

**ATRADIUS CREDITO Y CAUCION S.A. DE  
SEGUROS Y REASEGUROS SINGAPORE  
BRANCH**

*(Incorporated in Spain. Registration Number: T16FC0107G)*

**ANNUAL REPORT**

*For the financial year ended 31 December 2025*

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y  
REASEGUROS SINGAPORE BRANCH**

*(Incorporated in Spain. Registration Number: T16FC0107G)*

**ANNUAL REPORT**

*For the financial year ended 31 December 2025*

## **Contents**

	Page
Statement by Chief Executive	1
Independent Auditor's Report	2
Statement of Comprehensive Income arising out of Operations in Singapore	6
Statement of Assets used in and Liabilities arising out of Operations in Singapore	7
Statement of Changes in Head Office Account	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

---

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**STATEMENT BY CHIEF EXECUTIVE**

*For the financial year ended 31 December 2025*

---

In my opinion, the financial statements set out on pages 6 to 81 are properly drawn up in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at 31 December 2025, and of the results, changes in head office account and cash flows of the Branch's operations in Singapore for the financial year ended on that date. At the date of this statement, there are reasonable grounds to believe that the Singapore Branch will be able to pay its debts when they fall due.



---

Ms. Maria Sandhu  
CHIEF EXECUTIVE

30<sup>th</sup> April 2026

**INDEPENDENT AUDITOR'S REPORT TO  
ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
For the financial year ended 31 December 2025**

**Report on the Audit of the Financial Statements**

***Our Opinion***

In our opinion, the accompanying financial statements of the Singapore Operations of Atradius Credito y Caucion S.A. de Seguros y Reaseguros ("the Branch") are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at 31 December 2025, and of the results, changes in head office account and cash flows of the Branch's operations in Singapore for the financial year ended on that date.

*What we have audited*

The Branch is a segment of Atradius Credito y Caucion S.A. de Seguros y Reaseguros and is not a separately incorporated legal entity. The accompanying financial statements, which we have audited pursuant to section 373 of the Act, have been prepared from the records of the Branch and reflect only transactions recorded therein and comprise:

- the statement of comprehensive income arising out of operations in Singapore for the financial year ended 31 December 2025;
- the statement of assets used in and liabilities arising out of operations in Singapore as at 31 December 2025;
- the statement of changes in head office account for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Branch in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

**INDEPENDENT AUDITOR'S REPORT TO  
ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS (continued)  
For the financial year ended 31 December 2025**

**Report on the Audit of the Financial Statements (continued)**

***Other Information***

The Branch's management is responsible for the other information. The other information comprises the Statement by Chief Executive but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

***Responsibilities of Management and Directors for the Financial Statements***

The Branch's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Branch's management is responsible for assessing the Branch'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 the Branch's management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of Atradius Credito y Caucion S.A. de Seguros y Reasegueros include overseeing the Branch's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO  
ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS (continued)  
For the financial year ended 31 December 2025**

**Report on the Audit of the Financial Statements (continued)**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch's management.
- Conclude on the appropriateness of the Branch's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate 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 fair presentation.

We communicate with the Branch's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO  
ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS (continued)  
For the financial year ended 31 December 2025**

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records examined by us relating to the Branch's operations in Singapore have been properly kept in accordance with the provisions of the Act.

*PricewaterhouseCoopers WP*

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 30 April 2026

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME ARISING OUT OF OPERATIONS IN  
SINGAPORE**

*For the financial year ended 31 December 2025*

	Notes	2025 \$	2024 \$
Insurance revenue	6	<b>106,765,750</b>	108,760,591
Insurance service expense	6	<b>(52,079,322)</b>	(70,960,520)
<b>Insurance service results before reinsurance contracts held</b>		<b>54,686,428</b>	37,800,071
<b>Net expense from reinsurance contracts</b>	6	<b>(21,867,258)</b>	(11,938,960)
<b>Insurance service results</b>		<b>32,819,170</b>	25,861,111
Investment income	7	<b>2,497,597</b>	3,173,574
Insurance finance expenses for insurance contracts issued	7	<b>(4,035,607)</b>	(1,911,619)
Reinsurance finance income for reinsurance contracts held	7	<b>1,460,325</b>	678,068
<b>Net investment and insurance finance (expense)/income</b>		<b>(77,685)</b>	1,940,023
Other income	16	<b>3,460,740</b>	2,219,883
Other finance expenses	19(c)	<b>(112,295)</b>	(8,918)
Other operating expenses	17	<b>(4,445,916)</b>	(5,690,907)
Foreign exchange (loss)/gain - net		<b>(6,457,183)</b>	909,139
<b>Profit before tax</b>		<b>25,186,831</b>	25,230,331
Income tax expense	18(a)	<b>(3,183,007)</b>	(4,580,388)
<b>Profit for the year</b>		<b>22,003,824</b>	20,649,943
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified subsequently to profit or loss statement:</b>			
Change in fair value of financial assets (gross of tax)		<b>621,517</b>	(465,565)
Insurance finance (expenses)/income for insurance contracts issued (gross of tax)	7	<b>(205,100)</b>	1,033,572
Reinsurance finance expenses for reinsurance contracts held (gross of tax)	7	<b>(1,610,847)</b>	(224,005)
Income tax on items recorded through other comprehensive income/(loss)		<b>119,443</b>	(34,400)
<b>Total comprehensive income</b>		<b>20,928,837</b>	20,959,545

*The accompanying notes form an integral part of these financial statements.*

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**STATEMENT OF ASSETS USED IN AND LIABILITIES ARISING OUT OF OPERATIONS  
IN SINGAPORE**

*As at 31 December 2025*

	Notes	2025 \$	2024 \$
<b>ASSETS</b>			
Cash and cash equivalents	8	<b>128,713,370</b>	84,126,853
Amount due from related companies	9	<b>382,956</b>	24,369,641
Other assets	10	<b>893,866</b>	931,450
Debt instruments at fair value through other comprehensive income	11	<b>18,278,000</b>	17,575,000
Reinsurance contract assets	13	<b>43,951,870</b>	36,968,670
Insurance contract assets	13	<b>268,758</b>	456,858
Deferred tax assets	18	<b>123,072</b>	734,613
Property and equipment	12	<b>293,976</b>	395,112
Right-of-use assets	19	<b>2,444,816</b>	2,983,874
<b>Total assets</b>		<b><u>195,350,684</u></b>	<u>168,542,071</u>
<b>LIABILITIES AND EQUITY</b>			
Other liabilities and accruals	14	<b>12,683,838</b>	11,877,702
Amount due to related companies	9	<b>1,898,322</b>	614,236
Income tax payable		<b>3,169,893</b>	3,460,854
Insurance contract liabilities	13	<b>68,027,886</b>	64,062,700
Reinsurance contract liabilities	13	<b>382,438</b>	267,109
<b>Total liabilities</b>		<b><u>86,162,377</u></b>	<u>80,282,601</u>
<b>Head office account</b>			
Head office contributions	15	<b>57,108,119</b>	57,108,119
Retained earnings		<b>52,267,086</b>	30,263,262
Fair value reserve		<b>(168,959)</b>	(728,324)
Insurance/reinsurance finance reserve		<b>(17,939)</b>	1,616,413
		<b><u>109,188,307</u></b>	<u>88,259,470</u>
<b>Total liabilities and equity</b>		<b><u>195,350,684</u></b>	<u>168,542,071</u>

*The accompanying notes form an integral part of these financial statements.*

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**STATEMENT OF CHANGES IN HEAD OFFICE ACCOUNT**

*For the financial year ended 31 December 2025*

	Head office contributions \$	Retained earnings/ (accumulated losses) \$	Fair value reserve \$	Insurance / reinsurance finance reserve \$	Total \$
<b>Balance as at 1 January 2024</b>	57,108,119	9,613,319	(309,316)	887,803	67,299,925
Profit for the financial year	-	20,649,943	-	-	20,649,943
Other comprehensive (loss)/income for the financial year	-	-	(419,008)	728,610	309,602
<b>Total comprehensive income/(loss)</b>	-	20,649,943	(419,008)	728,610	20,959,545
<b>Balance as at 31 December 2024</b>	<b>57,108,119</b>	<b>30,263,262</b>	<b>(728,324)</b>	<b>1,616,413</b>	<b>88,259,470</b>
<b>Profit for the financial year</b>	<b>-</b>	<b>22,003,824</b>	<b>-</b>	<b>-</b>	<b>22,003,824</b>
Other comprehensive income/(loss) for the financial year	-	-	559,365	(1,634,352)	(1,074,987)
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>22,003,824</b>	<b>559,365</b>	<b>(1,634,352)</b>	<b>20,928,837</b>
<b>Balance as at 31 December 2025</b>	<b>57,108,119</b>	<b>52,267,086</b>	<b>(168,959)</b>	<b>(17,939)</b>	<b>109,188,307</b>

*The accompanying notes form an integral part of these financial statements.*

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**STATEMENT OF CASH FLOWS**

*For the financial year ended 31 December 2025*

	Notes	2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>25,186,831</b>	25,230,331
<u>Adjustments for:</u>			
Depreciation and amortisation expenses	17	<b>694,090</b>	590,101
Interest income	7	<b>(2,494,951)</b>	(3,174,917)
Changes in allowance for expected credit losses	7	<b>(2,646)</b>	1,343
Finance expenses	19(c)	<b>112,295</b>	8,918
Unrealised foreign exchange loss/(gain) on cash		<b>4,961,780</b>	(1,563,332)
		<b>28,457,399</b>	21,092,444
<u>Changes in working capital:</u>			
Insurance and reinsurance contracts assets/liabilities		<b>(4,528,850)</b>	(3,825,474)
Amount due from related companies		<b>23,986,685</b>	(22,461,597)
Other assets		<b>(52,721)</b>	(16,576)
Other liabilities and accruals		<b>1,298,653</b>	870,969
Amount due to related companies		<b>1,284,086</b>	(2,442,732)
<b>Cash generated from/(used in) operations</b>		<b>50,445,252</b>	(6,782,966)
Tax paid		<b>(2,746,666)</b>	(1,269,558)
Tax rebate received		<b>2,000</b>	2,000
Interest received		<b>2,506,418</b>	3,388,100
<b>Net cash provided by/(used in) operating activities</b>		<b>50,207,004</b>	(4,662,424)
<b>Cash flows from investing activities</b>			
Purchase of debt instruments at fair value through other comprehensive income	11	-	(18,363,100)
Proceeds from maturity of debt instruments at fair value through other comprehensive income	11	-	17,950,000
Purchase of property and equipment	12	<b>(1,772)</b>	(16,921)
<b>Net cash used in investing activities</b>		<b>(1,772)</b>	(430,021)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	19(e)	<b>(656,935)</b>	(632,832)
<b>Net cash used in financing activities</b>		<b>(656,935)</b>	(632,832)
Net increase/(decrease) in cash and cash equivalents		<b>49,548,297</b>	(5,725,277)
Cash and cash equivalents at beginning of year		<b>84,126,853</b>	88,288,798
Effects of foreign exchange		<b>(4,961,780)</b>	1,563,332
<b>Cash and cash equivalents at end of year</b>	8	<b>128,713,370</b>	84,126,853

*The accompanying notes form an integral part of these financial statements.*

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information**

Atradius Credito Y Caucion S.A. de Seguros Y Reasegueros (“the Company”) is incorporated in Spain and operates in Singapore through the Branch (Registration No. T16FC0107G) with its principal place of business and registered office at 80 Raffles Place, #43-03 UOB Plaza, Singapore 048624. The Branch was registered on 18 July 2016.

The Branch was licensed as a direct general insurer on 6 September 2016 under the Insurance Act 1966 to underwrite credit insurance business.

**2. Material accounting policy information**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Branch’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**Interpretations and amendments to published standards effective in 2025**

On 1 January 2025, the Branch adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Branch’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new standards did not have any material impact on the financial performance or position of the Branch.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.1 Basis of preparation (continued)**

**New or amended Standards and Interpretations effective after 31 December 2025**

<u>Annual periods commencing on</u>	<u>Description</u>
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)
1 January 2027	Annual Improvements to FRSs - Volume 11 FRS 118 Presentation and Disclosures in Financial Statements FRS 119: Subsidiaries without Public Accountability: Disclosures

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Branch. These are not expected to have a material impact on the Branch in the current or future reporting periods and on foreseeable future transactions.

