CCI
Catholic Church Insurance



2026 Annual Report

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Chairman and CEO Report



The history of CCI

Catholic Church Insurance (CCI) has a proud 115-year history working to provide risk protection via a diverse range of insurance covers for the Catholic Church and its community in Australia. Since 1911, CCI has provided cover across different segments of the Church and the broader faith-based community. CCI was established to support the mission of the Church and across the decades, CCI's directors and staff have worked to fulfil that objective.

With a deep sense of sadness and loss, on 29 May 2023 the CCI Board made the difficult but prudent decision to place the Company into run-off. The decision meant that CCI would cease issuing all new and renewal general insurance policies across its insurance business from that date onwards. CCI then commenced its transition to an entity responsible for the prudent management of claims liabilities associated with previously issued or in force policies.

Run-off Progression

Focusing on *Finishing Well* and transitioning the Company into its final stages, CCI has progressed in its orderly run-off under a Scheme of Arrangement over the last financial year.

Scheme of Arrangement

The Company has in place a court approved Scheme of Arrangement, with certain of its creditors, under Part 5.1 of the Corporations Act 2001 (Cth) (Act), to ensure an orderly and equitable run-off of all policies issued or in force. Creditors subject to the Scheme voted unanimously in favour of the arrangement on 31 October 2023, and the Scheme was approved by the Federal Court of Australia on 3 November 2023.

The Scheme was implemented to protect the interests of claimants and is part of the Company's commitment to ensuring as fast and efficient a claims settlement process as possible. It means that, under certain circumstances, such as the Company becoming insolvent, certain agreed procedures for managing the Company and settling claims would be followed. The directors held the view that this would result in better outcomes for claimants, who are called Creditors under the Scheme, than the alternative, which would be to go into liquidation. As at 30 June 2026, the Company is in an Initial Scheme Period, meaning it is continuing normal day-to-day operations. If the Scheme is "triggered", CCI will write to creditors to advise them of the implications.

The Scheme is a contingent arrangement which converts to a reserving Scheme if there is a "Trigger Event" (i.e. where the Board determines that in its opinion, disregarding the effect of the Scheme on the Company, the Company would, or would be likely to become, insolvent at some future time).

The Board has determined that this is the most appropriate scheme for the Company and its policyholders. The key elements of the Scheme are:

- A "contingent" Scheme allows the Company to continue to operate in the ordinary course until such time there is a deterioration in the Company's financial position such that a "Trigger Event" occurs.
- Following a "Trigger Event", the Scheme automatically converts to a "reserving" Scheme to ensure that claims continue to be handled in as orderly a manner as possible in the event of further deterioration in CCI's financial position.

Further information is available via CCI's website at www.ccinsurance.org.au/scheme-of-arrangement/



> Tim and I extend that gratitude to all of CCI's staff, both past and present, for their hard work and loyalty, and the enormous resilience and commitment to their roles and the policyholders they serve.
>
> - Joan Fitzpatrick, Chairman

Preparing for the future

With a strong focus on preparing for future events under the Scheme, CCI has continued to implement a carefully staged scale-down of the Company.

Between 1 July 2025 and 30 June 2026, CCI has:

- maintained a solvent run-off process across all portfolios;
- operated under a Minimum Viable Company (MVC) structure, aimed at reducing the organisation's business services to the fewest required 'mission-critical' services;
- reduced total outstanding claim numbers by 8.5% from June 2025;
- provided flexible office arrangements to staff in Melbourne and Sydney after closing all its offices countrywide in FY25;
- continued decommissioning technology systems and applications after outsourcing its technology function in FY25;
- fostered a strong and transparent relationship with all regulators;
- met risk and compliance obligations;
- developed capabilities and readiness for implementing different phases of the Scheme of Arrangement;
- advanced in commercial negotiations to transfer Workers' Compensation liabilities; and
- further progressed towards finalisation under the Scheme.

Looking beyond the last financial year, in the three years following the May 2023 decision to place the Company into run-off, CCI has:

- recovered more than $450m of reinsurance from treaty insurers;
- settled over 1800 Workers' Compensation claims with payments totalling over $148m;
- paid more than $222m for over 700 settled long-tail claims; and
- paid $338m for over 4500 settled short tail claims.

These achievements collectively contribute to CCI's goal of Finishing Well - successfully closing all claims or extinguishing all policyholder liabilities from the balance sheet prior to transitioning the Company through to its final bow.

Acknowledgments and thanks

As we reflect on the last year, both Tim and I would like to take this opportunity to express our sincere thanks to our shareholders for their support of the Company, particularly in recent years as CCI has navigated through its run-off journey. We also thank all our loyal policyholders, many of whom have been with CCI since its inception.

We also acknowledge and thank the CCI Board of Directors for their sustained efforts in guiding the Company through such extraordinary circumstances with clear direction, courage and decisive action.

I extend the Board's profound gratitude to Tim and his executive team for their excellent leadership as they work tirelessly towards the Company's conclusion.

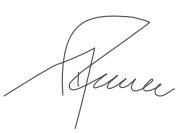
Tim and I extend that gratitude to all of CCI's staff, both past and present, for their hard work and loyalty, and the enormous resilience and commitment to their roles and the policyholders they serve.

We now turn to the 2027 financial year with continued focus on our purpose and mission – to serve the church by managing claims, the run-off operations, and the Scheme of Arrangement to the best of our ability and in the best interests of all policyholders.

Yours sincerely,



Joan Fitzpatrick
Chairman



Tim Farren
Chief Executive Officer

Corporate Governance Statement



The Board of Catholic Church Insurance Limited (the Company) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance adds value to stakeholders and enhances investor confidence.

The Corporate Governance Statement is current as at 30 June 2026 and has been approved by the Board of Directors.

This statement sets out the main corporate governance practices in operation throughout the year, unless otherwise indicated.

The Board of Directors

The Board of Directors is responsible for the corporate governance practices of CCI, including:

- the appointment and periodical review of the performance of the Chief Executive Officer;
- setting the strategic direction of CCI, reviewing and monitoring progress, and refining the direction where considered appropriate;
- establishing and monitoring the achievement of goals and targets;
- overseeing the revenue, expense and capital budgets prepared by management;
- ensuring regulatory compliance and adequate risk management processes, including internal controls and external audit reports;
- nominating and appointing Directors when vacancies arise or when special skills and expertise are required; and
- reporting to shareholders.

The Board is supported by management and delegates authority to management for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Company.

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties and acting as an interface between the Board and senior executives across the Company. The Board has access to the Company Secretary.

At the date of this statement, the Board is comprised of five non-executive Directors, including the Chairman. CCI has no executive Directors.

The CCI Constitution provides:

- for not less than three nor more than eight Directors;
- that one third of the Directors retire by rotation at each Annual General Meeting. Retiring Directors may be eligible for re-election; and
- that Directors who have been appointed as a casual vacancy since the last Annual General Meeting hold office only until the next Annual General Meeting and shall then be eligible for election.

Board, Audit & Risk Committee

The Board Audit and Risk Committee assists the Board with carrying out its responsibilities, meeting regularly to consider various issues and report and make recommendations to the Board. It must have a quorum of 50% of its members. All directors are members of the Committee.

The Committee's role is to assist the Board in fulfilling its statutory and fiduciary responsibilities by overseeing the effectiveness and integrity of the Company's financial reporting framework. It is also responsible for overseeing the effectiveness of the Company's risk management framework, including the identification and management of current and future risks in accordance with the risk appetite.

This includes:

- monitoring and reviewing the integrity of the Company's financial statements, financial reporting systems and financial controls, including ensuring that financial and other material risks are identified and managed;
- monitoring and reviewing relevant Australian Accounting Standards and internal accounting policies and policies as required;
- monitoring and reviewing relevant Australian Prudential Regulation Authority, Australian Taxation Office and Australian Securities and Investments Commission compliance, statutory reporting and disclosure requirements;
- reviewing and recommending to the Board the appointment and remuneration of the Internal Auditor and External Auditor;
- monitoring performance, effectiveness and the independence of the Internal Auditor and External Auditor;
- assisting the Board in fulfilling its oversight responsibilities referred to the Committee by the Board;
- assessing the adequacy and appropriateness of the Company's management of risk and the sufficiency, independence and performance of the risk management function, including ensuring that safeguards are in place for the independence of the Chief Risk Officer;
- monitoring the Company's compliance with the risk management framework, including the Risk Management Strategy (RMS), Business Continuity Plan and associated procedures, crisis management protocols, Reinsurance Management Strategy and other risk policies;
- reviewing and making recommendations to the Board on the RMS, Risk Appetite Statement and supporting frameworks and policies at least annually;
- reviewing and recommending Resolution Plans to the Board;
- reviewing and monitoring the existence of a strong and robust risk culture and ensuring that there are adequate resources allocated to the management of risk;
- reviewing compliance with relevant laws and regulations, Company policies and compliance systems;
- reviewing and making recommendations to the Board in respect of changes to the risk management framework required following any incident involving fraud or any significant breakdown in internal controls;
- monitoring and reviewing the relevant legal and regulatory landscape;
- reviewing the Company's corporate insurance program;
- reviewing and approving Professional Standards revisits claims as delegated by the Board; and
- assisting the Board in fulfilling its oversight responsibilities referred to the Committee by the Board.

Directors' arrangements with the Company

The Constitution provides that a director, or a firm or company with which a director is associated, may enter into an arrangement with CCI. Directors or their associated firms or companies may act in a professional capacity for CCI but may not act as the Company's auditor.

These arrangements are subject to the restrictions of the Corporations Act 2001 (Cth). Professional services so provided must be conducted under normal commercial terms and conditions.

Disclosure of related party transactions are set out in the notes to the consolidated financial statements.

Directors make an annual declaration as to their suitability to act as a director in accordance with the Company's Fit and Proper Policy and confirm their status at each meeting of the Board. Any potential conflict of interest is declared and recorded in the Conflicts of Interest Register.

It is the practice of directors that when a potential conflict of interest may arise, the director concerned withdraws from the Board meeting whilst such matter is being considered and subsequently takes no part in discussions nor exercises any influence over other members of the Board.

Directors' Report

The Directors of Catholic Church Insurance Limited ("the Company") present the annual report of the Company for the financial year ended 30 June 2026. In order to comply with the provisions of the Corporations Act 2001 (Cth) (Act), the Directors' Report is as follows:

Directors

The names and particulars of Directors in office at any time during the financial year are as follows. Directors were in office for this entire period unless otherwise stated.



Joan Fitzpatrick

BA, LLB, ANZIIF, Fellow CIP, FAICD

Appointed: 8 March 2016

Chairman of the Board, Non-Executive Director, Member of the Audit and Risk Committee.

Joan joined the CCI Board in 2016 and became Chair of the Board in October 2020 as an experienced company director and leader of business success. Her executive and director's experience covers the corporate, government and not-for-profit sectors and she has a strong background in working collaboratively with different stakeholders. Joan has an extensive record in achieving successful business outcomes in complex change environments.

Originally qualified as a barrister, Joan was attracted to a management career which began at 20th Century Fox's fast-moving consumer goods enterprise in London. She went on to hold senior management roles in heavy manufacturing industries, large start-up projects in Europe, and international insurance operations in Asia. For over 17 years, Joan has worked as CEO and Director of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF). Joan currently works within a diverse portfolio of non-executive director roles, her private consulting business, Alvearium Pty Ltd, and a range of pro bono charity work. She is a Fellow of ANZIIF and a Fellow of the Australian Institute of Company Directors.



