolidation.

**22 Events after the reporting period**

There are no significant post balance sheet events affecting the Company since the year end.

**23 Approval of financial statements**

The Board of Directors approved these financial statements on 29 August 2025.