**2.2 Insurance and reinsurance contracts**

**a) Definition and classification**

Insurance contracts are contracts under which the Branch accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Branch uses judgement to assess whether a contract transfers insurance risk.

Before the Branch accounts for an insurance contract based on the guidance in FRS 117, it analyses whether the contract contains components that should be separated. FRS 117 distinguishes three categories of components that have to be accounted for separately:

- Cash flows relating to embedded derivatives that are required to be separated;
- Cash flows relating to distinct investment components; and
- Promises to transfer distinct goods or distinct services other than insurance contract services.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**a) Definition and classification** (continued)

The Branch applies FRS 117 to all remaining components of the contract. The Branch does not have any contracts that require further separation of insurance contracts.

The Branch is not engaged in contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Branch to financial risk. The Branch also does not issue investment contracts that contain discretionary participation features (DPF), whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Branch's discretion, potentially significant additional benefits based on the return of specified pools of investment assets.

In the normal course of business, the Branch uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired, reinsurance contracts held unless specifically stated otherwise.

**b) Measurement approaches**

The Branch uses the general measurement model ("GMM").

**c) Definition of insured event and coverage period**

The coverage period is defined as a period during which the entity provides insurance contract services. This period includes the insurance contract services that relates to all fulfilment cash flows within the boundary of the insurance contract. During the coverage period, an insured event can happen.

The Branch has defined the coverage period as the period during which the entity provides insurance contract services, which in turn is the period during which insured events can take place. The insured event for credit insurance, following the policy wording, is the insolvency and/or protracted default of the buyer. As is common for the credit insurance market, the Branch's policies do not recognise a protracted default until the end of a waiting period.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.2 Insurance and reinsurance contracts (continued)**

**d) Level of aggregation**

The Branch has defined units of account based on the combination of portfolio, year of issue and profitability, as detailed below.

The Branch manages insurance contracts issued by product lines within one operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The allocation of contracts to a group after initial recognition is not subsequently reconsidered. The local credit insurance business is managed at the country level, while the global credit insurance and credit specialties are managed at the group level.

The Branch monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of the country or unit, with no information available at a more granular level. The assessment of onerous at initial recognition is at the portfolio level which is performed on each set of insurance contracts. Only in very exceptional circumstances the Branch will, for strategic reasons, issue contracts that are onerous at initial recognition. For credit insurance, the Branch considers that contracts should not be grouped as onerous at initial recognition, as contracts are managed together with contracts that are yet to be recognised as result of the ability to dynamically underwrite these risks.

The Branch uses significant judgement to determine at what level of granularity the Branch has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Branch has extensively reviewed all facts and circumstances in all cases where one counterparty has multiple insurance contracts. The Branch has assessed that some of these contracts cannot be measured independently. Circumstances that led to this conclusion are items such as the existence of one master agreement, aggregate first loss, aggregate buyer limits and bonus malus on the combined result of all insurance contracts.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**d) Level of aggregation** (continued)

Portfolios of reinsurance contracts held are assessed for aggregation and measurement separately from portfolios of insurance contracts issued. The reinsurance held contracts are managed at group level. Applying the grouping requirements to reinsurance contracts held, the Branch aggregates reinsurance contracts held issued within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

For the main reinsurance held contracts, the Branch has determined that it is appropriate to split these into two portfolios: proportional and non-proportional, which is consistent with how the assumed reinsurance business is split into portfolios.

**e) Recognition, modification, derecognition of insurance contracts**

The Branch recognises groups of insurance contracts issued from the first of the following dates:

- At the beginning of the coverage period;
- The date when the first payment of the policyholder is due; or
- When the Branch determines that a group of contracts becomes onerous.

The Branch generally recognises the insurance contract at the beginning of the coverage period. This is the case unless the groups of insurance contracts are onerous once the contract is bound and if the bound date is prior to the coverage start date.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**e) Recognition, modification, derecognition of insurance contracts** (continued)

Reinsurance contracts held are recognised as follows:

- a. A group of reinsurance contracts held that provide proportional coverage (quota share reinsurance) is recognised at the later of:
  - The beginning of the coverage period of the group; and
  - The initial recognition of any underlying insurance contract;
- b. All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the groups of reinsurance contracts held; unless the Branch entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohort's restriction. The composition of the groups is not reassessed in subsequent periods.

The Branch derecognises an insurance contract when it is:

- a. Extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- b. The contract is modified and additional criteria are met. When the Branch modifies an insurance contract as a result of an agreement with the counterparties or due to a change in regulations, the Branch treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows ("FCF"), unless the conditions for the derecognition of the original contract are met.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**e) Recognition, modification, derecognition of insurance contracts** (continued)

The Branch derecognises the original contract and recognises the modified contract as a new insurance contract in the event that the modified terms had been included at contract inception and the Branch would have concluded that the modified contract results in a different contract boundary; or belongs to a different group of contracts.

When an insurance contract is derecognised from a group of insurance contracts, the Branch adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for the non-financial risk relating to the rights and obligations removed from the group and adjust the CSM and the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

**f) Measurement**

The FCF consist of a best estimate and a risk adjustment.

The estimate consists of estimates of the future cash flows within the contract boundary of the contracts that the Branch expects to collect from premiums and to pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The estimate corresponds to a probability weighted average of future outcomes.

The estimates are determined from the perspective of the Branch, and consistent with observable market prices for market variables where relevant. It considers circumstances as at measurement date in as far relevant and known to the Branch and reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer. The Branch has set the potential credit loss at zero based on the high-level quality of the reinsurance panel.

Where appropriate and proportionate methodology and data exists, the Branch estimates cash flows at the level of groups or lower. However, where estimate relate to more severe events, that do not occur at the level of the group and that occur with sufficient frequency to allow for robust modelling at that level of granularity the Branch models the estimates related to the possible events at a higher level, combining information from multiple portfolios, and then allocating such estimates to group level.

The Branch uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

*Contract boundary*

The Branch uses the contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the substantive rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Branch has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a. the Branch has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price level that fully reflects those risks;
- b. both of the following criteria are satisfied:
  - i. the Branch has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result can set a price that fully reflects the risk of that portfolio; and
  - ii. the pricing of the premiums up to the date when risks are reassessed does not consider the risks that relate to periods after the reassessment date.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

Contract boundary (continued)

The Branch has defined the contract boundary as month end for credit insurance as the Branch can withdraw the buyer limits and as such has unlimited re-underwrite ability. The contract boundary is extended with the notice period that applies for withdrawal of the buyer limits.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The Branch determines that the premiums receivable from the intermediary are future cash flows within the boundary of an insurance contract. When the policyholder pays the premiums to the intermediary, The Branch continues to treat the premiums receivable from the intermediary as future cash flows within the boundary of an insurance contract and includes them in the measurement of a group of insurance contracts until recovered in cash.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Branch that exist during the reporting period in which the Branch is compelled to pay amounts to the reinsurer or in which the Branch has a substantive right to receive insurance contract services from the reinsurer.

The Branch's main proportional reinsurance agreements renew on an annual basis. The Branch treats these contracts as a series of annual contracts that cover underlying business that are based on risk attachment principles attached to the agreement, instead of issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within the reinsurance contracts' one-year boundary are included in the measurement of the reinsurance contracts. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within the reinsurance contracts boundary are included in the measurement of the reinsurance contracts.

The excess of loss reinsurance contract held provides coverage for claims incurred based on the attachment principle. Thus, all cash flows arising from claims incurred and expected to be incurred based on the attachment principle are included in the measurement of the reinsurance contracts held. The main contracts do include mandatory reinstatement reinsurance premiums. These are inside the contract boundary.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.2 Insurance and reinsurance contracts (continued)**

**f) Measurement (continued)**

Any cash flow that is not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

*Insurance acquisition costs*

Acquisition cash flows are cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The Branch recognises an asset for directly attributable acquisition costs that relate to broker commissions. These balances are directly linked to prepaid premium for which the premium is not yet part of a recognised group of insurance contracts. There is no risk that these acquisition costs cannot be recovered since when the related insurance contract never gets recognised, both the related prepaid premium and the broker commissions are refunded.

*Other pre-recognition cash flows within the contract boundary*

Before a group of insurance contracts is recognised, the Branch could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another FRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

*Risk adjustment for non-financial risk*

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows. It reflects the compensation that the Branch requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Branch fulfils insurance contracts. The Branch takes diversification benefits into account.

For the calculation of the risk adjustment, the Branch uses the Cost of Capital method. The Costs of Capital is applied, within range of appropriateness based on a set of regulatory (Solvency II) and market driven cost-of-capital rates' indicators.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Branch to the reinsurer. A factor is constructed from the claims cash flow weighted average of the direct business being ceded.

*Discount rate*

The Branch measures the value of money over time using discount rates that reflect the liquidity characteristics of insurance contracts and the characteristics of cash flows, consistent with current market prices and excluding factors influencing the market prices of the reference assets but not affecting the flows of insurance contracts. The discount rate is calculated using the "bottom-up" approach after the transition ("bottom-up") based on the risk-free curve, mainly based on the curve published monthly by EIOPA (European Insurance and Occupational Pensions Authority) and applying an illiquidity premium of zero.

*Contractual Service Margin*

The contractual service margin ("CSM") is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Branch will recognise as it provides insurance contract services in the future.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

Contractual Service Margin (continued)

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous, or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- a. The initial recognition of the FCF;
- b. Cash flows arising from the contracts in the group at that date;
- c. The derecognition of any insurance acquisition cash flows asset; and
- d. The derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Branch recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred loss that the branch will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- a. The initial recognition of the FCF;
- b. Cash flows arising from the contracts in the group at that date;
- c. The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- d. Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Branch expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

Contractual Service Margin (continued)

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Branch applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

No insurance contracts acquired were assessed as onerous at initial recognition. The Branch did not acquire any reinsurance contracts held.

Subsequent measurement

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a. The liability for remaining coverage ("LRC"), comprising:
  - i. The FCF related to future service allocated to the group at that date; and
  - ii. The CSM of the group at that date; and
- b. The liability for incurred losses ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a. The remaining coverage, comprising:
  - i. The FCF related to future service allocated to the group at that date; and
  - ii. The CSM of the group at that date; and
- b. The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Branch for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

*Changes in fulfilment cash flows* (continued)

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. Changes that relate to current or past service are recognised in profit or loss; and
- b. Changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

The following adjustments relate to future service and thus adjust the CSM:

- a. Experience adjustments – arising from premiums received in the period that relate to future service and related cash flows;
- b. Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph; and
- c. Changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments above are measured using discount rates determined on initial recognition (the locked-in discount rates).

The following adjustments do not adjust the CSM:

- a. Changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b. Changes in the FCF relating to the LIC;
- c. Experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows; and
- d. Experience adjustments relating to insurance service expenses excluding insurance acquisition cash flows.

The Branch does not have any products with complex guarantees and does not use derivatives as economic hedges of the risks.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

*Changes to the contractual service margin*

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Branch to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group;
- b. Interest accreted on the carrying amount of the CSM;
- c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM;
- d. The effect of any currency exchange differences; and
- e. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Branch to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group;
- b. Interest accreted on the carrying amount of the CSM;
- c. Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognized;
- d. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- e. Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts;
- f. The effect of any currency exchange differences; and
- g. The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**f) Measurement** (continued)

*Changes to the contractual service margin* (continued)

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Branch expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

For the purposes of (c) to (e) above, when underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Branch applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

*Interest accretion on the CSM*

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition per individual new business subgroup that are applied to nominal cash flows that do not vary based on the returns of underlying items.

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section above.

*Release of the CSM to profit or loss*

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- a. The quantity of benefits provided by contracts in the group;
- b. The expected coverage period of contracts in the group; and
- c. The likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Branch determines coverage units based on the expected exposure of the insurance contracts. The Branch has determined that the coverage units are determined based on the estimated payment behaviour of companies in a B2B relation.