Eamonn Cunningham

B.Com, GAICD

Appointed: 23 June 2021

Non-Executive Director, Member of the Audit and Risk Committee.

Eamonn Cunningham joined the Board in June 2021. As a risk management professional, he has held Chief Risk Officer roles with Westfield Group and Scentre Group. In 2017, he was awarded the Lifetime Achievement Award by Strategic Risk. In 2014 he was inducted into the Business Insurance Risk Manager of the Year Honour Roll, while in 2010 he was awarded Risk Manager of the Year by the Australian and New Zealand Institute of Insurance and Finance (ANZIIF).

Eamonn has a strong background in Board Committees and was a longstanding Director and Chair of the Risk and Insurance Management Society Australasia. He was also a member of the M200 Association and Chair of the Risk Management Committee of the Property Council of Australia.

Eamonn has extensive experience in establishing and leading local and global Risk Management and Insurance teams and gained significant experience in a multinational company. He currently runs his own consulting business with specific emphasis on Enterprise Risk Management and Strategic Risk Management.



Noel Condon

Appointed: 20 October 2020

Non-Executive Director, Member of the Audit and Risk Committee.

Noel joined the Board in October 2020 as an Independent Non-Executive Director and has over 40 years of international insurance industry experience. During a long executive career with AIG, he held senior roles spanning underwriting, business development and country management across Europe and Asia Pacific.

Noel holds other director roles with Unimutual, IBL Limited, Quantum Private Clients and Zurich Financial Services Australia and is a Member of the Australian Institute of Company Directors



Matthew Doquile

B.Ec, MBA (Exec), GAICD

Appointed: 22 October 2018

Non-Executive Director, Chair of the Audit and Risk Committee.

Matthew joined the Board during 2018 and is a long-standing and accomplished insurance professional with more than 30 years of industry experience in Australia and Asia Pacific. Matthew has held senior executive roles at Chubb Insurance Group in Asia and Australia including as CEO of Chubb in Australia, and as Director, Partnerships at Auto & General Insurance.

Earlier in his career Matthew also held various roles at National Australia Bank in Corporate and Business Banking. Matthew's areas of expertise include General Insurance and Reinsurance, Distribution, Financial Services and Risk. He holds a Bachelor of Economics Degree along with an Executive MBA from the Australian Graduate School of Management and is a Graduate Member of the Australian Institute of Company Directors.



David Issa

Appointed: 19 October 2022

Non-Executive Director, Member of the Audit and Risk Committee.

David joined the Board in October 2022 and is an experienced leader in technology and digital transformation. David's professional experience includes 10 years at Westpac, culminating in the role of Chief Information Officer, Institutional Banking, followed by roles at Insurance Australia Group including as Chief Executive Officer, Personal Insurance. He was previously a Non-Executive Director of ME Bank prior to its acquisition by Bank of Queensland in 2021.

David is the Chief Executive Officer at Industry Fund Services and sits on the Board of Little Company of Mary Health Care. David also holds a Bachelor of Science majoring in Mathematics from Macquarie University.

Principal Activities

The principal activity of the Company is the run-off of claims related to property, workers' compensation and casualty risks of entities of the Catholic community in Australia as well as certain clients in the broader Christian community.

Dividends and Catholic Entity Distributions

The Board of Directors has resolved that no dividend was declared or paid in respect of the financial year ended 30 June 2026 (30 June 2025: $nil).

Review of Operations

In 2026, the Company generated a loss of $98,744k (2025: $91,359k profit).

During the year, the Company generated an insurance service loss of $129,377k (2025: $39,275k profit) which represents reserve strengthening from core business lines, both short and long tail classes. This loss was decreased by net investment income of $21,431k (2025: $30,742k profit).

	2026 $'000	2025 $'000
Company Profit /(Loss)	(98,744)	91,359

The Company is exempt from the requirements of the Income Tax Assessment Act as CCI is a registered not for profit entity.

Capital Adequacy

As of 30 June 2026, the Company's Prescribed Capital Amount Coverage Ratio was negative 0.36 (2025: negative 0.10) which is outside the target range that would have applied should the Company have not entered run-off.

The Company has not yet triggered the Scheme[1] and continues to operate as a going concern. At the date of signing this report, CCI has sufficient capital to continue operations as a run-off entity under the provisions set out in the Scheme (contingent Scheme), as well as regulatory exemptions from certain components of the Insurance Act 1973 (Cth) ("Insurance Act").

[1] See Run-off and Scheme Structure below for details on "scheme"

Employees

The Company employed 36 employees as of 30 June 2026 (2025: 39 employees).

Risk Management

The financial condition and operation of the Company are affected by a number of key risks including insurance, interest rate, credit, market, liquidity, financial, compliance, fiscal and operational risk. Further information on the Company's risk management policies can be found in note 8 of the financial statements.

Run-off and Scheme Structure

As part of the orderly run-off of its business, the Company has in place a court approved Scheme of Arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (Act) with certain creditors as a precaution to ensure an orderly and equitable run-off and certainty into the future ("the Scheme"). Policyholders subject to the Scheme voted in favour of the Scheme on 31 October 2023, and it was subsequently approved by the Federal Court of Australia on 3 November 2023, ensuring the Scheme became effective.

The Scheme was implemented to protect the interests of claimants and is part of the Company's commitment to ensuring as fast and efficient a claims settlement process as possible. It means that, under certain circumstances, such as the Company becoming insolvent, certain procedures for managing the Company and settling claims would be followed.

The Directors hold the view that this will result in better outcomes for claimants, who are called Creditors under the Scheme, than the alternative, which would be to go into liquidation. The Company is currently in an Initial Scheme Period, meaning it is continuing normal day-to-day operations. If a Trigger Event occurs, CCI will write to creditors to advise them of the implications.

The Company has determined that a contingent Scheme of Arrangement which converts to a reserving Scheme if there is a Trigger Event is the most appropriate Scheme for the Company and its policyholders.

The key elements of the Scheme are:

- As the Company considers that it is currently solvent, a contingent Scheme allows the Company to continue to operate in the ordinary course until such time where there is a deterioration in the Company's financial position such that a Trigger Event occurs (i.e. where the Board determines that in its opinion, disregarding the effect of the Scheme on the Company, the Company would, or would be likely to become, insolvent at some future time).
- If a Trigger Event occurs, the Scheme would automatically convert to a reserving Scheme to ensure that claims continue to be handled in as orderly a manner as possible in the event of further deterioration in CCI's financial position. See note 33 for further details regarding the Scheme.



Stephen Longley and Martin Ford from Teneo have been appointed as Scheme Advisers. The Creditors' Committee met twice during the 2026 financial year. The CCI Board meets on a monthly basis to monitor CCI's financial performance and the potential for a Trigger Event.

Significant Changes in the State of Affairs

In the opinion of Directors, there were no significant changes in the state of affairs of the Company other than as disclosed in this report.

Subsequent Events After the Reporting Date

There has been no matter or circumstance, other than what has been referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or state of affairs of the Company in future financial years.

Likely developments and expected results

In the opinion of Directors, the inclusion of information referring to likely developments in the operations of the Company and the expected results of those operations in subsequent years is likely to prejudice its interests. That information has therefore not been disclosed in this report.

Environmental regulation and performance

The operations of the Company are not subject to any particular or significant environmental regulation under the law of the Commonwealth or of a State or Territory. There have been no significant breaches of any other environmental requirements applicable to the Company.

Indemnification of Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred as an officer.

Indemnification of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). However, this indemnity does not apply to any losses which are finally determined to have resulted from Ernst & Young's negligence. No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' meetings

The following table sets out the number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2026 and the number of meetings attended by each Director.

	Board		Audit & Risk Committee	
Number of meetings attended by:	Eligible to Attend	Attended	Eligible to Attend	Attended
J Fitzpatrick	12	12	4	4
N Condon	12	11	4	4
E Cunningham	12	12	4	4
M Doquile	12	10	4	3
D Issa	12	12	4	4

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in note 27(b).

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 where rounding is applicable and where noted ($'000) under the option available to the Company under ASIC legislative instrument 2016/191. The Company is an entity to which the class order applies.

Auditor's independence declaration

The Directors have received a declaration from the auditor of Catholic Church Insurance Limited as attached after the Directors' Report.

Signed in accordance with a resolution of the Directors.



J Fitzpatrick, Chairman
Melbourne, 23 September 2026

Auditor's Independence Declaration

Shape the future
with confidence

Ernst & Young
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Melbourne VIC 3000 Australia
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Fax: +61 3 8650 7777
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Auditor's independence declaration to the directors of Catholic Church Insurance Limited

In relation to our audit of the financial report of Catholic Church Insurance Limited for the financial year ended 30 June 2026, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Emma Reekie
Partner
23 September 2026

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Financial Statements

Statement of Comprehensive Income and Other Comprehensive Income

For the financial year ended 30 June 2026

	Note	Company	
		June 2026 $'000	June 2025 $'000
Insurance revenue		(58)	-
Insurance service expenses		(139,247)	83,411
Insurance service result from insurance contracts issued	14	(139,305)	83,411
Net income /(expenses) from reinsurance contracts held	15	9,928	(44,136)
Insurance service result	10	(129,377)	39,275
Net income/(loss) from other financial instruments at FVTPL		(1,807)	2,985
Investment income		23,238	27,757
Net investment income	16	21,431	30,742
Finance income/(expenses) from insurance contracts issued		11,428	28,711
Finance income/(expenses) from reinsurance contracts held		(589)	(5,003)
Net insurance financial result	17	10,839	23,708
Other income		642	975
Other operating expenses	18	(2,279)	(3,341)
Profit/(loss) for the year		(98,744)	91,359
Other comprehensive income		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive profit/(loss) for the year		(98,744)	91,359

This Income Statement should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position

For the financial year ended 30 June 2026

	Note	Company	
		June 2026 $'000	June 2025 $'000
Assets			
Cash and cash equivalents	19	18,734	22,389
Financial assets	20	458,874	549,716
Financial assets (Held for Sale)	13	3,910	-
Other receivables	21	59	62
Reinsurance contract assets held	12	3,816	10,156
Reinsurance contract assets held (Held for Sale)	13	5,753	13,010
Plant and equipment	22	157	329
Right of Use Assets	22	396	571
Intangible assets	23	46	107
Total Assets		491,745	596,340
Liabilities			
Other payables	24	35	35
Insurance contract liabilities	11	442,644	411,815
Insurance contract liabilities (Held for Sale)	13	99,691	136,197
Lease liabilities	25	413	587
Total Liabilities		542,783	548,634
Net Assets		(51,038)	47,706
Equity			
Contributed equity	26	179,333	179,333
Retained earnings		(230,371)	(131,627)
Total Equity		(51,038)	47,706

Total equity disclosure: At the date of signing this report, CCI has sufficient capital to continue operations as a run-off entity under the provisions set out in the Scheme (contingent Scheme), as well as regulatory exemptions from certain components of the Insurance Act 1973 (Cth) ("Insurance Act"). The adjusted net asset value of the Company is positive $54.2m, (2025: $136.6m) after adding back the Risk Adjustment of $105.2m as allowed by these regulatory exemptions. As a result, the Scheme trigger (reserving Scheme) was not reached at 30 June 2026.

The Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity

For the financial year ended 30 June 2026

	Note	Contributed Equity	Retained Earnings	Total
		$'000	$'000	$'000
Company				
Balance as at 30 June 2024		179,333	(222,986)	(43,653)
Comprehensive result for the year		-	91,359	91,359
Ordinary share capital issued		-	-	-
Balance as at 30 June 2025		179,333	(131,627)	47,706
Comprehensive result for the year		-	(98,744)	(98,744)
Ordinary share capital issued		-	-	-
Balance as at 30 June 2026	26	179,333	(230,371)	(51,038)

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

For the financial year ended 30 June 2026

	Note	Company June 2026 $'000	Company June 2025 $'000
Cash flows from operating activities			
Premiums received		4,251	2,080
Outwards reinsurance paid		(307)	(9,387)
Claim and other attributable expenses		(136,313)	(203,910)
Reinsurance and other recoveries received		7,522	142,783
Attributable cost (paid)/received		(1,492)	448
Other operating expenses paid		(1,876)	(5,326)
Other operating income received		7,390	12,757
Interest received		22,539	27,441
Dividends received		358	882
Total cash flows (used in) operating activities	29	(97,928)	(32,232)
Cash flows from investing activities			
Movement in investment trading			
- Purchases		(285,957)	(401,474)
- Proceeds		380,396	433,128
Payments for plant and equipment		-	(16)
Proceeds from sale of plant and equipment		24	26
Payments for computer software		-	31
Total cash flows generated from investing activities		94,463	31,695
Cash flows from financing activities			
Principal payments from lease liabilities		(174)	(4,919)
Interest (payments)/ receipts from lease liabilities		(16)	520
Total cash flows (used in) financing activities		(190)	(4,399)
Net decrease in cash held		(3,655)	(4,936)
Cash and cash equivalents at 1 July 2025		22,389	27,325
Cash and cash equivalents at 30 June 2026	19	18,734	22,389

The Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

For the financial year ended 30 June 2026

1. Corporate information

The financial report of Catholic Church Insurance Limited ("CCI") for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on 23 September 2026.

The Company is an unlisted public company, incorporated and domiciled in Australia. The entity is licensed by the Australian Prudential Regulation Authority ("APRA") to operate in the general insurance industry and is registered as a charity in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

2. Material accounting policy information - Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Corporations Act 2001, including the application of ASIC legislative instrument 2016/191 allowing the disclosure of company financial statements due to Australian Financial Services Licensing obligations and section 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

The financial statements at the date of signing have been prepared on a going concern basis, which acknowledges that the Company is in the process of winding down its operations. The Board has considered the remaining assets and liabilities, including any outstanding obligations, and believes that the Company's resources are sufficient to meet these obligations as they fall due.

For the year ended 30 June 2026, the Company incurred a net operating cash outflow of $97.9m (2025: $32.2m) and incurred a total comprehensive loss of $98.7m (2025: $91.4m profit). At the date of signing this report, CCI has sufficient capital to continue operations as a run-off entity under the provisions set out in the Scheme, as well as regulatory exemptions from certain components of the Insurance Act 1973 (Cth) ("Insurance Act").

This is detailed further below:

1) The Company has relief from Section 28 of the Insurance Act, specifically in the case where the Company no longer holds assets in Australia (excluding goodwill and other amounts excluded by the prudential standards) of a value that equals or exceeds the total amount of its liabilities in Australia (other than its pre-authorisation liabilities), which includes an allowance for risk margin. The relief was approved by APRA on 20 September 2023.

2) The Company operates under a Scheme of Arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (Act) with certain of its creditors as a precaution to ensure an orderly and equitable run-off and certainty into the future (Scheme). The key elements of the Scheme, that was voted on 31 October 2023 by Scheme Creditors, and approved by the Federal Court of Australia on 3 November, are:

   (i) As the Company considers that it is currently solvent, a contingent Scheme has been proposed to allow the Company to continue to operate in the ordinary course until such time where there is a deterioration in the Company's financial position such that a Trigger Event occurs (i.e. where the Board determines that in its opinion, the Company would, or would be likely to become, insolvent at some future time)

   (ii) If a Trigger Event occurs, the Reserving Period commences in order to ensure that claims continue to be handled in as orderly a manner as possible in the event of further deterioration in CCI's financial position. See note 33 for further details regarding the Scheme.

   In case of a reserving Scheme, Scheme Creditors[1] will continue to be entitled to make an insurance claim under their Insurance Contract in the same way as they currently do, and CCI will assess that claim in the ordinary course of business. However, where the Company determines that a Scheme Creditor has an Established Scheme Liability, the Company will no longer pay it in full at that point in time. Instead, once a Payment Percentage has been set by the Scheme Advisers, the Company will pay a percentage of the Established Scheme Liability reflecting the Payment Percentage. If it is determined at one or more later dates that it has sufficient funds to do so, the Company may vary the percentage payable of the Established Scheme Liability so that it and subsequent Established Scheme Liabilities are paid at the same percentage. Non-Scheme Creditors will continue to be paid in full during the Reserving Period. Non-Scheme Creditors include all Workers' Compensation portfolio liabilities and all "Client and Defence costs" for all portfolios. For further information, refer to the Explanatory Statement in relation to the Scheme dated 27 September 2023.

   The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

   The financial statements have been prepared on a historical cost basis, except for financial assets, which have been measured at fair value and the outstanding claims liability and related reinsurance and other recoveries which have been measured based on the central estimate of the present value of the expected future payments for claims incurred plus a risk adjustment to allow for the inherent uncertainty in the central estimate.

[1] Capitalised terms in this paragraph have the meaning given in the Explanatory Statement dated 27 September 2023 and made available on CCI's website.

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been disclosed in notes 6 and 7. The statement of financial position is presented on a liquidity basis. Assets and Liabilities are presented in decreasing order of liquidity. For assets and liabilities that comprise both current and non-current amounts, information regarding the non-current amount is included in the relevant note.

The financial report is presented in Australian dollars and all amounts have been rounded to the nearest $1,000 where rounding is applicable and where noted ($'000) under the option available to the Company under ASIC legislative instrument 2016/191. The Company is an entity to which the class order applies.

b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

c) New Australia Accounting Standard adopted during the year.

There were no new Australian Accounting Standards applied during the financial year.AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 for Not-for-profit entities starting 1 January 2028, the company has not early adopted this standard.

3. Material accounting policies - Insurance operations

The Company has applied Australian Accounting Standards Board (AASB) 17 Insurance Contracts (AASB 17), including consequential amendments to other standards, to account for insurance contracts issued and reinsurance contracts held.

a) Measurement models

The Company applies the Premium Allocation Approach (PAA) when contracts meet the eligibility criteria to simplify the measurement of insurance contracts issued and reinsurance contracts held. When measuring the liability for incurred claims, the Company discounts the expected value of future cash flows related to claims and other insurance expenses and includes an explicit risk adjustment for non-financial risk.

b) Level of aggregation and onerous contract losses (loss component)

Under AASB 17, the measurement of insurance and reinsurance contracts are not considered at the individual contract level, but on the basis of portfolios which comprise contracts subject to similar risk and managed together. These portfolios are further subdivided into specified measurement Companys based on contracts concluded in annual cohorts and on their profitability.

c) Fulfilment Cash flows (FCF)

The fulfilment cashflows are the present values of the future cashflows within a contract boundary for a group of contracts where the company foresees to collect from premium, claims payment, benefits and expenses with adjustments made for the timing and unpredictability of these amounts.

The projected future cash flows are characterized by

(a) A probability-weighted average of all potential outcomes

(b) The Company's viewpoint, ensuring alignment with the market prices for market variables that can be observed.

(c) Reflect conditions existing at the measurement date.

A separate estimation is made for the risk adjustment concerning non-financial risks. In the case of contracts assessed under the PAA, this explicit risk adjustment is calculated for non-financial risks and for the assessment the liability for claims that already occurred and loss component calculations for onerous contracts.

The future cash flow projections are modified by applying current discount rates to account for the time value of money and the financial risks associated with these cash flows. These discount rates are chosen to mirror the specifics of the cash flows from the insurance contracts, considering the timing, currency, and liquidity of these cash flows. Selecting an appropriate discount rate that captures the essence of the cash flows and the liquidity profile of the insurance contracts involves considerable judgement and estimation.

The Company initially estimates the fulfilment cash flow at the portfolio level and then allocates to the groups of contracts. The Company uses consistent assumptions for both insurance and reinsurance contracts.

d) Risk adjustment

Under AASB 17, the measurement of insurance contract liabilities will include a risk adjustment for non-financial risk to reflect the compensation that the entity requires for bearing the uncertainty relating to the amount and timing of future cash flows.

e) Insurance contract

On the initial recognition of Company's contracts, the carrying amount of the liability for remaining coverage is measured at the undiscounted future cash flows when the period between premiums being due. The vast majority of the provision of coverage is one year or less, with a small immaterial number of policies being more than one year and the adjustment for non-financial risk less any insurance acquisition cost allocated to the contract.

Subsequently, the carrying amount of the liability for remaining coverage changes over time.

It increased with,

(i) Premiums collected during a period.

And its decreased with,

(i) The portion of expected premiums that is recognised as revenue for the insurance services delivered during that period.

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

(i) The liability for remaining coverage; and

(ii) The liability for incurred claims, compromising the FCFs related to the past service allocated to the Company at that date.

If the contract becomes onerous during anytime during the coverage period, the Company recognises the loss in the statement of comprehensive income as increase in insurance service expenses and the liability for the remaining coverage, if the estimated FCFs for remaining coverage exceeds the amount already recognised.

The Company recognises the liability for incurred claims of a group of insurance contracts at the discounted amount of the future cash flows relating to claims incurred but not yet settled and other expenses. Any changes to the incurred claims due to the changes in discounting rates are recognised as finance income or expenses in the statement of comprehensive income.

For contracts measured under the PAA, the liability for incurred claims is measured as the future cash flows, adjusted for the time value of money where fulfilment cash flows for insurance contracts are expected to have a settlement period of over one year.

f) Reinsurance contracts held

On the initial recognition of Company's reinsurance contracts, the measurement is based on the present values of the future expected cash flows which includes payments related to future insurance contracts that are yet to be issued but are anticipated during the reinsurance coverage period. These estimates take into account the risk of non- performance by reinsurer and the risk adjustment for reinsurance contracts held, which is accounted for separately from the insurance contracts issued.

In case of onerous contracts, the Company recognises the loss recovery component of the asset for remaining coverage for reinsurance contracts with the expectation of recovering the loss.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

(i) Increased for ceding premiums paid in the period; and

(ii) Decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

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

(i) The asset for remaining coverage; and

(ii) The asset for incurred claims, comprising the fulfilment cash flows related to past service allocated to the Company at the reporting date.

The Company has not adjusted the effect of time value for money for insurance and reinsurance contracts where the insurance premiums are due within one year or less.

g) Insurance service expenses

Insurance service expenses include the following:

(a) incurred claims and benefits excluding investment components;

(b) other incurred directly attributable insurance service expenses;

(c) changes that relate to past service (i.e. changes in the fulfilment cash flows relating to the liability for incurred claims);

(d) changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components);

(e) premium adjustments for Retro-paid Losses Premiums (RPL) which are contingent on actual claims costs.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time. Other expenses not meeting the above categories are included in other operating expenses in the statement of comprehensive income.

h) Net income/(expenses) from reinsurance contracts held

The Company 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;

(c) other incurred directly attributable insurance service expenses;

(d) effect of changes in risk of reinsurer non-performance;

(e) changes relating to past service (i.e. adjustments to incurred claims).

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

i) Insurance Finance income and other 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.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

(a) interest accreted on the liability for incurred claims; and

(b) the effect of interest rates and other financial assumptions.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. The Company includes all insurance finance income or expenses for the period in comprehensive income.