---

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.2 Insurance and reinsurance contracts (continued)**

**f) Measurement (continued)**

*Release of the CSM to profit or loss (continued)*

The Branch reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period. Coverage units for the proportional reinsurance contracts held are based on the insurance coverage provided by the reinsurer. The coverage period for these contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

*Onerous contracts – Loss component*

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Branch recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Branch allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a. Expected incurred claims and other directly attributable expenses for the year;
- b. Changes in the risk adjustment for non-financial risk for the risk expired; and
- c. Finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to future service in subsequent periods increase the loss component.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.2 Insurance and reinsurance contracts (continued)**

**f) Measurement (continued)**

*Reinsurance contracts held – Loss-recovery component*

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Branch recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts discussed in the onerous contracts – Loss component section above. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that Atradius expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

**g) Amounts recognised in comprehensive income**

**Insurance service result from insurance contracts issued**

As the Branch provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Branch expects to be entitled to in exchange for those services.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**g) Amounts recognised in comprehensive income** (continued)

**Insurance service result from insurance contracts issued** (continued)

Insurance revenue

The insurance revenue comprises the following:

1. Amounts relating to the changes in the LRC:
  - a. Claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - i. Amounts allocated to the loss component;
    - ii. Insurance acquisition expenses; and
    - iii. Amounts related to the risk adjustment for non-financial risk (see (b));
  - b. Changes in the risk adjustment for non-financial risk, excluding:
    - i. Changes included in insurance finance income (expenses);
    - ii. Changes that relate to future coverage (which adjust the CSM); and
    - iii. Amounts allocated to the loss component;
  - c. Amounts of the CSM recognised for the services provided in the period;
  - d. Experience adjustments arising from premiums received in the period other than those that relate to future service; and
  - e. Other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
2. Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the passage of time over the expected coverage of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- a. Incurred claims, excluding investment components reduced by loss component allocations;
  - b. Other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
  - c. Insurance acquisition cash flows amortisation;
  - d. Changes that relate to past service – changes in the FCF relating to the LIC;
  - e. Changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
  - f. Insurance acquisition cash flows assets impairment.
-

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**g) Amounts recognised in comprehensive income** (continued)

**Insurance service result from insurance contracts issued** (continued)

*Insurance service expenses* (continued)

The amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

**Net income/(expense) from reinsurance contracts held**

The Branch presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

- a. Reinsurance expenses;
- b. Incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- c. Other incurred directly attributable expenses;
- d. Changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- e. Effect of changes in the risk of reinsurers' non-performance; and amounts relating to accounting for onerous groups of underlying insurance contracts issued:
  - i. Income on initial recognition of onerous underlying contracts;
  - ii. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
  - iii. Changes in the FCF of reinsurance contracts held from onerous underlying contract.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**g) Amounts recognised in comprehensive income** (continued)

**Net income/(expense) from reinsurance contracts held** (continued)

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that Atradius expects to pay in exchange for those services.

Reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- a. Claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
  - i. Amounts allocated to the loss-recovery component;
  - ii. Repayments of investment components; and
  - iii. Amounts related to the risk adjustment for non-financial risk (see (b))
- b. Changes in the risk adjustment for non-financial risk, excluding:
  - i. Changes included in finance income (expenses) from reinsurance contracts held;
  - ii. Changes that relate to future coverage (which adjust the CSM); and
  - iii. Amounts allocated to the loss-recovery component.
- c. Amounts of the CSM recognised for the services received in the period; and
- d. Experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

**Insurance finance income or expenses**

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

- 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.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information** (continued)

**2.2 Insurance and reinsurance contracts** (continued)

**g) Amounts recognised in comprehensive income** (continued)

**Insurance finance income or expenses** (continued)

The main amounts within insurance finance income or expenses are:

- a. Interest accreted on the FCF and the CSM;
- b. The effect of changes in interest rates and other financial assumptions; and
- c. Foreign exchange differences.

The Branch disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

**(h) Insurance/reinsurance finance reserve**

For all insurance contracts issued and reinsurance contracts held, the Branch has chosen to disaggregate insurance finance income or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the discount rates as determined on initial recognition of the group of contracts.

Amounts presented in OCI are accumulated in the insurance/reinsurance finance reserve. If the Branch derecognises a contract as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract are reclassified to profit or loss as a reclassification adjustment.

**2.3 Other income**

Fee revenue is from services provided in relation to the trade credit insurance product and is recognised when the services are provided.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.4 Property and equipment**

Property and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repair and maintenance expense are recognised in profit and loss when incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Furniture, fittings and equipment	3 to 10 years
Computers	3 to 5 years

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

**2.5 Impairment of non-financial assets**

Property and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.5 Impairment of non-financial assets (continued)**

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

**2.6 Financial instruments**

At initial recognition, the Branch measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset.

Investments in debt securities are classified as fair value through other comprehensive income ("FVOCI") and are carried at fair value on the title on a trade date basis. The business model aims both at obtaining contractual cash flows and selling them and, according to the terms of the contract, cash flows are received on specific dates, which constitute only payments of principal plus interest on principal.

The fair value of debt securities is estimated based on published bid prices or bid quotations received from securities dealers. Any changes in fair values are recorded, net of income taxes, in other comprehensive income ("OCI") until the financial asset is disposed of or has become impaired. When the asset is disposed of or has become impaired, the cumulative gain or loss previously recognised in OCI is reclassified from fair value reserve in equity to profit or loss.

The impairment model is based on expected future credit losses. The Branch assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt securities carried at FVOCI. At each reporting date, the Branch measures the value adjustment for expected credit losses at an amount equal to the expected credit losses over the life of the asset or the expected credit losses over the next 12 months; depending on whether the credit risk on that financial instrument has increased significantly since initial recognition. The measurement of the ECL reflects:

- a. an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.6 Financial instruments (continued)**

A number of significant judgements are required in applying the accounting requirements for measuring ECL, such as:

- a. determining criteria for a significant increase in credit risk (SICR);
- b. choosing appropriate models and assumptions for the measurement of the ECL;
- c. establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and establishing groups of similar financial assets for the purposes

The Branch outlines a three-stage model for impairment, based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1, and it has its credit risk continuously monitored by the Branch;
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2, but it is not yet deemed to be credit impaired;
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that results from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on the ECL on a lifetime basis;
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that it should consider forward-looking information; and
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

A provision for impairment for debt securities is established when there is objective evidence that the investment is impaired. Evidence that a debt security is impaired includes items such as:

- Significant financial difficulty of the borrower or issuer; and
- A breach of contract such as default of being more than 90 days past due.

Interest income is recognised using the effective interest method. Discounts and premiums on acquisition of debt securities are amortised to income over the term to maturity using the effective interest method. Gains and losses on disposal are taken into income when realised.

Cash and cash equivalents, other assets and amount due from related companies are subsequently measured at amortised cost.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.7 Financial liabilities**

Amounts due to related companies, insurance and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

**2.8 Leases**

*When the Branch is the lessee*

At the inception of the contract, the Branch assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **Right-of-use ("ROU") assets**

The Branch recognises a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

ROU assets (except for those which meet the definition of an investment property) are presented separately on the balance sheet.

- **Lease liabilities**

Lease liability is initially measured at the present value of the lease payments to be paid, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Branch's incremental borrowing rate. The Branch generally uses its incremental borrowing rate as the discount rate that applies to the lease.

Lease liability is subsequently measured at amortised cost using the effective interest method.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.8 Leases (continued)**

*When the Branch is the lessee* (continued)

- Lease liabilities (continued)

Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Branch's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability is presented in "Other liabilities and accruals" on the balance sheet.

- Short-term and low-value leases

The Branch has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**2.9 Provisions**

Provisions are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably determined.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.10 Employee compensation**

Employee benefits are recognised as an expense, unless the cost qualifies to be recognised as an asset.

*(a) Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Branch pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Branch has no further payment obligations once the contributions have been paid.

*(b) Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

**2.11 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transactions.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**2. Material accounting policy information (continued)**

**2.11 Income taxes (continued)**

The Branch accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

**2.12 Currency translation**

The financial statements are presented in Singapore Dollar, which is the functional currency of the Branch.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses are recognised in the profit or loss and presented as "foreign exchange gain/(loss)-net".

**2.13 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.14 Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

**2.15 Government grants**

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Branch will comply with all the attached conditions. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown as a deduction of the related expenses in the profit or loss.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**3. Critical accounting estimates, assumptions and judgements**

The preparation of financial statements in accordance with FRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results may differ from those estimates.

Judgments are made in the selection and assessment of the Branch's accounting policies. Estimates are used mainly in determining the measurement of recognised transactions and balances and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgment and estimates are often interrelated. The judgments and estimates are continually re-evaluated to ensure they remain appropriate and any revisions to accounting estimates are recognised in the year in which the estimates are revised and in future years affected.

The following are the areas that are subject to judgments and estimates that management believes could have the most significant impact on the amounts recognised in these financial statements:

**a) Insurance and reinsurance related judgements**

The Branch applies significant judgements associated with FRS 117 in the following cases:

*Determining the cash flows within the contract boundary*

The measurement of a group of (re-)insurance contracts include all future cash flows that arise within the contract limit. In determining which cash flows fall within a contract boundary, the Branch considers its substantive rights and obligations arising from the terms of the contract as well as from the applicable law and regulations. Cash flows are considered to be outside the contract limit if the Branch has the practical ability to change the price of existing contracts to reflect their revaluation risks and if the contract price for the hedge to the revaluation date considers only the risks until that next reassessment date.

The Branch applies its judgement assessing whether it has the practical ability to set a price that fully reflects all contract or portfolio risks. The Branch considers contractual, legal and regulatory restrictions in making its assessment.

*Level of granularity information*

The Branch uses judgement to determine at what level of granularity it has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same portfolio without performing an individual contract assessment.

---

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**3. Critical accounting estimates, assumptions and judgements (continued)**

**a) Insurance and reinsurance related judgements (continued)**

Assessment of directly attributable cash flows

The Branch applies its judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Cash flows are included in the measurement of a portfolio of insurance contracts only if they are directly attributable to the individual contracts of a group, the group itself or the portfolio to which the contract belongs. In estimating fulfilment cash flows, the Branch also allocates fixed and variable overheads directly attributable to the performance of insurance contracts.

**b) Insurance and reinsurance related estimates and assumptions**

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the financial statements.

In applying FRS 117 measurement requirements, the following inputs and methods were used that include significant estimates:

- The present value of future cash flows is estimated using deterministic scenarios, except where stochastic modelling is used to measure financial guarantees; and
- The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

Discount rates

The Branch measures the value of money over time using discount rates that reflect the liquidity characteristics of insurance contracts and the characteristics of cash flows, consistent with current market prices and excluding factors influencing the market prices of the reference assets but not affecting the flows of insurance contracts. The discount rate is calculated by the “bottom-up” approach after the transition (“bottom-up”) based on the risk-free curve, mainly based on the curve published monthly by EIOPA (European Insurance and Occupational Pensions Authority) and applying an illiquidity premium of zero.

The observable market information is available for up to 20 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**3. Critical accounting estimates, assumptions and judgements (continued)**

**b) Insurance and reinsurance related estimates and assumptions (continued)**

Discount rates (continued)

The yield curves that are used to discount the estimates of future cash flows are as follows:

	1 year	5 years	10 years	20 years
	%	%	%	%
<b>2025</b>				
SGD	<b>1.47</b>	<b>1.85</b>	<b>2.13</b>	<b>2.48</b>
USD	<b>3.29</b>	<b>3.38</b>	<b>3.72</b>	<b>4.08</b>
<b>2024</b>				
SGD	3.04	3.02	3.07	3.23
USD	4.48	4.20	4.21	4.21

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of FRS 117 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Branch estimates which cash flows are expected as at the valuation date. In making these expectations, the Branch uses information about past events, current conditions and forecasts of future conditions. The Branch's estimate of future cash flows is the average of a range of scenarios that reflect the full range of possible outcomes. The estimated future cash flows are calculated using a deterministic scenario representing the probability-weighted average of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the relevant level, these are allocated to contracts on a systematic basis, such as activity-based costing method. The Branch has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to contracts based on premiums of contracts in force within groups.

Indirect acquisition cash flows are allocated to contracts based on, for example, gross invoiced premiums. This implies an allocation of acquisition cash flows among existing groups of insurance contracts.

Claims handling expenses are allocated based on the outstanding amount observed for each claim at each valuation date.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**3. Critical accounting estimates, assumptions and judgements (continued)**

**b) Insurance and reinsurance related estimates and assumptions (continued)**

*Estimates of future cash flows to fulfil insurance contracts (continued)*

Uncertainty in the estimation of future claims payments arises primarily from the frequency and severity of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth. The Branch is capturing, within the future cash-flows estimates, the higher uncertainty for most recent months of risk. Assumptions used to develop estimates about future cash flows are reassessed on quarterly bases and adjusted where required.

Estimates for future claims payments are made through a combination of case-by-case estimates and statistical estimates. Provisions for reported claims are set on a case-by-case basis, taking into account statistical estimates for expected recoveries and statistical estimates of claims incurred to payment ratios. The estimates for future claims payments are produced per period during which policyholders brought risk under the contract boundary of the policy (e.g. the period in which the insured shipment has taken place). Large cases are provisioned separately, at expected loss.

The Branch projects estimates of future expenses relating to fulfilment of contracts within the scope of FRS 117 using expected expense levels. Expenses comprise expenses directly attributable to contracts, including an allocation of fixed and variable overheads.

Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the CSM within the LRC for contracts measured under the GMM.

*Methods used to measure credit insurance*

The Branch estimates insurance liabilities in relation to all bounded contracts. Estimates are performed on risk attaching period (e.g. months for short term credit insurance), with further allocation to contracts in proportion to the loss estimation volume measure (depending on the model).

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the expected losses from claims.

The methods employed to estimate claims are the chain-ladder, the Bornhuetter-Ferguson and Probability of default ("PD") – loss given default ("LGD") methods, which are the industry standards for this type of claims.

The Branch has not changed the methods used to estimate claims.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**3. Critical accounting estimates, assumptions and judgements (continued)**

**b) Insurance and reinsurance related estimates and assumptions (continued)**

*Methods used to measure credit insurance (continued)*

In its claims assessments, the Branch uses internal and market data. Internal data is derived mostly from the Branch's claims reports. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

*Methods used to measure the risk adjustment for non-financial risk*

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Branch's degree of risk aversion. The Branch estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment is calculated at the Group level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital requirement relating to non-financial risk. The cost rate is set at 7.5% (2024: 7.0%) per annum, representing the return required to compensate for the exposure to non-financial risk. The capital requirement is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies, because this reflects the compensation that the entity requires.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 86% (2024: 87.5%).

The methods and basis of assumptions used to determine the risk adjustment for non-financial risk were not changed in 2025 and 2024.

**(c) Income tax**

Significant judgment is required in determining the deductibility of certain expenses during the estimation of the provision for income tax. The Branch recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made.

---

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**4. Insurance and financial risk management**

**(a) Insurance risk**

*(i) Risk management objectives and policies for mitigating insurance risk*

*Underwriting strategy*

There are two underwriting processes: policy underwriting and buyer underwriting. Policy underwriting is the process by which the Branch decides which companies to accept as policyholders and the terms and conditions of cover that are offered to those policyholders. Buyer underwriting is the process by which the Branch sets a risk capacity for each buyer and issues credit limits for buyers under existing policies. Policy underwriting and buyer underwriting are carried out by Commercial and Risk Services units, respectively.

Staff in Commercial units have well-defined authorities specifying who can underwrite which policies. The pricing of credit insurance policies (new, amended and renewed), is also subject to governance and the models and methodologies used to establish a technical price require the approval of the Quantitative Model Committee, a committee responsible for approving the quantitative models used within the Group.

Underwriters in Risk Services have well-defined authorities specifying the level of decisions that an underwriter can take for the approval of credit limit on and capacity in the system on a buyer.

*Reinsurance strategy*

The Branch transfers a significant portion of its insurance risk to external reinsurers, through several reinsurance arrangements that include quota share and excess of loss treaties covering either the entire portfolio of the Branch or specific risks. The reinsurance treaties are renewed annually.

The Branch cedes out 35% (2024: 35%) of all risks to a panel of reinsurance companies and retained 65% (2024: 65%) risks of the Branch are covered under three layers of excess of loss reinsurance treaty.

The Branch's policy is to select only reinsurers that have a high rating, with a normal minimum requirement of an 'A-' level rating. The treaties also include a provision that if a reinsurer is downgraded during the period of the reinsurance below an A-rating then security can be requested and if not provided the reinsurance agreement with that reinsurer can be terminated.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**4. Insurance and financial risk management (continued)**

**(a) Insurance risk (continued)**

*(ii) Terms and conditions of insurance contracts*

Risks covered

The Branch only underwrites credit insurance risk.

Managing of risks

The Branch monitors its exposures across various dimensions such as counterparty, industry sector and geographic location. The Branch maintains records of all credit insurance policies, credit limits and buyers in integrated systems. These systems enable the Branch to set specific limits by buyer or buyer group. Management information derived from these systems allow the Branch to monitor aggregate exposure by country, customer, industry sector and other dimensions.

In addition to customer and buyer-specific decision tools, the Branch uses several instruments to analyse and manage the Branch's insurance risk profile on a retrospective, current and forward-looking basis. These include:

- Economic capital model – a best practice risk measurement tool;
- Risk dashboards and tools to drill down to underlying details of parts of the portfolio;
- Predictive analysis of indicators such as shipments, claims and premiums;
- Models of probabilities of default and loss-given-default.

These tools ensure that the Branch manages its risk profile within a regularly reviewed and approved risk management framework.

All buyers with significant exposure are reviewed at least annually. Depending on the credit worthiness of a buyer, reviews may be more frequent and even require the involvement of a Special Risk Management unit. The Branch continuously receives information on buyers through on-line connections with business information providers and from customers reporting negative payment experiences. Buyers are reviewed whenever substantive new information is received.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**4. Insurance and financial risk management (continued)**

**(a) Insurance risk (continued)**

*(iii) Concentrations of insurance risk*

A key aspect of the insurance risk faced by the Branch is the extent of concentration of insurance risk which may exist where a particular event or series of events could significantly impact the Branch's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise. An important aspect of the concentration of insurance risk is that it may arise from the accumulation of risks within a number of individual classes or contracts tranche. Concentrations of risk can arise in both high severity, low frequency events and in situations where underwriting is biased towards a particular group, such as a particular geographic or demographic trend or a particular group of companies that belong to the same shareholder.

The Company monitors its concentration risk exposures in terms of the sum of credit limits registered on individual buyers, referred to as total potential exposure ("TPE"). TPE is an approximate upper boundary to real outstanding exposure, in the sense that a limit that the Company or the Branch has issued does not necessarily give rise to underwriting risk at a specific point in time. At the portfolio level, real outstanding exposure tends to be in the range of 10% to 30% of TPE, on top of which customers still have their own retention.

The Branch sets out the total aggregate exposure that it is prepared to accept in relation to concentration of risks based on the guidelines given by the Monetary Authority of Singapore under the Risk-Based Capital Framework. It monitors these exposures both at the time of underwriting a risk, and on a quarterly basis by reviewing reports which show the key aggregations of risks to which the Branch is exposed.

The Branch's key methods in managing these risks are through appropriate underwriting procedures and the use of reinsurance as discussed in section (i) above.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

- (a) Insurance risk (continued)**  
*(iv) Claims Development Table*

Actual claims payments are compared with previous estimates of undiscounted amounts of the claims in the claims development disclosure below on gross of reinsurance basis as at 31 December 2025. The claims development tables provide an overview of how the Branch' recognised estimate of ultimate claim costs for underwriting years 2020 to 2024 have changed at successive financial year-ends. Underwriting year here means the year in which the risks occurred; for reinsurance business it is the treaty year.

Gross Claims Development

<b>Accident Year</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
At the end of accident year	13,700,571	19,722,905	82,492,100	41,247,024	43,251,203	
One year later	16,433,415	12,335,790	77,827,654	24,059,097		
Two years later	14,838,006	7,236,585	68,884,075			
Three years later	13,682,677	7,252,651				
Four years later	13,368,497					
Actual cumulative claim payments	13,387,686	7,396,299	41,359,277	21,092,441	18,803,192	102,038,895
Cumulative expected claim payments (accident years in triangle)	(19,189)	(143,648)	27,524,798	2,966,656	24,448,011	54,776,628
Cumulative expected claim payments (accident years prior to triangle)						(522,446)
Effect of discounting						(548,923)
Effect of risk adjustment						6,495,697
Gross liability for incurred claims						60,200,956

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(a) Insurance risk (continued)**

**(iv) Claims Development Table (continued)**

Net Claims Development

<b>Accident Year</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
At the end of accident year	6,947,903	11,182,846	44,268,244	25,590,013	27,583,360	
One year later	8,330,368	6,630,306	35,355,531	14,278,133		
Two years later	7,515,676	4,429,775	30,105,686			
Three years later	6,943,641	4,437,012				
Four years later	6,835,462					
Actual cumulative claim payments	6,844,565	4,525,957	23,361,824	13,034,173	12,363,071	60,129,590
Cumulative expected claim payments (accident years in triangle)	(9,103)	(88,945)	6,743,862	1,243,960	15,220,289	23,110,063
Cumulative expected claim payments (accident years prior to triangle)						(208,437)
Effect of discounting						(336,346)
Effect of risk adjustment						2,758,952
Net liability for incurred claims						<u>25,324,232</u>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(a) Insurance risk (continued)**

**(v) Sensitivity analysis**

The following tables present information on how reasonably possible changes in assumptions with regard to underwriting risk variables and discount rates impact insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

The risks associated with credit insurance and surety are subject to several factors that are not particularly open to quantitative sensitivity analysis. This section describes the quantitative sensitivity analysis that is feasible.

The Branch has defined the following three sensitivity assessments:

- Uplift shock on discounting rates (+50 basis points).
- Down lift shock on discounting rates (-50 basis points).
- Deterioration in underwriting risk: All expected cashflows related to all estimated claims are increased by 10%. Where all amounts imply indemnities, recoveries and claim handling expenses. This is applied irrespective of product, model and type of claims' related cashflows.

The loss component (LC) and loss recovery component (LREC) are broken out from the CSM for the sensitivity analysis.

	Impact on FCF	Impact On CSM	Impact on LC	Impact on LREC	Total increase/ (decrease) in insurance contract liabilities	Impact on profit before income tax	Impact on equity
<b>2025</b>							
<b>Gross</b>							
Discounting -Increase by 50bps	(323,696)	-	(24,407)	-	(348,103)	<1%	<1%
Discounting -Decrease by 50bps	328,263	-	24,719	-	352,982	<1%	<1%
Underwriting Risk -claims increase by 10%	8,930,585	(925,130)	2,272,628	-	10,278,083	(42%)	(39%)
<b>Ceded</b>							
Discounting -Increase by 50bps	112,465	-	-	7,621	120,086	<1%	<1%
Discounting -Decrease by 50bps	(113,885)	-	-	(7,722)	(121,607)	<1%	<1%
Underwriting Risk -claims increase by 10%	(5,156,232)	311,876	-	(769,011)	(5,613,367)	23%	22%
<b>Net</b>							
Discounting -Increase by 50bps	(211,231)	-	(24,407)	7,621	(228,017)	<1%	<1%
Discounting -Decrease by 50bps	214,378	-	24,719	(7,722)	231,375	<1%	<1%
Underwriting Risk -claims increase by 10%	3,774,353	(613,254)	2,272,628	(769,011)	4,664,716	(19%)	(18%)

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(a) Insurance risk (continued)**

**(v) Sensitivity analysis (continued)**

2024	Impact on FCF	Impact On CSM	Impact on LC	Impact on LREC	Total increase/ (decrease) in insurance contract liabilities	Impact on profit before income tax	Impact on equity
<b>Gross</b>							
Discounting -Increase by 50bps	(344,516)	13	(7,671)	-	(352,175)	<1%	<2%
Discounting -Decrease by 50bps	349,104	(13)	7,774	-	356,865	<1%	<2%
Underwriting Risk -claims increase by 10%	9,237,066	(895,019)	2,152,243	-	10,494,290	(42%)	(46%)
<b>Ceded</b>							
Discounting -Increase by 50bps	130,992	(357)	-	2,721	133,356	<1%	<1%
Discounting -Decrease by 50bps	(132,489)	360	-	(2,756)	(134,885)	<1%	<1%
Underwriting Risk -claims increase by 10%	(5,234,891)	476,437	-	(736,860)	(5,495,314)	22%	24%
<b>Net</b>							
Discounting -Increase by 50bps	(213,524)	(344)	(7,671)	2,721	(218,818)	<1%	<1%
Discounting -Decrease by 50bps	216,615	346	7,774	(2,756)	221,979	<1%	<1%
Underwriting Risk -claims increase by 10%	4,002,175	(418,581)	2,152,243	(736,860)	4,998,977	(20%)	(22%)

**(b) Financial risk**

*Financial risk management policies and objectives*

The Branch has a set of documented financial risk management policies. These policies set out the Branch's overall business strategies and its risk management philosophy. The Branch's overall financial risk management programme seeks to recognise potential adverse effects to the financial performance of the Branch. Management provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), credit risk, and liquidity risk. Such written policies are reviewed annually by management and periodic reviews are undertaken to ensure that the Branch's policy guidelines are complied with. Risk management is managed by the underwriting committee under the policies approved by management.