4. Material accounting policies - Financial operations

a) AASB 9 Financial Instruments

The Company applies AASB 9 Financial Instruments (AASB 9), including consequential amendments to other standards, to account for financial assets and liabilities held, particularly related to its investment portfolio backing insurance liabilities. It should be noted that AASB 9 does not apply to any balances that arise from insurance contracts issued or reinsurance contracts held. Therefore, any premium receivable balances from policyholders or amounts due from reinsurers are not accounted for under AASB 9, but are subject to AASB 17. Any amounts receivable from agents (i.e. intermediaries are subject to AASB 9 unless the balance with the agent arises from an insurance contract).

The Company's investments are currently designated as Fair Value Through Profit or Loss (FVTPL) on initial recognition and are subsequently remeasured to fair value at each reporting date, reflecting CCI's business model for managing and evaluating the investment portfolio. Management has assessed all of the investments under AASB 9 and determined all investments may still be accounted for as FVTPL.

b) Investment income

Interest income is recognised on an effective annual interest rate basis. Dividends are recognised on an ex-dividend date. Investment income includes realised and unrealised gains or losses on financial assets which are reported on a combined basis as fair value gains or losses on financial assets. Realised investment gains or losses do not include interest and dividend income.

5. Material accounting policies - others

a) Income tax

The entities are not liable for income tax due to the entities being classified as a charitable institution under Subdivision 50-5 of the Income Tax Assessment Act 1997.

b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of the GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

c) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

If the effect of the time value of money is material, provisions are discounted using corporate bond yield curves which have terms to maturity that match, as closely as possible, the estimated future cash outflows.

d) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes:

- Cash on hand and at call deposits with banks or financial institutions, and
- Investments in money market instruments with less than 14 days to maturity.

e) Other receivables

All receivables are initially recognised at fair value, being the amounts receivable. Collectability of trade receivables is reviewed on an ongoing basis and a provision for impairment of receivables is raised where some doubt as to collection exists. The impairment charge is recognised in the income statement.

f) Other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Such costs include the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

h) Intangibles

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be finite and are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period, amortisation method and impairment indicators for all intangible assets with a finite life is reviewed at least at each financial year end. The amortisation expense is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

i) Depreciation

Depreciation on fixed assets, comprising motor vehicles, office equipment and fixtures, is calculated on a straight-line basis over the useful life of the asset to the Company commencing from the time the asset is held ready for use.

The following estimated useful lives are used in the calculation of depreciation for plant and equipment:

	2026	2025
Computer equipment	3 – 10 years	3 – 10 years
Office equipment	6 – 15 years	6 – 15 years
Motor vehicles	5 years	5 years
Leasehold improvements	10 years	10 years
Right-of-use	2 - 3 years	2 - 3 years

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The useful life of Right-of-use assets is tested annually with an onerous lease and/or onerous contract provision raised where the value in use/useful life has reduced.

j) Amortisation of intangible assets

Amortisation on intangible assets, comprising computer software, is calculated on a straight- line basis over the useful life of the asset to the Company commencing from the time the asset is held ready for use.

Computer software's estimated useful life used in the calculation of amortisation is 4-5 years.

Foreign currency

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

k) Dividends and Catholic entity distributions

(1) Dividends

Dividends are recognised when declared or determined. No provision is made for a proposed dividend.

(2) Catholic entity distributions

A provision is made at balance date for the payment of Catholic entity and grant distributions to Catholic Church policyholders where certain criteria have been met. The amount allocated each year is approved by the Board of Directors. These distributions are very unlikely to occur in the future but will be reviewed at the end of the run-off providing all liabilities, Scheme and non-Scheme, have been paid in full.

l) Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment or more frequently when changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

m) Leases

Leases are recognised as a right-of-use asset and corresponding liability from the date the Company has the right-to-use the asset. The lease payments are discounted using the interest rate implicit in the lease and payments are apportioned between principal and finance cost. The right-of-use assets are depreciated over the shorter of the useful life of the underlying asset or the lease term on a straight-line basis. An onerous provision is recognised in profit or loss when the carrying value of the right-of-use asset, exceeds the calculated recoverable amount refer to impairment of assets.

Payments associated with short-term leases (12 months or less) continue to be recognised on a straight-line basis as an expense in profit and loss.

6. Critical accounting estimates and judgements

Significant estimates and judgements are made by the Company in respect of certain key assets and liabilities which are disclosed in the financial statements. Such estimates are based on actuarial assessments, historical experience and expectations of future events.

The key areas in which critical estimates and judgements are applied are set out within note 7.

a) Ultimate liability arising from claims made under general insurance contracts.

A provision is made at balance date for the estimated cost of claims incurred but not settled. This includes the cost of claims Incurred But Not Reported ('IBNR') and direct expenses that are expected to be incurred in settling those claims. Such estimates are determined by our appointed actuary who has the relevant qualifications and experience. Although the appointed actuary has prepared estimates in conformity with what he considers to be the likely future experience, the experience could vary considerably from the estimates. Deviations from the estimates are normal and to be expected.

The Liability for Incurred Claims (LIC) is a highly subjective number, in particular the estimation of IBNR where information may not be apparent to the insured until many years after the events giving rise to the claims have happened. It is therefore likely that the final outcome will prove to be different from the original liability estimate.

In particular, there is considerable uncertainty regarding the Professional Standards claims under the public liability class. The modelling of these claims is difficult due to the inherent nature of the claims and the long delay from date of incident to date of report. The professional indemnity and workers' compensation portfolios also will have variations between initial estimates and the final outcomes due to the nature of the claims where not all details are known at the date of report and it may be many years between reporting and settling of these claims.

The short-tail classes do not exhibit such long delays in settlements or level of development of estimates over time. Hence the level of volatility of the estimates is generally much less than that seen for the long-tail classes.

The approach taken to estimate the LIC for the different groups or portfolios reflects the nature of the data and estimates. In general, a number of different methods are applied to the data, and the selected basis allows for the particular characteristics of the groups or portfolios and the recent experience shown in the data against the previous year's model projections. Provisions are calculated at a gross of reinsurance level with minimal explicit allowance for expected reinsurance recoveries given the recent commutations.

b) Assets arising from reinsurance contracts

Assets arising from reinsurance contracts on LIC are computed using the same methodologies with due consideration to the uncertainty in proving for the estimated cost of claims incurred but not settled. In addition, the actuary calculates a specific recoverability adjustment and this is applied to the reinsurance assets, taking into consideration factors such as counterparty and credit risk.

7. Actuarial assumptions and methods

Unit of accounts

The Company is a general insurer that underwrote major groups or portfolios of general insurance business. For the purpose of the disclosures we have grouped the insurance classes into the following:

- Short-tail (includes fire & composite risks property insurance, motor domestic, motor commercial, householders, marine and accident)
- Public liability (includes public and product liability)
- Professional indemnity (includes directors & officers, cyber, medical malpractice and other professional indemnity)
- Workers' compensation.

Short-tail

The methodology applied for the short-tail classes was the Incurred Claim Development (ICD) method, since the duration of the liabilities is very short and case estimates tend to be more reliable given the nature of claims and speed of finalisation.

The ICD method estimates the liability by considering the change in the incurred cost from one development period to another. The incurred cost is the total of all past payments plus current case estimates. The ultimate expected cost of claims is projected from the current incurred cost after allowing for the assumed future change in incurred costs based on past experience.

The undiscounted value of outstanding claims is the difference between the ultimate cost and the payments made to valuation date. Due to the short-tail nature of the liabilities, we have ignored the impact of investment income on the liability estimate.

Public Liability

Public Liability includes General Liability and Professional Standards claims.

Provision estimates for the Company's general liability business are derived from analysis of the results of using standard actuarial models. Ultimate numbers of claims are projected based on past reporting patterns using the Chain Ladder (CL) method. Claims experience is analysed based on the Paid Per Claim Incurred (PPCI) method, the Projected Case Estimate (PCE) method and the Incurred Claim Development (ICD) method. The results from these models are analysed, along with Minimum Loss Ratios (MLR), in order to determine a final estimate of LIC.

The Public Liability class of business is also subject to the emergence of latent claims (Professional Standards claims), due to the long delay from date of incident to date of reporting.

The estimates for the Professional Standards claims is based on CCI's current case estimates plus an allowance for further development (Incurred But Not Enough Reported (IBNER)) and an allowance for Incurred But Not Reported (IBNR) claims.

The IBNR allowance assumes a number of claims to be reported in the future and an average claim size which is inflated to allow for general inflation. There is no allowance for superimposed inflation. The estimates continue to allow for revisitation claims in Queensland, New South Wales, Western Australia and Victoria and for Large Retrospective Deductible (LRD) excluded claims, i.e. 1) claims where CCI retained the liability, 2) the cost of pre 30 June 2013 claims in excess of the $2 million LRD (indexed) and 3) claims with post 30 June 2013 incident dates.

The Professional Standards provision is subject to significant uncertainty, which was heightened with the introduction of the National Redress Scheme as at 1 July 2018. The National Redress Scheme is expected to be open for ten years.

The level of uncertainty has increased in recent years due to the High Court ruling delivered on 13 November 2024 regarding DP v Bird, Vicarious Liability and Professional Standards claims and due to the recently enacted "Claims Farming" legislation in NSW. However, both the Victorian and Western Australian governments have introduced retrospective legislation to counter the Bird decision.

Professional Indemnity

The same methodologies applied to general liability were also used for the professional indemnity class. However, unlike the other classes that are analysed on an accident year basis, this portfolio is analysed on a report year basis as the policies were written on a claims made basis. The results from the model are analysed, along with minimum loss ratios, in order to determine a final estimate of outstanding claims.

Discounting is also applied for this long tail class.

Workers' Compensation

Provision estimates for the Company's Workers' Compensation business are derived from analysis of the results of using standard actuarial models for all states and for Non-Large claims in NSW. Ultimate numbers of claims are projected based on past reporting patterns using the Chain Ladder (CL) method. Claims experience is analysed based on the Paid Per Claim Incurred (PPCI) method, the Projected Case Estimate (PCE) method and the Incurred Claim Development (ICD) method. In addition, an allowance for large claims in NSW is based on the future number of claims to be identified multiplied by an average claim size, for "workers with high needs" and common law claims.

Actuarial assumptions

The following assumptions have been made in determining the insurance contract liabilities.

2026	Short-Tail	Public Liability	Professional Indemnity	Workers' Compensation
Average weighted term to settlement	Less than 1 year	3.4 years	1.7 years	3.6 years
Uniform Wage inflation	0.00%	3.37%	3.37%	3.37%
Uniform Risk-Free Discount rate	0.00%	4.57%	4.57%	4.57%
Uniform AASB 17 Discount Rate	0.00%	4.82%	4.82%	4.82%
Expense rate	2.10%	4.50%	4.50%	8.00%
Risk adjustment (LIC)	42.2%	26.85%*	51.0%	15.0%

* The risk adjustment (RA) is applied at 27.5% to substantially all Molestation (MOL), Ethical Standards Policy (ETL) liabilities and at 27.0% to other PL (General Liability) liabilities. No RA is applied to MOL LRD retained claims, reflecting the minimal uncertainty associated with the remaining pool of identified open claims.