There has been no change to the Branch's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Branch does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions, and other financial assets and liabilities created in the ordinary course of business.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(i) Market risk*

Market risk is the risk that the fair value of assets and liabilities that are sensitive to movements in market prices, decreases or increases due to adverse movements in interest rates or currency exchange rates.

*Interest rate risk*

Interest-bearing financial assets comprise mainly short-term bank deposits and financial assets at FVOCI which are all Singapore Government bonds. With the current interest rate level, any future variations in interest rates will not have a material impact on the results of the Branch.

Summary of quantitative data of the Branch's interest-bearing financial instruments can be found in Note 4(b)(iii).

*Foreign currency risk*

During the ordinary course of business, the Branch engages in foreign currency denominated transactions. As a result, the Branch is exposed to movements in foreign currency exchange rates.

At the balance sheet date, the carrying amounts of financial assets and liabilities that are denominated in currencies other than the Branch's functional currencies are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>
	\$	\$	\$	\$
United States dollars	<b>139,110,319</b>	<b>206,091,906</b>	132,781,152	187,469,390
Euro	<b>8,186,101</b>	<b>4,185,218</b>	9,025,458	5,094,921
Thai Baht	<b>34,238</b>	<b>7,521,572</b>	268,449	5,643,696

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(i) Market risk (continued)*

Foreign currency risk (continued)

If the USD, Euro, and THB change against the SGD by 5% (2024: 5%) respectively with all other variables including the tax rate being held constant, the effects arising from the net financial liability/asset (excluding equity instruments) that are exposed to currency risk will be as follows:

	<b>▲ Increase/(Decrease) ▼</b>	
	<b>2025</b>	<b>2024</b>
	<b>Profit after tax \$</b>	<b>Profit after tax \$</b>
USD against SGD		
- Strengthened	<b>3,014,171</b>	2,460,971
- Weakened	<b>(3,014,171)</b>	(2,460,971)
Euro against SGD		
- Strengthened	<b>(180,040)</b>	(176,874)
- Weakened	<b>180,040</b>	176,874
THB against SGD		
- Strengthened	<b>336,930</b>	241,886
- Weakened	<b>(336,930)</b>	(241,886)

*(ii) Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Branch. The Branch has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Branch's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the credit control committee.

The carrying amount of claim recoverable from reinsurers, insurance and other receivables, financial assets at FVOCI and cash and cash equivalents represent the Branch's maximum exposure to credit risk.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(ii) Credit risk (continued)*

The Branch extends credit to its brokers and customers based on normal commercial terms. The outstanding balances are closely monitored and the ageing information of major debtors are highlighted in the monthly credit control committee meeting. The Branch also has exposure to credit risk to reinsurers generally and also to specific reinsurers. The minimum requirement for reinsurers is an 'A-' level rating. In the event that the reinsurer's rating is found to be below this threshold, the Branch has the right to either terminate the reinsurance relationship during the course of the reinsurance year or seek collateral if the relationship is to continue.

At the balance sheet date, management believes that there is no significant concentration of credit risk and exposures are well spread. The Branch's exposure to credit risk relating to its financial assets is recognised below:

	<u>Neither past-due nor impaired</u>			Total
	Grade* (BBB to AAA)	Not rated	Past due but not impaired	
	\$	\$	\$	\$
<b>2025</b>				
Cash and cash equivalents	<b>128,713,370</b>	-	-	<b>128,713,370</b>
Other assets	-	<b>738,544</b>	-	<b>738,544</b>
Amount due from related companies	-	<b>382,956</b>	-	<b>382,956</b>
Insurance contract related assets	-	<b>268,758</b>	-	<b>268,758</b>
Reinsurance contract related assets	<b>43,951,870</b>	-	-	<b>43,951,870</b>
Debt instruments at fair value through other comprehensive income	<b>18,278,000</b>	-	-	<b>18,278,000</b>
<b>2024</b>				
Cash and cash equivalents	84,126,853	-	-	84,126,853
Other assets	-	694,769	-	694,769
Amount due from related companies	22,716,448	1,653,193	-	24,369,641
Insurance contract related assets	-	456,858	-	456,858
Reinsurance contract related assets	36,968,670	-	-	36,968,670
Debt instruments at fair value through other comprehensive income	17,575,000	-	-	17,575,000

\* Based on public ratings assigned by external rating agencies, i.e., Standard & Poor's and Moody's.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(iii) Liquidity risk*

The Branch is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to settle its obligations when due at a reasonable cost.

Liquidity risk is managed at the Group level, in close coordination with the local Branch operations. The Branch's policy is to monitor and measure ongoing cash flow patterns and control liquidity by maintaining sufficient cash and highly marketable securities to reduce liquidity risk to acceptably low levels. Also, the Branch's head office will support the Branch if any liquidity issue arises.

The following tables indicate the estimated amount and timing of the main cash flows at the end of the reporting period of interest and non-interest bearing assets and liabilities.

	Effective interest rate %	Within 1 year \$	Within 2 to 5 years \$	Total \$
<b>2025</b>				
Short-term bank deposits	<b>2.75</b>	<b>54,137,660</b>	-	<b>54,137,660</b>
Debt instruments at fair value through other comprehensive income	<b>2.13</b>	<b>18,278,000</b>	-	<b>18,278,000</b>
<b>2024</b>				
Short-term bank deposits	3.41	47,312,350	-	47,312,350
Debt instruments at fair value through other comprehensive income	2.13	-	17,575,000	17,575,000

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(iii) Liquidity risk (continued)*

The Branch's insurance contract liabilities (net) and reinsurance contract assets (net) are based on contractual undiscounted cash flows (excluding risk adjustment and contractual service margin).

	Year 1	Year 2	Year 3	Year 4	Year 5	>5 years	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2025</b>							
Insurance contract liabilities	<b>62,858,463</b>	<b>15,983,020</b>	<b>8,758,637</b>	<b>2,222,495</b>	<b>476,782</b>	<b>144,801</b>	<b>90,444,198</b>
Reinsurance contract assets	<b>28,106,371</b>	<b>6,248,405</b>	<b>1,561,066</b>	<b>664,117</b>	<b>105,770</b>	<b>21,540</b>	<b>36,707,269</b>
<b>2024</b>							
Insurance contract liabilities	15,253,476	25,602,823	4,978,455	1,739,224	687,177	414,357	48,675,512
Reinsurance contract assets	11,991,618	10,943,061	1,358,875	471,078	113,620	60,798	24,939,050

The Branch has no exposure to IBOR reform as at 31 December 2025 and 31 December 2024.

*(iv) Fair value of financial assets and liabilities*

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(iv) Fair value of financial assets and liabilities (continued)*

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2025</b>				
Cash and cash equivalents	128,713,370	-	-	128,713,370
Debt instruments at fair value through other comprehensive income	-	18,278,000	-	18,278,000
	<u>128,713,370</u>	<u>18,278,000</u>	<u>-</u>	<u>146,991,370</u>
<b>31 December 2024</b>				
Cash and cash equivalents	84,126,853	-	-	84,126,853
Debt instruments at fair value through other comprehensive income	-	17,575,000	-	17,575,000
	<u>84,126,853</u>	<u>17,575,000</u>	<u>-</u>	<u>101,701,853</u>

There were no transfers between Levels 1 and 2 during the year.

The carrying amounts of cash and cash equivalents, insurance and other current receivables, and other liabilities that are stated at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments. Management considers the fair values of financial assets and liabilities other than unpaid claims and adjustment expenses to approximate their carrying amounts due to the short-term nature of the balances. The value of gross unpaid claims and adjustment expenses represents management's best estimate of the ultimate amount required to settle the liabilities. The Branch uses an actuarial approach to discount insurance liabilities based on the time value of money.

As at 31 December 2025, the Branch has \$18,278,000 (2024: \$17,575,000) of financial assets carried at fair value. The Branch has no financial liabilities carried at fair value as at 31 December 2025 and 31 December 2024.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**4. Insurance and financial risk management (continued)**

**(b) Financial risk (continued)**

*(v) Categories of financial instruments*

	<b>2025</b>	2024
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	<b>128,713,370</b>	84,126,853
Reinsurance contract assets	<b>43,951,870</b>	36,968,670
Insurance contract assets	<b>268,758</b>	456,858
Amount due from related companies	<b>382,956</b>	24,369,641
Other assets	<b>738,544</b>	694,769
Debt instruments at fair value through other comprehensive income	<b>18,278,000</b>	17,575,000
	<b>18,278,000</b>	17,575,000
<b>Financial liabilities</b>		
Other liabilities and accruals	<b>10,195,387</b>	10,202,030
Amount due to related companies	<b>1,898,322</b>	614,236
Insurance contract liabilities	<b>68,027,886</b>	64,062,700
Reinsurance contract liabilities	<b>382,438</b>	267,109
	<b>382,438</b>	267,109

*(vi) Financial instruments subject to offsetting, enforceable master netting arrangements and similar arrangements*

The Branch does not have any financial instruments which are subject to offsetting, enforceable master netting agreements or similar netting agreements.

**(c) Capital risk**

The Branch reviews its capital structure to ensure it will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which it operates while it recognised the return to stakeholders through the debt and equity balance. The capital structure of the Branch comprises of head office account.

The Branch is in compliance with the externally imposed capital and solvency requirement of the Monetary Authority of Singapore ("MAS") for the financial year ended 31 December 2025 and 31 December 2024.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**5. Head office, related company and related party transactions**

The Branch is part of Atradius Credito Y Caucion S.A de Seguros Y Reaseguros. ("ACyC"), incorporated in Madrid Spain. The main shareholder of ACyC is Atradius Insurance Holding N.V.. The remaining one share in ACyC is held by Atradius N.V.. The parent company of Atradius Insurance Holding N.V. is Atradius N.V. (together with its subsidiaries referred to as Atradius), which is incorporated and domiciled in Amsterdam, the Netherlands. The ultimate parent and the ultimate controlling party of Atradius was Grupo Catalana Occidente S.A.. With effect from 5 January 2026, the ultimate parent and the ultimate controlling party has changed to CO Sociedad de Gestión y Participación, S.A..

The Branch's resources and existence are at the disposal of the corporate management. Its assets are legally available for the satisfaction of the debt of the entire company, not solely those appearing on the accompanying financial statements, and its debts may result in claims against assets not appearing thereon.