2025	Short-Tail	Public Liability	Professional Indemnity	Workers' Compensation
Average weighted term to settlement	Less than 1 year	3.8 years	1.8 years	2.8 years
Uniform Wage inflation	0.00%	3.24%	3.24%	3.24%
Uniform Risk-Free Discount rate	0.00%	3.63%	3.63%	3.63%
Uniform AASB 17 Discount Rate	0.00%	3.89%	3.89%	3.89%
Expense rate	2.00%	4.50%	4.50%	8.00%
Risk adjustment (LIC)	20.5%	24.9%*	25.5%	7.5%

* The risk adjustment (RA) is applied at 27.5% to substantially all Molestation (MOL), Ethical Standards Policy (ETL) liabilities and at 13.5% to other PL (General Liability) liabilities. No RA is applied to MOL LRD retained claims, reflecting the minimal uncertainty associated with the remaining pool of identified open claims.

Processes used to determine assumptions

The valuations included in the reported results are calculated using the following assumptions:

Average weighted term to settlement

The average weighted term to settlement is calculated separately by class of business based on historic settlement patterns and allowing for the time value of money.

Inflation

Economic inflation assumptions are set by reference to current economic indicators.

Discount rates

Discount rates derived from market yields on Commonwealth Government securities as at the balance date have been adopted. These are referred to as Risk Free Discount Rates.

In compliance with Australian Accounting Standard Board's AASB 17, an allowance has also been made for the "illiquidity characteristics" of the insurance contracts – i.e. where the Company may be required to make payments earlier than the occurrence of insured events or dates specified in the contract. These have been based on the G100 corporate bond spreads. The AASB 17 Discount Rates are a combination of the Risk Free Discount Rates and the allowance for the Illiquidity Premium.

Expense rate

Claims handling expenses were calculated by reference to past experience of the Company's claims administration costs as a percentage of past gross/net payments.

Risk adjustments

Risk adjustments have been based on a 75% Probability of Sufficiency basis for the 30 June 2025 and 30 June 2026 financial years. Risk adjustments are required to comply with the Australian Accounting Standard Board's AASB 17. However, the 50% Diversification Benefit or Discount has been removed for the 30 June 2026 valuation, to reflect the changes to the Company's portfolio, which has been in Run-Off for approximately 3 years and nearly all of the Short Tail claims have now been settled.

Average claim size

The assumed average claim size and payment patterns are generally based on the claims experience over the last three financial years. The overall provision is dominated by the allowance for Professional Standards claims, and specifically the allowance for IBNR claims with an assumed average claim size of $152,477 (2025: $174,409) applied to the 908 Molestation claims expected to be reported.

Number of IBNR claims

The number of IBNR claims has been based on the reporting history of the particular classes over past financial years.

Incurred cost development

The assumed incurred cost development has generally been based on past claims experience of the particular portfolios over the last three financial years.

Minimum Loss Ratios

To allow for the underdevelopment of the more recent accident years, minimum loss ratios have been applied based on past history of claims and premiums for the public liability and professional indemnity classes.

Number and average claim size of latent claims

The number and average claim size of latent claims has been based on the reporting history of these claims over the last three financial years.

a) Sensitivity analysis – insurance contracts

The Company conducts sensitivity analysis to quantify the exposure to the risk of changes in the underlying assumptions used in the financial statements. The movement in any key variable will impact the performance and equity of the Company.

The sensitivity of the Company's profit and equity to key valuation assumptions, both gross and net of reinsurance is tabulated below:

Variable	Change	Dollar Impact		Percentage Impact	
		Gross $'000	Net $'000	Gross %	Net %
Average weighted term to settlement (years)	+0.5	10,154	9,993	1.88%	1.89%
	-0.5	(10,374)	(10,210)	(1.92%)	(1.93%)
Weighted average claim size	+10%	(54,074)	(52,876)	(10.00%)	(10.00%)
	-10%	54,074	52,876	10.00%	10.00%
Number of MOL claims	+10%	(17,251)	(17,251)	(3.19%)	(3.26%)
	-10%	17,251	17,251	3.19%	3.26%
Average claim size (Latent claims only)	+10%	(17,251)	(17,251)	(3.19%)	(3.26%)
	-10%	17,251	17,251	3.19%	3.26%
Expense rate (gross claims cost)	+1%	(5,142)	(5,142)	(0.95%)	(0.97%)
	-1%	5,142	5,142	0.95%	0.97%
Inflation and superimposed assumptions	+0.25%	(3,809)	(3,719)	(0.70%)	(0.70%)
	-0.25%	3,809	3,657	0.70%	0.69%
Discount rate	+0.25%	3,809	3,657	0.70%	0.69%
	-0.25%	(3,809)	(3,719)	(0.70%)	(0.70%)
Risk adjustment	+1%	(4,334)	(4,235)	(0.80%)	(0.80%)
	-1%	4,334	4,235	0.80%	0.80%

8. Risk management

The financial condition and operation of the Company are affected by several key risks including insurance risk, interest rate risk, credit risk, market risk, liquidity risk, financial risk, compliance risk, fiscal risk and operational risk. Notes on the Company's policies and procedures in respect of managing these risks are set out in the notes to the financial statement.

Objectives in managing risks arising from insurance contracts and policies for mitigating these risks

The Company is committed to controlling insurance risk through identifying, monitoring and managing risks associated with its business activities. In addition to the inherent uncertainty of insurance risk, insurance businesses are affected by market factors, particularly movements in asset values.

Risk management framework

The Risk Management Framework (RMF) facilitates and supports sound risk-taking and decision-making, a robust risk culture and ultimately CCI's run-off mission to Finish Well. The RMF enables the development and implementation of strategies, policies, procedures and controls to manage material risks.

The RMF comprises three parts, including:

- **Risk Management Framework (Part 1)**: The RMF is the totality of systems, structures, policies, processes and people within an APRA-regulated institution that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk;

- **Risk Management Strategy (RMS) (Part 2):** The RMS describes the strategy for managing risk and the key elements of the RMF that give effect to this strategy. The objective of the RMS is to address each material risk; and
- **Risk Appetite Statement (RAS) (Part 3):** The Board and executive management develop the Company's RAS and associated risk tolerances, targets and limits required to achieve Company objectives and to embed practical risk management into the organisation. The RAS is approved by the Board.

Together the RMF, RMS and RAS, collectively referred to as the RMF, give effect to the requirements of APRA Prudential Standard CPS 220 Risk Management. Requirements relating to operational risk management, business continuity and the management of service providers are addressed under APRA Prudential Standard CPS 230 Operational Risk Management, and reinsurance arrangements under APRA Prudential Standard GPS 230 Reinsurance Management, each supported by policies and frameworks forming part of the RMF.

The Board and senior management of the Company have developed, implemented and maintained the RMF as the central location where the Company's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address material financial and non-financial risks, including treatment strategies and controls. The existence and effectiveness of controls are measured to ensure that residual risks are managed appropriately within risk appetite.

Annually, the Board certifies to APRA that adequate strategies have been put in place to monitor Company's risks, that the Company has systems in place to ensure compliance with legislative and prudential requirements and that the Board has satisfied itself as to the Company's compliance with the RMF including the RMS and RAS.

Following CCI's announcement to enter into run-off, APRA imposed an associated authorisation condition such that CCI may only carry on insurance business in Australia for the purpose of discharging liabilities arising under policies issued on or before 15 June 2023. Under GPS 110, Capital Adequacy, a run-off insurer must maintain a rolling three year "Financial Run-off Plan" subject to an annual review and approval by the Board. The Appointed Actuary must also review the Financial Run-off Plan. CCI also maintains an Operational Run-off Playbook (Run-off Playbook). The Run-off Plan and Playbook are important elements in CCI's overall risk management.

Risk Appetite

The RAS, as part of the RMF, is reviewed annually and provides clear parameters for acceptable risk-taking. CCI adopts a cautious risk posture under run-off, with specific aversions to regulatory, reputational and Scheme of Arrangement readiness risks.

CCI continues to monitor the risk landscape and make adjustments to the RMF as necessary. CCI has identified the following "key areas of risk exposure".

- Insurance risk
- Reinsurance counterparty risk
- Operational risk
- Capital and regulatory risk
- Financial risks are considered in note 9.

a) Insurance risk

Insurance contracts transfer risk to the insurer by indemnifying the policyholder against adverse events. The risk inherent in the insurance contract is the uncertainty of claims and amounts paid which may exceed amounts estimated at the time the product was designed and priced. It is worth noting that CCI still has one very small run-off policies in force at year end.

The primary insurance risk for CCI is that inadequate and/or inappropriate claims management and/or reinsurance will expose it to financial loss and consequent triggering the Scheme of Arrangement.

The following protocols have been established to manage insurance risk:

Terms and conditions of insurance contracts

The terms and conditions attaching to insurance contracts affect the level of insurance risk accepted by the Company. There are no special terms and conditions in any non-standard contracts that have a material impact on the financial statements.

Claims management and provisioning

The Company has established systems to capture, review and update claims estimates on a timely basis to ensure the adequacy of its outstanding claims provision.

The Company's approach to valuing the liability for incurred claims (LIC) provision and the related sensitivities are set out in note 7. The Company has in place a Third-Party Administrator (TPA) arrangement for Workers' Compensation Claims with Employers Mutual Limited (EML), effective 1 April 2024.

b) Reinsurance counterparty risk

The Company reinsures a portion of the risks it underwrites in order to control exposure to losses, minimise volatility in earnings, protect capital resources and ensure efficient control and spread of underwriting risk. The Company continues to keep close relationships with its reinsurers while closely monitoring counterparty risk of reinsurers on the panel to mitigate against the risk that CCI cannot recover an adequate portion of its claims losses.

c) Operational risk

Operational risk is the risk of loss arising from inadequate systems and controls, human error or management failure. The Company's controls include recruitment policies, internal audit and system reviews, compliance monitoring, delegated authorities, segregation of duties, access controls, business recovery plans and authorisation and reconciliation procedures.

d) Capital and regulatory risk

The Company is subject to extensive prudential regulation and actively monitors its compliance obligations. Prudential regulation is designed to protect policyholders' interests and includes solvency, change in control and capital movement limitations. In addition, the Company aims to maintain a strong solvency order to support its business objectives and maximise shareholder wealth.

The Company manages its capital requirements by assessing capital levels on a monthly basis and this is reported to APRA. Its objectives are to maintain compliance with APRA's rules and regulations despite the PCR being outside the acceptable range, while closely managing its adjusted net asset value (excluding risk adjustments) and reporting on this basis also.

9. Financial risk

The operating activities of the Company expose it to market, credit and liquidity financial risks.

The RMF aims to minimise the impact of financial risks and adverse financial market movements on the Company's financial performance and position. A key objective of the RMS is to ensure sufficient liquidity is maintained at all times to meet the Company's insurance claims and other debt obligations while ensuring investment returns are optimised to improve the Company's capital adequacy position.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises currency risk (due to fluctuations in foreign exchange rates), interest rate risk (due to fluctuations in market interest rates) and price risk (due to fluctuations in market prices).

(i) Currency risk

CCI has no foreign currency exposures.

(ii) Interest rate risk

CCI invests in floating rate and fixed rate financial instruments. Interest rate movements expose CCI to cash flow risks (income) from floating rate investments and fair value risks (capital) for fixed rate investments.

Interest rate risk is managed by maintaining an appropriate mix between floating and fixed interest bearing deposits.

CCI has no interest-bearing financial liabilities. The maturity profile of the Company's financial assets and liabilities and effective weighted average interest rate are set out in note 31.

Sensitivity analysis of the potential impact of movements on the Company's income statement and equity is shown in note 9(e).

(iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (excluding interest rate or currency risks). Price risk may arise from factors affecting specific financial instruments, issuers, or all similar financial instruments traded on the market.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to reduce CCI's credit risk exposure:

- The investment policy defines net exposure limits for financial instruments, counterparties, and minimum credit ratings. Compliance with the policy is monitored with exposures and breaches reported to the Board Audit and Risk Committee;
- Reinsurance receivables credit risk is actively monitored with strict controls maintained over counterparty exposures. Business is transacted with counterparties that have a strong credit rating and concentration of risk is avoided by adherence to counterparty limits;
- Premium receivables are principally with Catholic Church organisations. Credit risk is deemed low due to low default rates and strong relationships with Church leaders and organisations. The Company actively pursues the collection of premiums; and
- Expected credit losses are assessed by management monthly.

(i) Credit exposure

The following tables provide information regarding the aggregate credit risk exposure of the Company at the balance date in respect of the major classes of financial assets. The analysis classifies the assets according to S&P Global counterparty credit ratings. AAA is the highest possible rating. Rated assets falling outside the range of AAA to BBB are classified as speculative grade. All premium receivables are unrated.

	AAA	AA	A	BBB	Below Investment Grade	Not Rated	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2026							
Cash and cash equivalents*	-	18,734	-	-	-	-	18,734
Interest bearing investments**	28,502	300,747	108,435	15,988	-	-	453,672
Reinsurance contract assets held***	-	2,886	6,683	-	-	-	9,569
Other Financial Assets (commutation receivables)****	-	8,534	578	-	-	-	9,112
2025	-						
Cash and cash equivalents*	-	22,389	-	-	-	-	22,389
Interest bearing investments**	85,773	320,869	120,385	7,402	-	138	534,567
Reinsurance contract assets held***	-	10,649	12,516	-	-	-	23,165

* Cash and cash equivalents include cash at bank, overnight cash and securities with the original maturity date less than 14-days that can be readily sold for same day settlement.

** Includes government and semi-government bonds, other fixed interest securities and unsecured notes in other corporations (refer note 20).

*** Includes current and non-current reinsurance and other recoveries on insurance contract liabilities, both Held-for-Sale and non-Held-for-Sale. The BBB and speculative credit ratings associated with reinsurance and other recoveries are based on the historic recoverability associated with reinsurers in run-off. No reinsurers in our current program are rated below A-.

**** Includes commutation receivables for Workers Compensation (Held-for-Sale) and General Liability portfolio signed agreements but monies not received prior to 30 June 2026.

In 2026, the exposure for cash and cash equivalents where the AA rating for the Company is reported reduces by $3,655.

(ii) **Asset carrying value**

The carrying amount of the asset classes shown below represents the maximum amount of credit exposure.

The following tables provide information regarding the carrying value of the Company's financial assets and the ageing of those that are past due.

		Past Due				
	Not Past Due	Less Than 3 Months	3 to 6 Months	6 Months to 1 year	Greater Than 1 Year	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2026						
Cash and cash equivalents	18,734	-	-	-	-	18,734
Reinsurance contract assets held[1]	9,569	-	-	-	-	9,569
Other receivables[2]	59	-	-	-	-	59
Other Financial Assets (commutation receivables)[3]	9,112	-	-	-	-	9,112
2025						
Cash and cash equivalents	22,389	-	-	-	-	22,389
Reinsurance contract assets held[1]	23,165	-	-	-	-	23,165
Other receivables[2]	62	-	-	-	-	62

[1] Includes reinsurance recoveries on LIC and reinsurance commissions receivable.

[2] Includes sundry debtors.

[3] Includes commutation receivables for Workers Compensation and General Liability portfolios with signed agreements but monies not received prior to 30 June 2026.

CCI has no possessed collateral, impaired or renegotiated agreements in respect of impaired financial assets.

c) Liquidity risk

Liquidity risk is the risk that CCI will encounter difficulties selling assets in a timely manner to meet its obligations.

The investment policy requires a minimum percentage of investments be held in cash and short-term deposits to ensure sufficient liquid funds are available to meet insurance and other liabilities as they fall due for payment. In addition, the investment policy also includes a maximum threshold for illiquid assets, which is defined as any securities that cannot be redeemed or sold within 30 days. CCI has a strong liquidity position with no interest-bearing debt.

The Company limits the risk of liquidity shortfalls resulting from mismatch in the timing of claim payments and receipt of claim recoveries by negotiating cash call clauses in reinsurance contracts and seeking accelerated settlements for large claims.

The following tables summarise the maturity profile of financial liabilities of the Company based on the remaining undiscounted contractual obligations.

	Less Than 3 Months	3 Months to 1 Year	1 to 5 Years	Greater Than 5 Years	Total
Company	$'000	$'000	$'000	$'000	$'000
2026					
Insurance contract liabilities-incurred claims	39,398	112,910	290,375	99,652	542,335
Lease Liabilities	44	135	234	-	413
2025					
Insurance contract liabilities-incurred claims	34,312	102,883	303,985	106,832	548,012
Lease Liabilities	42	127	418	-	587

d) Concentration Risk

Concentration risk refers to the risk of being heavily exposed to a single issuer or counterparty that may lead to substantial losses that may not be fully recovered in a credit event.

CCI mitigates concentration risks by imposing maximum threshold limits on credit ratings, sectors, and ultimate parent company.

e) Sensitivity

The following table outlines the net profit and equity sensitivities to changes in interest rates and investment markets. These sensitivities are indicative only as they assume that the movement in a particular variable is independent of the other variables. The percentage movement in variables has been derived by taking into consideration the likelihood of these events occurring both in the context of the Company's business and the environment in which it operates. This same level of testing is used by the Company in determining a targeted solvency ratio.

		Financial Impact +/-			
		2026 Net Profit / (Loss)	2026 Equity	2025 Net Profit / (Loss)	2025 Equity
Market risk	**Movement in variable**	$'000	$'000	$'000	$'000
Interest rate	1%+/-	1,006/(1,006)	1,006/(1,006)	3,386/(3,386)	3,386/(3,386)
Unlisted Properties	10%+/-	0/(0)	0/(0)	1,515/(1,515)	1,515/(1,515)

10. Insurance revenue and expenses

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held for 2026 and 2025 is included in the following tables. Additional information on amounts recognised in profit or loss is included in the insurance contract balances reconciliations in Note 11 and reinsurance contract balances reconciliations in Note 12.

	2026 $'000	2025 $'000
Insurance revenue	(58)	-
Insurance service expenses	-	-
Incurred claims and other directly attributable income/(expenses)	(139,247)	83,411
Total insurance service income/(expenses)	(139,247)	83,411
Total net income/(expenses) from reinsurance contracts held	9,928	(44,136)
Total insurance service result	(129,377)	39,275

11. Reconciliation of the liability for remaining coverage (LFRC) and the liability for incurred claims (LIC)

	LfRC		LIC for contracts under the PAA		
	Excluding Loss comp	Loss Comp	Present value of future cash flows	Risk adjustment for non-financial risk	Total
2026	$'000	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	(186)	-	(455,796)	(92,030)	(548,012)
Insurance revenue	(58)	-	-	-	(58)
Insurance service expense					
Incurred claims and other directly attributable expenses	-	-	(124,255)	(14,994)	(139,249)
Allocation of acquisition cost in the period	2	-	-	-	2
Insurance service expenses	2	-	(124,255)	(14,994)	(139,247)
Finance expenses from insurance contracts issued	-	-	11,428	-	11,428
Total amounts recognised in comprehensive income	(56)	-	(112,827)	(14,994)	(127,877)
Cash flows					
Premiums received	(4,251)	-	-	-	(4,251)
Claims and related attributable expenses paid	-	-	136,313	-	136,313
Other attributable expenses paid	1,492	-	-	-	1,492
Total cash flows	(2,759)	-	136,313	-	133,554
Closing insurance contract liabilities	(3,001)	-	(432,310)	(107,024)	*(542,335)

*$99.7m of the insurance contract liabilities is within Insurance contract liabilities held for sale (note 13)

	LfRC		LIC for contracts under the PAA		
	Excluding Loss comp	Loss Comp	Present value of future cash flows	Risk adjustment for non-financial risk	Total
2025	$'000	$'000	$'000	$'000	$'000
Opening insurance contract liabilities	2,328	-	(710,878)	(152,966)	(861,516)
Insurance revenue	-	-	-	-	-
Insurance service expense					
Incurred claims and other directly attributable expenses	-	-	22,461	60,936	83,397
Allocation of acquisition cost in the period	14	-	-	-	14
Insurance service expenses	14	-	22,461	60,936	83,411
Finance expenses from insurance contracts issued	-	-	28,711	-	28,711
Total amounts recognised in comprehensive income	14	-	51,172	60,936	112,122
Cash flows					
Premiums received	(2,080)	-	-	-	(2,080)
Claims and related attributable expenses paid	-	-	203,910	-	203,910
Other attributable expenses paid	(448)	-	-	-	(448)
Total cash flows	(2,528)	-	203,910	-	201,382
Closing insurance contract liabilities	(186)	-	(455,796)	(92,030)	*(548,012)

*$136.2m of the insurance contract liabilities is within Insurance contract liabilities held for sale (note 13)

12. Reconciliation of the measurement components of reinsurance contracts held

	Asset for remaining coverage	Assets for incurred claims		
	Remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
2026	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	(1,588)	21,645	3,109	23,166
Allocation of reinsurance expense	(43)	-	-	(43)
Recoveries of incurred claims and other insurance service expenses	-	11,303	(1,332)	9,971
Net income/(expense) from reinsurance contracts held	(43)	11,303	(1,332)	9,928
Finance income from reinsurance contracts held	-	(589)	-	(589)
Total amounts recognised in comprehensive income	(43)	10,714	(1,332)	9,339
Cash flows				
Premiums paid	307	-	-	307
Recoveries from reinsurance	-	(7,522)	-	(7,522)
Total cash flows	307	(7,522)	-	(7,215)
Reallocation of communtation amounts to Financial Assets	313	(16,034)	-	(15,721)
Closing reinsurance contract assets	(1,011)	8,803	1,777	*9,569

* $5.7m of the reinsurance contract assets is within Reinsurance contract assets held for sale (note 13)

	Asset for remaining coverage	Assets for incurred claims		
	Remaining coverage	Present value of future cash flows	Risk adjustment for non-financial risk	Total
2025	$'000	$'000	$'000	$'000
Opening reinsurance contract assets	80,945	98,543	26,213	205,701
Allocation of reinsurance expense	(102)	-	-	(102)
Recoveries of incurred claims and other insurance service expenses	-	(20,930)	(23,104)	(44,034)
Net income/(expense) from reinsurance contracts held	(102)	(20,930)	(23,104)	(44,136)
Finance income from reinsurance contracts held	-	(5,003)	-	(5,003)
Total amounts recognised in comprehensive income	(102)	(25,933)	(23,104)	(49,139)
Cash flows				
Premiums paid	9,387	-	-	9,387
Recoveries from reinsurance	(91,818)	(50,965)	-	(142,783)
Total cash flows	(82,431)	(50,965)	-	(133,396)
Closing reinsurance contract assets	(1,588)*	21,645	3,109	23,166**

* Credit balance driven primarily due to a Loss Funding balance with one reinsurer of $1.9m

** $13.01m of the reinsurance contract assets is within Reinsurance contract assets held for sale (note 13)

12.a

The following tables show the development of gross and net undiscounted central estimates (excluding claims handling expenses) of the liabilities for incurred claims (LIC) relative to the ultimate expected claims for the ten most recent accident years.