During the financial year, the Branch had the following transactions with its head office and related companies:

	<b>2025</b>	2024
	<b>\$</b>	\$
Written premium ceded to related corporation	<b>(385,572)</b>	23,652
Premium received from related corporation	<b>9,050,949</b>	10,172,850
Commission received from/(paid to) related corporation	<b>278,799</b>	(50,863)
Management fee paid to head office	<b>14,992,994</b>	11,123,773
Management fee paid to related corporation	<b>4,370,257</b>	6,143,853
Reinsurance claims recoveries received from related corporation	<b>(59,943)</b>	(82,465)
Gross claims settled from related corporation	<b>18,875</b>	4,529,374

**Key management personnel**

Key management personnel of the Branch are those persons having the authority and responsibility for planning, directing and controlling the activities of the Branch. The local appointed Chief Executive is considered a key management personnel of the Branch.

Short-term employee benefits paid to key management personnel (included in staff costs) amount to \$393,492 (2024: \$354,017).

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**6. Insurance service results**

An analysis of insurance revenue and insurance service expenses for 2025 and 2024 is included in the following table:

	2025 \$	2024 \$
<b>Insurance revenue</b>		
Amounts relating to changes in liabilities for remaining coverage		
- CSM recognised for services provided	<b>22,142,997</b>	21,094,066
- Change in risk adjustment for non-financial risk for risk expired	<b>5,663,332</b>	4,352,065
- Expected incurred claims and other insurance service expenses	<b>54,030,331</b>	61,264,516
- Experience adjustments – arising from premiums received in the period other than those relate to future service	<b>(2,813)</b>	248,771
Recovery of insurance acquisition cash flows	<b>24,931,903</b>	21,801,173
<b>Total insurance revenue</b>	<b>106,765,750</b>	108,760,591
<b>Insurance services expenses</b>		
Incurred claims and other directly attributable expenses	<b>(36,636,678)</b>	(36,959,455)
Losses on onerous contracts and reversals of those losses	<b>(14,557,138)</b>	(19,737,170)
Amortisation of insurance acquisition cash flows	<b>(24,931,903)</b>	(21,801,173)
Changes in estimates not reflected in the contractual service margin or loss component	<b>9,142</b>	116,370
Adjustment to liabilities for incurred claims	<b>24,037,255</b>	7,420,908
<b>Total insurance services expenses</b>	<b>(52,079,322)</b>	(70,960,520)
<b>Insurance service result before reinsurance contract held</b>	<b>54,686,428</b>	37,800,071
<b>Expenses from reinsurance contracts held</b>		
Allocation of reinsurance premiums	<b>(27,268,272)</b>	(29,535,505)
Amounts recoverable from reinsurers for incurred claims	<b>5,401,014</b>	17,596,545
<b>Net expenses for reinsurance contracts</b>	<b>(21,867,258)</b>	(11,938,960)
<b>Insurance service result</b>	<b>32,819,170</b>	25,861,111

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**7. Investment income**

	2025	2024
	\$	\$
<b>Investment income/(loss)</b>		
Interest income		
- Debt securities	471,963	433,568
- Bank deposits	1,617,569	1,787,845
- Other income	405,419	953,504
Changes in allowance for expected credit losses	2,646	(1,343)
<b>Total investment income</b>	<b>2,497,597</b>	<b>3,173,574</b>
<b>Net finance expenses from insurance contracts</b>		
Interest accreted	(782,495)	(911,862)
Effect of changes in interest rates and other financial assumptions	-	-
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(1,945,216)	(1,338,304)
Foreign exchange differences	(1,307,896)	338,547
<b>Total financial expenses from insurance contracts recognised in P&amp;L</b>	<b>(4,035,607)</b>	<b>(1,911,619)</b>
Amount recognised in OCI	(205,100)	1,033,572
<b>Total net finance expenses from insurance contracts</b>	<b>(4,240,707)</b>	<b>(878,047)</b>
<b>Net finance income from reinsurance contracts held</b>		
Interest accreted	80,725	183,888
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	892,163	699,568
Foreign exchange differences	487,437	(205,388)
<b>Total finance income from reinsurance contracts held recognised in P&amp;L</b>	<b>1,460,325</b>	<b>678,068</b>
Amount recognised in OCI	(1,610,847)	(224,005)
<b>Total net finance (expenses)/income from reinsurance contracts held</b>	<b>(150,522)</b>	<b>454,063</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**8. Cash and cash equivalents**

	<b>2025</b>	2024
	\$	\$
Cash in banks	<b>74,575,710</b>	36,814,503
Short-term bank deposits	<b>54,137,660</b>	47,312,350
	<b><u>128,713,370</u></b>	<u>84,126,853</u>

Cash and cash equivalents balance is current.

**9. Amounts due from/(to) related companies**

	<b>2025</b>	2024
	\$	\$
Amounts due from related companies	<b>382,956</b>	24,369,641
Amounts due to related companies	<b>(1,898,322)</b>	(614,236)
	<b><u>(1,515,366)</u></b>	<u>23,755,405</u>

Amounts due from/(to) related companies are current, unsecured, non-interest bearing and repayable on demand.

**10. Other assets**

	<b>2025</b>	2024
	\$	\$
Accrued interest receivable on debt securities and bank deposits	<b>275,128</b>	506,535
Deposits	<b>197,844</b>	184,181
Prepayments	<b>155,321</b>	236,681
GST receivables	<b>265,573</b>	-
Others	-	4,053
	<b><u>893,866</u></b>	<u>931,450</u>

The other assets balance is current.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

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

	<b>2025</b>	2024
	\$	\$
Beginning of financial year	<b>17,575,000</b>	17,680,750
Additions	-	18,363,100
Maturity	-	(17,950,000)
Amortisation	<b>78,838</b>	(50,700)
Unrealised fair value gain/(loss)	<b>624,162</b>	(468,150)
End of financial year	<b>18,278,000</b>	17,575,000
	<b>2025</b>	2024
	\$	\$
Government and public authority securities:		
Current	<b>18,278,000</b>	-
Non-current	-	17,575,000
	<b>18,278,000</b>	17,575,000

**12. Property and equipment**

	Furniture, fittings and equipment	Computers	Total
	\$	\$	\$
<u>Cost:</u>			
At 1 January 2024	559,347	264,905	824,252
Additions	5,022	11,899	16,921
Disposals	-	(1,264)	(1,264)
At 31 December 2024	564,369	275,540	839,909
Additions	-	<b>1,772</b>	<b>1,772</b>
At 31 December 2025	<b>564,369</b>	<b>277,312</b>	<b>841,681</b>
<u>Accumulated depreciation:</u>			
At 1 January 2024	151,578	157,555	309,133
Depreciation	69,967	66,961	136,928
Disposals	-	(1,264)	(1,264)
At 31 December 2024	221,545	223,252	444,797
Depreciation	<b>70,528</b>	<b>32,380</b>	<b>102,908</b>
At 31 December 2025	<b>292,073</b>	<b>255,632</b>	<b>547,705</b>
<u>Carrying amount</u>			
At 31 December 2025	<b>272,296</b>	<b>21,680</b>	<b>293,976</b>
At 31 December 2024	342,824	52,288	395,112

The property and equipment balance is non-current.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts**

An analysis of the amounts presented on Statement of Assets and Liabilities arising out of Operations in Singapore for insurance contracts is included in the table below, along with the presentation of current and non-current portions of the balances:

	2025		Total	2024		Total
	Current	Non-current		Current	Non-current	
	\$	\$	\$	\$	\$	\$
<b>Insurance contracts</b>						
Insurance contract liabilities	47,279,189	20,748,697	68,027,886	20,075,367	43,987,333	64,062,700
Insurance contract assets	(186,786)	(81,972)	(268,758)	(273,253)	(183,605)	(456,858)
	<b>47,092,403</b>	<b>20,666,725</b>	<b>67,759,128</b>	<b>19,802,114</b>	<b>43,803,728</b>	<b>63,605,842</b>

The insurance contract assets include deferred acquisition costs of \$268,758 (2024: \$189,457).

	2025		Total	2024		Total
	Current	Non-current		Current	Non-current	
	\$	\$	\$	\$	\$	\$
<b>Reinsurance contracts held</b>						
Reinsurance contracts assets	33,653,486	10,298,384	43,951,870	17,775,904	19,192,766	36,968,670
Reinsurance contracts liabilities	(292,829)	(89,609)	(382,438)	(128,436)	(138,673)	(267,109)
	<b>33,360,657</b>	<b>10,208,775</b>	<b>43,569,432</b>	<b>17,647,468</b>	<b>19,054,093</b>	<b>36,701,561</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(a) Movements in insurance and reinsurance

(i) Insurance contracts

	2025				2024			
	Liabilities for remaining coverage		Liabilities for remaining coverage		Liabilities for remaining coverage		Liabilities for remaining coverage	
	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
<b>Insurance contracts liabilities (net) as at 1 January</b>	\$ (17,009,536)	\$ 15,273,364	\$ 65,531,471	\$ 63,795,299	\$ 5,399,519	\$ 10,978,445	\$ 57,279,646	\$ 73,657,610
<b>Changes in the statement of comprehensive income</b>								
Insurance revenue	(106,765,750)	-	-	(106,765,750)	(108,760,591)	-	-	(108,760,591)
<b>Insurance service expenses</b>								
Incurred claims and other insurance service expenses	-	(18,073,329)	54,710,007	36,636,678	-	(15,585,626)	52,545,081	36,959,455
Amortisation of insurance acquisition cash flows	24,931,903	-	-	24,931,903	21,801,173	-	-	21,801,173
Losses and reversal of losses on onerous contracts	-	14,557,138	-	14,557,138	-	19,737,170	-	19,737,170
Changes in estimates not reflected in the contractual service margin or loss components	(9,142)	-	-	(9,142)	(116,370)	-	-	(116,370)
Adjustments to liabilities for incurred claims	-	-	(24,037,255)	(24,037,255)	-	-	(7,420,908)	(7,420,908)
<b>Total insurance service expenses</b>	24,922,761	(3,516,191)	30,672,752	52,079,322	21,684,803	4,151,544	45,124,173	70,960,520
<b>Insurance service result</b>	(81,842,989)	(3,516,191)	30,672,752	(54,686,428)	(87,075,788)	4,151,544	45,124,173	(37,800,071)
<b>Net finance expense/(income) from insurance contracts</b>								
Amount recognised in P&L	2,543,661	203,659	1,288,287	4,035,607	1,007,200	127,955	776,464	1,911,619
Amount recognised in OCI	(690,179)	(150,120)	1,045,399	205,100	187,395	15,420	(1,236,387)	(1,033,572)
<b>Total changes in the statement of comprehensive income</b>	(79,989,507)	(3,462,652)	33,006,438	(50,445,721)	(85,881,193)	4,294,919	44,664,250	(36,922,024)

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

- 13. Insurance and reinsurance contracts (continued)**
- (a) Movements in insurance and reinsurance (continued)
- (i) Insurance contracts (continued)

	2025				2024			
	Liabilities for remaining coverage		Liabilities for remaining coverage		Liabilities for remaining coverage		Liabilities for remaining coverage	
	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows</b>								
Premiums received	118,670,531	-	-	118,670,531	86,101,551	-	-	86,101,551
Claims and other insurance service expenses paid, including investment components	-	-	(24,647,827)	(24,647,827)	-	-	(24,878,414)	(24,878,414)
Insurance acquisition cash flows and other pre-recognition cashflows recognised and other changes	(25,655,270)	-	-	(25,655,270)	(22,629,413)	-	-	(22,629,413)
Administration and other costs paid	-	-	(13,689,126)	(13,689,126)	-	-	(11,534,011)	(11,534,011)
<b>Total cash flows</b>	<b>93,015,261</b>	<b>-</b>	<b>(38,336,953)</b>	<b>54,678,308</b>	<b>63,472,138</b>	<b>-</b>	<b>(36,412,425)</b>	<b>27,059,713</b>
<b>Insurance contracts liabilities (net) at 31 December</b>	<b>(3,983,782)</b>	<b>11,810,712</b>	<b>60,200,956</b>	<b>68,027,886</b>	<b>(17,009,536)</b>	<b>15,273,364</b>	<b>65,531,471</b>	<b>63,795,299</b>
Insurance contract assets	-	-	-	-	(3,272,057)	2,999,752	4,904	(267,401)
Insurance contract liabilities	(3,983,782)	11,810,712	60,200,956	68,027,886	(13,737,479)	12,273,612	65,526,567	64,062,700
<b>Insurance contracts liabilities (net) at 31 December</b>	<b>(3,983,782)</b>	<b>11,810,712</b>	<b>60,200,956</b>	<b>68,027,886</b>	<b>(17,009,536)</b>	<b>15,273,364</b>	<b>65,531,471</b>	<b>63,795,299</b>

The table above excludes the insurance contract assets associated with deferred acquisition costs of \$268,758 (2024: \$189,457).

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

- 13. Insurance and reinsurance contracts (continued)**
- (a) Movements in insurance and reinsurance (continued)
- (ii) Reinsurance contracts held

	2025				2024			
	Remaining coverage component	Loss component	Assets for incurred claims	Total	Excluding loss component	Loss component	Assets for incurred claims	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Reinsurance contract assets (net) as at 1 January</b>	(3,709,348)	4,248,746	36,162,163	36,701,561	578,945	2,385,044	39,010,441	41,974,430
<b>Changes in the statement of comprehensive income</b>	(27,268,272)	-	-	(27,268,272)	(29,535,505)	-	-	(29,535,505)
Allocation of reinsurance premiums paid								
Recoveries of incurred claims and other insurance service expenses / losses and reversal of losses on loss recovery component	(5,113)	(1,706,958)	7,113,085	5,401,014	(102)	1,863,702	15,732,945	17,596,545
<b>Net (expense)/income from reinsurance contracts held</b>	(27,273,385)	(1,706,958)	7,113,085	(21,867,258)	(29,535,607)	1,863,702	15,732,945	(11,938,960)
<b>Net finance income/(expense) from reinsurance contracts held</b>	1,108,527	-	351,798	1,460,325	304,015	-	374,053	678,068
Amount recognised in P&L	(602,565)	-	(1,008,282)	(1,610,847)	322,457	-	(546,462)	(224,005)
<b>Total changes in the statement of comprehensive income</b>	(26,767,423)	(1,706,958)	6,456,601	(22,017,780)	(28,909,135)	1,863,702	15,560,536	(11,484,897)

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

- 13. Insurance and reinsurance contracts (continued)**
- (a) Movements in insurance and reinsurance (continued)
- (ii) Reinsurance contracts held (continued)

	2025			2024		
	Remaining coverage component	Loss component	Assets for incurred claims	Remaining coverage component	Loss component	Assets for incurred claims
	Excluding loss component		Total	Excluding loss component		Total
	\$	\$	\$	\$	\$	\$
<b>Cash flows</b>						
Premiums paid net of ceding commissions and other directly attributable expenses paid	53,350,471	-	53,350,471	39,534,378	-	39,534,378
Claims and other recoverable received	(16,722,780)	-	(24,464,820)	(14,913,536)	-	(33,322,350)
<b>Total cash flows</b>	<b>36,627,691</b>	<b>-</b>	<b>28,885,651</b>	<b>24,620,842</b>	<b>-</b>	<b>6,212,028</b>
<b>Reinsurance contract assets (net) as at 31 December</b>	<b>6,150,920</b>	<b>2,541,788</b>	<b>43,569,432</b>	<b>(3,709,348)</b>	<b>4,248,746</b>	<b>36,701,561</b>
Reinsurance contract assets	6,589,926	2,541,539	43,951,870	(3,713,320)	4,247,968	36,968,670
Reinsurance contract liabilities	(439,006)	249	(382,438)	3,972	778	(267,109)
<b>Reinsurance contract assets (net) as at 31 December</b>	<b>6,150,920</b>	<b>2,541,788</b>	<b>43,569,432</b>	<b>(3,709,348)</b>	<b>4,248,746</b>	<b>36,701,561</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(b) Movements in carrying amounts – Analysis by measurement component

(i) Insurance contracts

	2025		2024		
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
<b>Insurance contract liabilities (net) at 1 January</b>	\$ 40,400,070	\$ 10,936,717	\$ 12,458,512	\$ 8,611,206	\$ 9,099,945
<b>Changes in the statement of comprehensive income</b>					
<b>Changes that relate to current services</b>					
CSM recognised for services received	-	-	(22,142,997)	-	(21,094,066)
Experience adjustments	(15,093,346)	-	-	(20,533,740)	(20,533,740)
Risk adjustment recognised for the risk expired	-	(841,819)	-	(243,802)	(243,802)
<b>Changes that relate to future services</b>					
Contracts initially recognised in the year	(14,943,081)	5,598,151	21,303,339	5,314,065	27,777,958
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-
Changes in estimates that adjust the CSM	2,832,367	453,280	(3,285,647)	312,461	(4,185,479)
Changes in estimates that result in losses and reversal of losses on onerous contracts	1,687,433	178,719	732,576	651,250	(51,708)
<b>Changes that relate to past services</b>					
Adjustments to LIC	(26,329,511)	(4,838,706)	-	(3,901,732)	-
Adjustments to LRC	2,814	-	-	-	-
<b>Insurance service results</b>	<b>(51,843,324)</b>	<b>549,625</b>	<b>(3,392,729)</b>	<b>2,132,242</b>	<b>2,446,705</b>
<b>Net finance expense/(income) from insurance contracts</b>					
Amount recognised in P&L	2,911,892	341,220	782,495	287,382	911,862
Amount recognised in OCI	279,625	(74,525)	-	(94,113)	-
<b>Total changes in the statement of comprehensive income</b>	<b>(48,651,807)</b>	<b>816,320</b>	<b>(2,610,234)</b>	<b>2,325,511</b>	<b>3,358,567</b>
					<b>(36,922,024)</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

- 13. Insurance and reinsurance contracts** (continued)
- (b) Movements in carrying amounts – Analysis by measurement component (continued)
- (i) Insurance contracts (continued)

	2025				2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash flows</b>								
Premiums received	118,670,531	-	-	118,670,531	86,101,551	-	-	86,101,551
Claims and other insurance service expenses paid, including investment components	(24,647,827)	-	-	(24,647,827)	(24,878,414)	-	-	(24,878,414)
Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	(25,655,270)	-	-	(25,655,270)	(22,629,413)	-	-	(22,629,413)
Administration and other costs paid	(13,689,126)	-	-	(13,689,126)	(11,534,011)	-	-	(11,534,011)
<b>Total cash flows</b>	<b>54,678,308</b>	<b>-</b>	<b>-</b>	<b>54,678,308</b>	<b>27,059,713</b>	<b>-</b>	<b>-</b>	<b>27,059,713</b>
<b>Insurance contract liabilities (net) at 31 December</b>	<b>46,426,571</b>	<b>11,753,037</b>	<b>9,848,278</b>	<b>68,027,886</b>	<b>40,400,070</b>	<b>10,936,717</b>	<b>12,458,512</b>	<b>63,795,299</b>
Insurance contract assets	-	-	-	-	(279,795)	12,394	-	(267,401)
Insurance contract liabilities	46,426,571	11,753,037	9,848,278	68,027,886	40,679,865	10,924,323	12,458,512	64,062,700
<b>Insurance contract liabilities (net) at 31 December</b>	<b>46,426,571</b>	<b>11,753,037</b>	<b>9,848,278</b>	<b>68,027,886</b>	<b>40,400,070</b>	<b>10,936,717</b>	<b>12,458,512</b>	<b>63,795,299</b>

The table above excludes the insurance contract assets associated with deferred acquisition costs of \$268,758 (2024: \$189,457).

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
SINGAPORE BRANCH

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(b) Movements in carrying amounts – Analysis by measurement component (continued)

(ii) Reinsurance contracts

	2025		2024		Total	CSM	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Risk adjustment for non-financial risk	Total
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk						
<b>Reinsurance contract assets (net) as at 1 January</b>	\$ 23,973,563	\$ 5,102,588	\$ 7,625,410	\$ 36,701,561	\$ 30,518,293	\$ 4,293,364	\$ 7,162,773	\$ 41,974,430		
<b>Changes in the statement of comprehensive income</b>										
<b>Changes that relate to current services</b>										
CSM recognised for services received	-	-	(8,107,925)	(8,107,925)	-	-	(8,115,156)	(8,115,156)		
Experience adjustments	(5,244,241)	-	-	(5,244,241)	(7,228,970)	-	-	(7,228,970)		
Risk adjustment recognised for the risk expired	-	(477,537)	-	(477,537)	-	(418,307)	-	(418,307)		
<b>Changes that relate to future services</b>										
Contracts initially recognised in the year	(7,464,503)	2,434,766	6,737,696	1,707,959	(9,823,587)	2,159,475	9,877,640	2,213,528		
Changes in estimates that adjust the CSM	2,367,083	149,033	(2,516,116)	-	4,134,609	164,084	(4,298,693)	-		
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	(102)	-	-	(102)		
Changes in CSM due to recognition of a loss-recovery component and reversal of loss-recovery component from onerous underlying contracts	-	-	804,584	804,584	-	-	2,814,958	2,814,958		
<b>Changes that relate to past services</b>										
Adjustments to LIC	(8,910,166)	(1,638,484)	-	(10,548,650)	(94,460)	(1,197,104)	-	(1,291,564)		
Adjustments to LRC	(1,448)	-	-	(1,448)	86,653	-	-	86,653		
<b>Net (expense)/income from reinsurance contracts held</b>	<b>(19,253,275)</b>	<b>467,778</b>	<b>(3,081,761)</b>	<b>(21,867,258)</b>	<b>(12,925,857)</b>	<b>708,148</b>	<b>278,749</b>	<b>(11,938,960)</b>		
<b>Net finance income/(expense) from reinsurance contracts held</b>	<b>1,202,663</b>	<b>158,343</b>	<b>99,319</b>	<b>1,460,325</b>	<b>361,765</b>	<b>132,415</b>	<b>183,888</b>	<b>678,068</b>		
Amount recognised in P&L	(1,406,425)	(204,422)	-	(1,610,847)	(192,666)	(31,339)	-	(224,005)		
Amount recognised in OCI										
<b>Total changes in the statement of comprehensive income</b>	<b>(19,457,037)</b>	<b>421,699</b>	<b>(2,982,442)</b>	<b>(22,017,780)</b>	<b>(12,756,758)</b>	<b>809,224</b>	<b>462,637</b>	<b>(11,484,897)</b>		

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(b) Movements in carrying amounts – Analysis by measurement component (continued)

(ii) Reinsurance contracts (continued)

	2025		2024		Total	CSM	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Estimates of present value of future cash flows	Risk adjustment for non-financial risk							
<b>Cash flows</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Premiums paid net of ceding commissions and other directly attributable expenses paid	53,350,471	-	-	39,534,378	53,350,471	-	39,534,378	-	-	-	39,534,378
Claims and other recoverable received	(24,464,820)	-	-	(33,322,350)	(24,464,820)	-	(33,322,350)	-	-	-	(33,322,350)
<b>Total cash flows</b>	<b>28,885,651</b>	<b>-</b>	<b>-</b>	<b>6,212,028</b>	<b>28,885,651</b>	<b>-</b>	<b>6,212,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,212,028</b>
<b>Reinsurance contract assets (net) as at 31 December</b>	<b>33,402,177</b>	<b>5,524,287</b>	<b>4,642,968</b>	<b>23,973,563</b>	<b>43,569,432</b>	<b>4,642,968</b>	<b>5,102,588</b>	<b>23,973,563</b>	<b>5,102,588</b>	<b>7,625,410</b>	<b>36,701,561</b>
Reinsurance contract assets	34,499,774	5,404,759	4,047,337	24,217,754	43,951,870	4,047,337	5,125,890	24,217,754	5,125,890	7,625,026	36,968,670
Reinsurance contract liabilities	(1,097,597)	119,528	595,631	(244,191)	(382,438)	595,631	(23,302)	(244,191)	(23,302)	384	(267,109)
<b>Reinsurance contract assets (net) as at 31 December</b>	<b>33,402,177</b>	<b>5,524,287</b>	<b>4,642,968</b>	<b>23,973,563</b>	<b>43,569,432</b>	<b>4,642,968</b>	<b>5,102,588</b>	<b>23,973,563</b>	<b>5,102,588</b>	<b>7,625,410</b>	<b>36,701,561</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(c) CSM Roll forward

(i) Insurance contracts

A reconciliation of the CSM by transition method is included in the following tables:

	2025				2024			
	Contracts under the modified retrospective approach	Transition Contracts under the full retrospective approach	Post transition	Total	Contracts under the modified retrospective approach	Transition Contracts under the full retrospective approach	Post transition	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Insurance revenue</b>	<b>1,475</b>	<b>(813)</b>	<b>106,765,088</b>	<b>106,765,750</b>	<b>(196,981)</b>	<b>(272,088)</b>	<b>109,229,660</b>	<b>108,760,591</b>
CSM as at 1 January	-	-	12,458,512	12,458,512	(2)	15	9,099,932	9,099,945
<b>Changes that relate to current services</b>								
Contractual service margin recognised for services provided	-	-	(22,142,997)	(22,142,997)	-	(90)	(21,093,976)	(21,094,066)
<b>Changes that relate to future services</b>								
Contracts initially recognised in the period	-	-	21,303,339	21,303,339	-	-	27,777,958	27,777,958
Changes in estimates that adjust the CSM	-	-	(3,285,647)	(3,285,647)	-	-	(4,185,479)	(4,185,479)
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	732,576	732,576	-	-	(51,708)	(51,708)
<b>Reinsurance finance income</b>								
CSM as at 31 December	-	-	9,848,278	9,848,278	-	75	911,785	911,862
							12,458,512	12,458,512

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(c) CSM Roll forward (continued)

(ii) Reinsurance contracts

A reconciliation of the CSM by transition method is included in the following tables.