Estimate of ultimate claims cost:	All Prior	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At end of accident year	1,196,175	57,069	59,720	67,752	61,495	71,622	75,949	13,452	647	11	1,603,892
One year later	1,216,912	52,941	62,598	68,774	71,452	66,823	86,930	11,457	654		1,638,541
Two years later	1,312,802	53,523	58,100	66,717	71,348	66,895	83,930	10,368			1,723,683
Three years later	1,510,623	51,624	62,342	65,918	80,868	69,606	101,181				1,942,162
Four years later	1,741,573	56,043	61,178	76,555	76,449	70,536					2,082,334
Five years later	1,662,171	54,276	70,564	77,607	77,728						1,942,346
Six years later	1,958,284	57,705	79,885	79,284							2,175,158
Seven years later	2,003,232	56,633	82,657								2,142,522
Eight years later	1,945,340	55,964									2,001,304
Nine years later	2,040,685										2,040,685
Current estimate of cumulative claims cost	2,040,685	55,964	82,657	79,284	77,728	70,536	101,181	10,368	654	11	2,519,068
Cumulative payments	1,691,506	53,127	61,398	69,320	63,795	45,085	50,783	5,903	391	7	2,041,315
Outstanding claims - undiscounted	349,179	2,837	21,259	9,964	13,933	25,451	50,398	4,465	263	4	477,753
Discount	(50,510)	(514)	(8318)	(914)	(1,292)	(2,441)	(7,114)	(466)	(19)	-	(71,588)
Outstanding Claims	298,669	2,323	12,941	9,050	12,641	23,010	43,284	3,999	244	4	406,165
Short Tail											4,947
Claims handling expenses											21,198
Risk Adjustment											107,025
Gross provision											539,335

Estimate of ultimate claims cost:	All Prior	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At end of accident year	1,046,286	56,854	59,477	64,254	60,555	69,882	82,305	12,249	647	11	1,452,520
One year later	1,060,735	52,686	62,037	67,522	69,805	79,022	91,699	11,023	654		1,495,183
Two years later	1,135,803	53,255	55,855	64,995	79,896	80,067	90,689	10,242			1,570,802
Three years later	1,298,754	49,647	60,440	71,663	90,400	83,639	104,570				1,759,113
Four years later	1,482,378	54,007	67,551	82,793	86,531	85,794					1,859,054
Five years later	1,427,574	58,023	75,821	83,896	87,810						1,733,124
Six years later	1,581,975	61,487	73,653	85,684							1,802,799
Seven years later	1,741,017	60,450	84,518								1,885,985
Eight years later	1,675,368	59,781									1,735,149
Nine years later	1,764,211										1,764,211
Current estimate of cumulative claims cost	1,764,211	59,781	84,518	85,684	87,810	85,794	104,570	10,242	654	11	2,283,275
Cumulative payments	1,418,906	56,944	67,986	75,720	73,878	60,544	58,401	5,778	391	7	1,818,555
Outstanding claims - undiscounted	345,305	2,837	16,532	9,964	13,932	25,250	46,169	4,464	263	4	464,720
Discount	(48,776)	(514)	(6,304)	(914)	(1,292)	(2,388)	(6,685)	(466)	(19)	-	(67,358)
Outstanding Claims	296,529	2,323	10,228	9,050	12,640	22,862	39,484	3,998	244	4	397,362
Short Tail											4,947
Claims handling expenses											21,198
Risk Adjustment											105,258
Net provision											528,765

Net of third party and gross of reinsurance recoveries.

	Company	
	2026 $'000	2025 $'000

13. Held for Sale

Reinsurance contract assets held (Held for Sale)	5,753	13,010
Insurance contract liabilities (Held for Sale)	99,691	136,197
Financial assets (Held for Sale)	3,910	-

As at 30 June 2026, the Company classified certain non-current assets and liabilities as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These assets and liabilities are expected to be sold within 12 months from the reporting date and are measured at the lower of their carrying amount and fair value less costs to sell.

These assets and liabilities relate to the Company's Workers' Compensation portfolio of insurance contract liabilities. Financial assets of $3.9 million and reinsurance contract assets held of $5.7 million. The Financial Assets relate to signed reinsurance commutation agreements, where the monies are yet to be received as at 30 June 2026. Discussions and negotiations in relation to the sale and settlement of the Insurance contract liabilities have mostly been completed but no final agreements are signed as yet. As at 30 June 2026, this sale will be funded by an estimated amount of $126m from CCI's Financial assets currently held as collateral with SIRA as disclosed in Note 20.

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	Company	
	2026 $'000	2025 $'000

14. Insurance service result from insurance contracts issued

Direct	(58)	-
Fire service levies	-	-
Premium revenue	(58)	-
Insurance Service Expenses	(139,247)	83,411
Net premium revenue	(139,305)	83,411

15. Net expenses from reinsurance contracts held

	Company 2026 $'000	Company 2025 $'000
Allocation of reinsurance expense		
RI Commission & Brokerage	1	153
Movement in Unearned RI Commission	-	-
RI Ceded	(3)	(103)
RI Movement in Unearned Premium	7	11
Reinsurance cost Allocation	39	41
Total	44	102
Amounts recovered from reinsurance		
RI Recoveries Received	(20,610)	(52,514)
RI Recoveries Allowance	(1,346)	2,667
RI Excess of Loss	12,573	98,884
Discounting impact on Reinsurance contracts held	(589)	(5,003)
Total	(9,972)	44,034
Total	(9,928)	44,136

16. Investment income changes in fair value

	Company 2026 $'000	Company 2025 $'000
Dividend Income	496	722
Interest income	22,741	27,035
Unrealised gains / (losses) on investments	(320)	1,864
Realised gains / (losses) on investments	(1,486)	1,121
Total	21,431	30,742

17. Insurance financial result

	Company 2026 $'000	Company 2025 $'000
Accretion on Interest from Insurance Contracts	11,428	28,711
Accretion on Interest from Reinsurance Contracts	(589)	(5,003)
Total	10,839	23,708

18. Other operating expenses

	Company 2026 $'000	Company 2025 $'000
Gain/(loss) from Asset	6	(26)
Strategic and not Attributable Cost allocation	2,273	3,367
Total	2,279	3,341

19. Cash and cash equivalents

	Company 2026 $'000	Company 2025 $'000
Cash and cash equivalents comprises:		
- Cash at call	18,734	22,389
Total	18,734	22,389
Reconciliation of cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet as follows:		
– Cash	18,734	22,389
Total	18,734	22,389

20. Financial assets

	Company 2026 $'000	Company 2025 $'000
- Government and semi-government bonds	20,805	106,944
- Discount securities	4,912	22,659
- Other fixed interest securities	424,800	402,010
- Units in property unit trusts	-	15,149
- Accrued Interest	3,155	2,954
Total Investments	**453,672**	**549,716**
- Other financial assets*	5,202	-
Total Financial Assets	**458,874**	**549,716**

In accordance with Section 23 of the State Insurance Regulatory Authority Act 2015, as at 30 June 2026, the Authority holds $149.3m in collateral in relation to CCI's regulatory and insurance activities.

As at 30 June 2026, an estimated amount of $126m from CCI's Financial assets currently held as collateral with SIRA will be used to fund the sale of CCI's Workers' Compensation portfolio as disclosed in Note 13.

*Other financial assets of $5.2 million comprise reinsurance commutation receivables relating to executed agreements for the General Liability portfolio that remain outstanding as at 30 June 2026.

21. Other receivables

	Company 2026 $'000	Company 2025 $'000
Sundry debtors (i)	59	62
Total	59	62

(i) Sundry debtors are recognised when the entities' right to receive the payment is established.

22. Plant and equipment	Company					
	Right of Use Assets	Motor Vehicles	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2026						
Balance at 1 July 2025	2,403	475	-	1,641	-	4,519
Additions	-	-	-	7	-	7
Disposals/write offs	(1,524)	(51)	-	(379)	-	(1,954)
Balance at 30 June 2026	**879**	**424**	**-**	**1,269**	**-**	**2,572**
Accumulated depreciation						
Balance at 1 July 2025	(1,832)	(218)	-	(1,569)	-	(3,619)
Disposals/write offs	1,524	15	-	379	-	1,918
Depreciation charge for the year	(175)	(70)	-	(73)	-	(318)
Balance at 30 June 2026	(483)	(273)	-	(1,263)	-	(2,019)
Net carrying amount at 30 June 2026	396	151	-	6	-	553

There has been no change to depreciation rates or useful lives at 30 June 2026.

Plant and equipment	Company					
	Right of Use Assets	Motor Vehicles	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2025						
Balance at 1 July 2024	2,403	650	-	3,127	-	6,180
Additions	-	90	-	-	-	90
Disposals/write offs	-	(265)	-	(1,486)	-	(1,751)
Balance at 30 June 2025	2,403	475	-	1,641	-	4,519
Accumulated depreciation						
Balance at 1 July 2024	(1,372)	(291)	-	(2,869)	-	(4,532)
Disposals/write offs	-	160	-	1,486	-	1,646
Depreciation charge for the year	(460)	(87)	-	(186)	-	(733)
Balance at 30 June 2025	(1,832)	(218)	-	(1,569)	-	(3,619)
Net carrying amount at 30 June 2025	571	257	-	72	-	900

23. Intangible assets

Company

Year ended 30 June 2026

(a) Reconciliation of carrying amounts at the beginning and end of the period

	Computer Software
Gross carrying amount	**$'000**
Balance at 1 July 2025	4,151
Additions	-
Work In Progress	-
Disposals	(2,906)
Impairment	-
Balance at 30 June 2026	1,245
Accumulated amortisation	
Balance at 1 July 2025	(4,044)
Amortisation charge for the year	(61)
Disposals	2,906
Balance at 30 June 2026	(1,199)
Net carrying amount at 30 June 2026	46

Year ended 30 June 2025

(a) Reconciliation of carrying amounts at the beginning and end of the period

	Computer Software
Gross carrying amount	**$'000**
Balance at 1 July 2024	4,151
Additions	-
Work In Progress	-
Disposals	-
Impairment	-
Balance at 30 June 2025	4,151
Accumulated amortisation	
Balance at 1 July 2024	(3,982)
Amortisation charge for the year	-
Disposals	(62)
Balance at 30 June 2025	(4,044)
Net carrying amount at 30 June 2025	107

(b) Description of the Company's intangible assets

Computer software

Software that is not integral to the operation of hardware and includes externally purchased software, internally generated software and licences.

	Company	
	2026 $'000	2025 $'000
24. Other payables		
Levy and Charges Payable	35	35
	35	35

	Company	
	2026 $'000	2025 $'000
25. Lease Liabilities		
Lease liabilities	413	587
Total	413	587

	Company	
	2026 $'000	2025 $'000
26. Contributed Equity		
Share Capital	179,333	179,333
Total Contributed equity	179,333	179,333

	Number of shares	$'000
Issued shares, fully paid at 1 July	12,189,946	179,333
Issued shares, fully paid at 30 June	12,189,946	179,333

Terms and conditions of contributed equity

Fully paid ordinary shares and subscription shares carry one vote per share and carry the right to dividends.

In the event of winding up, the Company shareholders have the right to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

27. Director and executive disclosures

(a) Details of key management personnel (KMP)

(i) Directors

The names of persons who were Directors of Catholic Church Insurance Limited at any time during the year or until the date of this report are as follows:

Ms Joan Fitzpatrick (Chairman)

Mr Eamonn Cunningham

Mr Noel Condon

Mr Matthew Doquile

Mr David Issa

(ii) Executive Officers

Tim Farren

Paul Smith

Janelle Howell

Lizzie Marshall

Ben Carruthers (Appointed executive on 1 January 2026)

Damien Farrugia (July 2025)

(b) Compensation of key management personnel

(i) The compensation policy is disclosed in the Directors' Report.