	2025			2024				
	Transition Contracts under the modified retrospective approach \$	Contracts under the full retrospective approach \$	Post transition \$	Transition Contracts under the modified retrospective approach \$	Contracts under the full retrospective approach \$	Post transition \$	Total \$	
<b>Allocation of reinsurance premiums</b>	446	183	(27,268,901)	(27,268,272)	(43,804)	(6,243)	(29,485,458)	(29,535,505)
CSM as at 1 January	160	2,038	7,623,212	7,625,410	27,209	284,421	6,851,143	7,162,773
<b>Changes that relate to current services</b>	(245)	(692)	(8,106,989)	(8,107,926)	11,306	(261,588)	(7,864,874)	(8,115,156)
Contractual service margin recognised for services provided	-	-	6,737,696	6,737,696	-	-	9,877,640	9,877,640
<b>Changes that relate to future services</b>	145	(459)	(1,711,219)	(1,711,533)	(38,355)	(20,795)	(1,424,585)	(1,483,735)
Contracts initially recognised in the period	-	-	99,321	99,321	-	-	183,888	183,888
Changes in estimates that adjust the CSM	-	-	-	-	-	-	-	-
Reinsurance finance income	60	887	4,642,021	4,642,968	160	2,038	7,623,212	7,625,410
CSM as at 31 December								

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(d) Effect of contracts initially recognised in the year

(i) Insurance contracts

	2025		2024		Total
	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued	
	\$	\$	\$	\$	\$
<b>Insurance contracts</b>	<b>52,960,102</b>	<b>34,035,640</b>	<b>49,742,200</b>	<b>35,377,623</b>	<b>85,119,823</b>
Estimates of present value of cash outflows					
- Insurance acquisition cash flows and other pre-recognition cashflows derecognised and other changes	16,131,112	7,820,638	14,387,573	8,016,543	22,404,116
- Claims and other insurance service expenses payable	36,828,990	26,215,002	35,354,627	27,361,080	62,715,707
Estimates of present value of cash inflows	(77,559,098)	(24,379,725)	(80,486,246)	(26,409,706)	(106,895,952)
Risk adjustment for non-financial risk	3,295,657	2,302,494	2,966,088	2,347,977	5,314,065
CSM	21,303,339	-	27,777,958	-	27,777,958
<b>Losses recognised on initial recognition</b>	<b>-</b>	<b>11,958,409</b>	<b>-</b>	<b>11,315,894</b>	<b>11,315,894</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS**  
**SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**13. Insurance and reinsurance contracts (continued)**

(e) Analysis of the remaining contractual service margin

**Number of years until expected to be recognised**

**As at 31 December 2025**

1  
2-5  
**Total**

	Total CSM for insurance contracts issued	Total CSM for reinsurance contracts held
	\$	\$
	9,373,516	4,459,066
	474,762	183,902
	9,848,278	4,642,968

**As at 31 December 2024**

1  
2-5  
6-10  
**Total**

	12,032,804	7,526,793
	425,195	96,593
	513	2,024
	12,458,512	7,625,410

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**14. Other liabilities and accruals**

	<b>2025</b>	2024
	\$	\$
Accrued expenses	<b>7,438,438</b>	6,944,424
Sundry payables	<b>269,210</b>	251,710
GST payables	-	24,928
Prepaid premiums*	<b>2,487,739</b>	1,675,672
Lease liabilities (Note 19(f))	<b>2,488,451</b>	2,980,968
	<b><u>12,683,838</u></b>	<u>11,877,702</u>

\*Prepaid premiums for policies not yet in force which, if cancelled, will be returned to the Branch's customers.

The other payables and accruals balance is current except for lease liabilities which is disclosed in Note 19(f).

**15. Head office contributions**

This represents an amount invested in the Branch by its Head office. The amount is non-interest bearing.

**16. Other income**

Disaggregation of revenue from contracts with customers:

	<b>2025</b>	2024
	\$	\$
Revenue from:		
Fees from rendering credit limit reviews	<b><u>3,460,740</u></b>	<u>2,219,883</u>

All the revenue is recognised at a point in time.

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**17. Other operating expenses**

	<b>2025</b>	2024
	\$	\$
Employee benefit expenses		
Salaries and wages	<b>5,122,827</b>	4,733,316
Contributions to statutory defined contribution scheme	<b>427,683</b>	397,705
Claims and benefits	<b>12,590,281</b>	29,422,177
Losses on onerous contract	<b>14,557,138</b>	19,737,170
Depreciation and amortisation	<b>694,090</b>	590,101
Management fee paid to head office (Note 5)	<b>14,992,994</b>	11,123,773
Management fee paid to related corporation (Note 5)	<b>4,370,257</b>	6,143,853
Professional fee	<b>2,439,398</b>	1,641,256
Marketing expenses	<b>60,499</b>	49,123
License and association fee	<b>99,765</b>	79,422
Travelling expenses	<b>246,630</b>	261,428
Postages and telephone charges	<b>26,499</b>	26,220
Utilities	<b>11,280</b>	15,963
Other expenses	<b>31,894</b>	766,963
	<b>55,671,235</b>	74,988,470
Amount attributed to insurance acquisition cash flows incurred during the year	<b>(24,077,900)</b>	(20,138,216)
Amortisation of insurance acquisition cash flows	<b>24,931,903</b>	21,801,173
Total Expenses	<b>56,525,238</b>	76,651,427
Represented by:		
Insurance service expenses	<b>52,079,322</b>	70,960,520
Other expenses	<b>4,445,916</b>	5,690,907
Total	<b>56,525,238</b>	76,651,427

**18. Income taxes**

(a) Income tax

	<b>2025</b>	2024
	\$	\$
Tax expense attributable to results is made up of:		
- Current income tax		
- Current year	<b>1,751,000</b>	1,703,000
- Prior years	<b>(461,112)</b>	1,837,216
- Pillar Two and qualifying domestic top-up taxes	<b>1,162,135</b>	-
- Deferred income tax	<b>730,984</b>	1,040,172
	<b>3,183,007</b>	4,580,388

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**18. Income taxes (continued)**

(a) Income tax (continued)

The tax on results differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<b>2025</b>	2024
	\$	\$
Profit before tax	<b>25,186,831</b>	25,230,331
Income tax calculated at tax rate of 17% (2024: 17%)	<b>4,281,761</b>	4,289,156
- Effect of different tax rate	<b>(1,528,505)</b>	(1,610,731)
- Tax incentives	<b>(13,400)</b>	(10,250)
- Expenses not deductible for tax purposes	<b>31,670</b>	8,034
- (Over)/under-provision of tax in prior financial year	<b>(461,112)</b>	1,837,216
- Pillar Two and qualifying domestic top-up taxes	<b>1,162,135</b>	-
- Others	<b>(289,542)</b>	66,963
	<b>3,183,007</b>	4,580,388

(b) Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	<b>2025</b>	2024
	\$	\$
Deferred tax assets		
- Difference in insurance balances between accounting and tax basis	<b>123,072</b>	734,613
	<b>123,072</b>	734,613

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

---

**18. Income taxes (continued)**

(c) OECD Pillar Two model rules

The Branch is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Singapore, the jurisdiction in which the Branch operates, and will come into effect from 1 January 2025.

The Branch applies the FRS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

As a result of the analysis performed, the top-up tax expense recognised by the Branch as at year end 2025 is included in current income tax expense, amounting to SGD 1,162,135 (2024: SGD 0).

**19. Leases - The Branch as a lessee**

Nature of the Branch's leasing activities

The Branch leases office space for the purpose of office operations. During the current year, the Branch renegotiated and modified an existing lease contract for an office building by extending the lease term by another 5 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets, classified under 'Right-of-use assets'. The corresponding remeasurement to lease liability is recorded under 'Other liabilities and accruals' (Note 14).

(a) Carrying amounts

ROU assets

	\$
<u>Cost:</u>	
At 1 January 2024	1,737,554
Additions	2,980,877
At 31 December 2024 and 1 January 2025	4,718,431
Additions	<b>52,124</b>
At 31 December 2025	<b>4,770,555</b>

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**19. Leases - The Branch as a lessee (continued)**

(a) Carrying amounts (continued)

ROU assets (continued)

	\$
<u>Accumulated depreciation:</u>	
At 1 January 2024	1,281,384
Depreciation	453,173
At 31 December 2024 and 1 January 2025	<u>1,734,557</u>
Depreciation	<b>591,182</b>
At 31 December 2025	<u><b>2,325,739</b></u>
<u>Carrying amount:</u>	
At 31 December 2025	<u><b>2,444,816</b></u>
At 31 December 2024	<u>2,983,874</u>

The ROU assets balance is non-current.

(b) Depreciation charge during the year

	2025	2024
	\$	\$
Building	<u><b>591,182</b></u>	453,173

(c) Interest expense

	2025	2024
	\$	\$
Interest expense on lease liabilities	<u><b>112,295</b></u>	8,918

(d) Lease expense not capitalised in lease liabilities

	2025	2024
	\$	\$
Low-value lease expense	<u><b>5,445</b></u>	5,940

(e) Total cash outflow for all leases in 2025 was \$656,935 (2024: \$632,832).

**ATRADIUS CREDITO Y CAUCION S.A. DE SEGUROS Y REASEGUROS  
SINGAPORE BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2025*

**19. Leases - The Branch as a lessee (continued)**

(f) Lease liabilities

	<b>2025</b>	2024
	\$	\$
Current	<b>520,161</b>	515,831
Non-current	<b>1,968,290</b>	2,465,137
<b>Total</b>	<b><u>2,488,451</u></b>	<u>2,980,968</u>

Reconciliation of liabilities arising from financing activities

Lease liabilities	1 January 2025 \$	Principal and interest payments \$	Non-cash changes			31 December 2025 \$
			Interest expense \$	Modification of lease liability \$	Addition – new leases \$	
<b>2025</b>	<b>2,980,968</b>	<b>(656,935)</b>	<b>112,295</b>	<b>52,123</b>	-	<b>2,488,451</b>
2024	624,006	(632,832)	8,918	2,980,876	-	2,980,968

(g) Future cash outflow which are not capitalised in lease liabilities

Extension option

The leases for office space contain extension periods, for which the related lease payments had not been included in lease liabilities as the Branch is not reasonably certain to exercise the extension option. The Branch negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Branch's operations. The majority of the extension options are exercisable by the Branch and not by the lessor.

**20. Authorisation of financial statements**

These financial statements were authorised for issue by the Branch's management on 30 April 2026.