(ii) Compensation of key management personnel by category is as follows:

	Company	
	2026 $'000	2025 $'000
Directors		
Short-term	749	728
Post employment	-	-
	749	728

The short-term category includes salary, fees and cash bonuses. The post employment category includes superannuation and retirement benefits.

	Company	
	2026 $'000	2025 $'000
Executives		
Short-term	2,974	2,747
Post employment	429	678
Other long-term	255	171
	3,658	3,596

The short-term category includes salary, fees and cash bonuses. The post employment category includes superannuation and termination packages inclusive of motor vehicles. The other long term category includes accrued long service leave whether or not the executive has reached the entitlement date. Executive remuneration includes termination in lieu of notice payments of $253k (2025: $492k).

(c) Shareholdings of key management personnel

As at 30 June 2025 and 30 June 2026, no directors held shares in Catholic Church Insurance Limited.

(d) Loans to key management personnel

There are no loans to key management personnel.

28. Auditors remuneration

	Company	
	2026 $'000	2025 $'000
Amounts received or due and receivable by Ernst & Young Australia for:		
(a) an audit or review of the financial report of the entity	171	281
(b) other services in relation to the entity	60	59
– Taxation services	-	-
– Other non-audit services	171	43
Total Auditors Remuneration	402	383

Other services primarily relate to actuarial peer review services provided during 2025 and 2026, as well as professional advisory services associated with the upcoming sale of the workers' compensation portfolio.

29. Statement of cash flows

	Company	
	2026 $'000	2025 $'000
Reconciliation of cash flow from operations with profit /(loss) from ordinary activities		
Profit/(loss) from ordinary activities	(98,744)	91,358
Changes in net market value of investments	1,604	(2,456)
Interest on lease liabilities	16	(520)
Depreciation of assets	379	795
Profit/(loss) on sale of assets	6	(26)
Decrease/(increase) in reinsurance contract assets	(2,124)	182,536
Decrease/(increase) in other receivables	6,612	11,805
(Decrease)/increase in insurance contract liabilities	(5,677)	(313,504)
(Decrease)/increase in other payables	-	(1,463)
(Decrease)/increase in provision	-	(757)
Cash flow from operating activities	(97,928)	(32,232)

30. Capital adequacy

The Australian Prudential Regulation Authority's (APRA's) prudential standards set out the basis for calculating the Prescribed Capital Requirement (PCR) of licensed insurers. The PCR assumes a risk-based approach in calculating a Company's solvency and is determined as the sum of the insurance, asset, investment concentration and catastrophe risk capital charges.

The Company has at all times during the current and prior financial year complied with the externally imposed capital requirements to which it is subject.

The PCR of the Company applying consolidation principles to the prudential standards is as follows:

	Company	
	2026 $'000	2025 $'000
Tier 1 capital		
Paid-up ordinary shares	179,333	179,333
Retained earnings at end of reporting period	(230,371)	(131,627)
OCL Surplus/ (Deficit)	(3,886)	3,804
Premium liability surplus	-	(2)
Net tier 1 capital	(54,924)	51,508
Less net intangible assets	(46)	(107)
Less assets under a fixed or floating charge	(54,886)	(84,799)
Total capital base	(109,856)	(33,398)
Prescribed capital requirement	317,489	321,303
Prescribed capital requirement coverage	(34.60%)	(10.39%)

The Company does not hold any tier 2 capital.

31. Additional financial instruments disclosure

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the financial statements. Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Interest rate risk

The following table details the economic entity's exposure to interest rate risk at the reporting date.

	Fixed Interest Rate Maturity – Company						
2026	**Average Interest Rate %**	**Variable Interest $'000**	**Less Than 1 Year $'000**	**1 to 5 Years $'000**	**More Than 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
Financial assets							
Cash assets*	3.73	18,734	-	-	-	-	18,734
Discount securities	4.78	4,912	-	-	-	-	4,912
Other receivables	-	-	-	-	-	59	59
Reinsurance Recoveries	-	-	-	-	-	9,569	9,569
Other financial assets (commutation receivables)	-	-	-	-	-	5,202	5,202
Government and semi-government bonds	3.76	-	-	20,805	-	-	20,805
Other fixed interest securities	5.30	-	172,119	252,681	-	-	424,800
Total	-	23,646	172,119	273,486	-	14,830	484,081
Financial liabilities							
Creditors	-	-	-	-	-	35	35
Total	-	-	-	-	-	35	35

* CCI held no bank guarantees as at 30 June 2026 (2025 $700,000). A bank guarantee sat on a term deposit in relation to the Sydney office lease with NAB but this bank guarantee was cancelled on 5 August 2025 following the Surrender of the Sydney lease.

	Fixed Interest Rate Maturity – Company						
2025	**Average Interest Rate %**	**Variable Interest $'000**	**Less Than 1 Year $'000**	**1 to 5 Years $'000**	**More Than 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
Financial assets							
Cash assets	3.88	22,389	-	-	-	-	22,389
Discount securities	3.76	22,659	-	-	-	-	22,659
Other receivables	-	-	-	-		62	62
Reinsurance Recoveries	-	-	-	-	-	23,165	23,165
Government and semi-government bonds	3.76	-	20,762	81,739	4,442	-	106,943
Other fixed interest securities	4.74	-	84,872	301,506	15,632	-	402,010
Other fixed interest securities	-	-	-	-	-	15,149	15,149
Total		45,048	105,634	383,245	20,074	38,376	592,377
Financial liabilities							
Creditors	-	-	-	-	-	-	-
Total		-	-	-	-	-	-

32. Fair value hierarchy

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy.

As at 30 June 2026	Quoted Market Price (Level 1) $'000	Valuation Technique-Market Observable inputs (Level 2) $'000	Valuation Technique-Non Market Observable inputs (Level 3) $'000	Total $'000
Financial assets				
- Government and semi-government bonds	20,805	-	-	20,805
- Discount securities	-	4,912	-	4,912
- Other fixed interest securities	424,800	-	-	424,800
Total	445,605	4,912	-	450,517

Transfer between categories

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the year.

As at 30 June 2025	Quoted Market Price (Level 1) $'000	Valuation Technique-Market Observable inputs (Level 2) $'000	Valuation Technique-Non Market Observable inputs (Level 3) $'000	Total $'000
Financial assets				
– Government and semi-government bonds	106,944	-	-	106,944
– Discount securities	-	22,659	-	22,659
– Other fixed interest securities	402,010	-	-	402,010
– Units in property unit trusts	-	-	15,149	15,149
Total	508,954	22,659	15,149	546,762

Level 1

Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between categories

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements during the year.

	Company	
Reconciliation of Level 3 fair value movements	**2026 $'000**	**2025 $'000**
Opening balance	15,150	34,435
Total gains and losses		
– Realised	413	(12)
– Unrealised	-	(1,455)
Sales	(15,563)	(17,818)
Closing balance	-	15,150

Total gains and losses from level 3 fair value movements have been recognised in the statement of comprehensive income in the line item "Income/(loss) from other financial instruments at FVTPL". See note 16 Investment Income.

Descriptions of significant unobservable inputs to valuation

Investment Type	Valuation Technique	Unobservable Input
Units in property unit trusts	Net Tangible Asset	Net Tangible Asset

The potential effect of using reasonable alternative assumptions based on a relevant input by 10% would have the effect of reducing the Level 3 fair value by up to $0 (2025: $1,515) or increase the Level 3 fair value by $0 (2025: $1,515).

33. Events occurring after the reporting period

Subsequent to the end of the financial period, the events and matters set out below are relevant to the entity's future financial periods.

Creditors Scheme of Arrangement and any potential Trigger Event

As at 30 June 2026, the value of the Company's assets were less than its liabilities (measured on an accounting basis, and with the provision for insurance contract liabilities including the "Risk Adjustments") by an amount of negative $51 million (positive $54.2 million excluding Risk Adjustment of $105.2 million).

Following the 2023 Federal Court of Australia approved Scheme of Arrangement between CCI and some of its creditors, CCI continues to manage uncertainty and mitigate the risk of potentially being the subject of an insolvency process, such as administration or a winding up.

For further information in relation to the Scheme, refer to the Explanatory Statement in relation to the Scheme dated 27 September 2023 and made available on CCI's website.[2]

A Trigger Event occurs if Board has concluded that in its opinion, disregarding the effect of the Scheme on the Company:

a) the Company would be insolvent, or would be likely to become insolvent, at some future time (in each case as defined in section 95A of the Act); and/or

b) the value of the Company's assets would be, or would be likely to become, less than its liabilities taking into account its contingent and prospective liabilities.

   For the purposes of this definition, "liabilities" means the Company's liabilities as recorded in its statement of financial position but excludes:

   (i) Risk Margin; and

   (ii) any Shareholder Funding.

Therefore after the reporting period the Trigger Event has not occurred due the adjusted net asset value of the Company being a positive $54.2m, after adding back the Risk Adjustment of $105.2m as allowed by regulatory exemptions from certain components of the Insurance Act 1973 (Cth) ("Insurance Act").

Workers' Compensation – Third-Party Administration and Sale

CCI entered a Third-Party Administration (TPA) agreement with Employers Mutual Limited (EML) for the management of the run-off of all Workers' Compensation (WC) portfolios. The contract commenced on 1 April 2024 and includes a financial incentive to reduce the claim liabilities. EML made a binding offer for the purchase of the WC portfolio on 18 May 2026, through a Loss Portfolio Transfer (LPT) and an eventual Division 3A transfer of liabilities. The parties are currently negotiating the required legal contracts.

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or state of affairs of the Company in future financial years.

[2] Capitalised terms in this Note 33 have the meaning given in the Explanatory Statement dated 27 September 2023 and made available on CCI's website.

Directors' Declaration

In accordance with a resolution of the Directors of Catholic Church Insurance Limited, I state that: In the opinion of the Directors:

(a) the financial statements and notes of the Company are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including Interpretations), the Australian Charities and Not-for-profits Regulations 2022;

(b) the financial statements and notes also comply with the Australian equivalent of International Financial Reporting Standards as disclosed in note 2(b) and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



J Fitzpatrick, Chairman
Melbourne, 23 September 2026

Independent Auditor's Report



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Independent auditor's report to the members of Catholic Church Insurance Limited

Opinion

We have audited the financial report of Catholic Church Insurance Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net operating cash outflow of $97.9million and a total comprehensive loss of $98.7 million for the year ended 30 June 2026. The Company has put in place a court approved scheme with certain creditors to ensure an orderly run-off and certainty into the future. As described in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter: Professional standards liability for incurred claims

We draw attention to Note 7 of the financial statements which describes the significant uncertainty in estimating the liability for incurred claims for professional standards claims and the impact thereof on the financial position of the Company. Our opinion is not modified in respect of this matter.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 report 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Ernst & Young

Ernst & Young

Emma Reekie
Partner
Melbourne
23 September 2026

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Corporate Information

Annual Financial Report for year ended June 2026

Directors

Ms Joan Fitzpatrick (Chairman)

Mr Eamonn Cunningham

Mr Noel Condon

Mr Matthew Doquile

Mr David Issa

Company Secretary

Ben Carruthers

Senior Leadership Team

Tim Farren - Chief Executive Officer

Paul Smith - Chief Financial Officer

Janelle Howell - Chief Risk Officer

Lizzie Marshall - Manager, People & Culture

Ben Carruthers - Head of Legal & Company Secretary

Catholic Church Insurance Limited

ABN 76 000 005 210
AFSL No. 235415

Registered Office and Principal Place of Business

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Auditors

Ernst & Young
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