



# Annual Report 2025

Prudential Cambodia



Our purpose

# We are Prudential

For every life, we are partners.  
For every future, we are protectors.



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# Business Executive Summary

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## Message from Chairman of the Board of Directors



It is my privilege, on behalf of the Board of Directors, to present the Prudential Cambodia Annual Report 2025. The year reflects our continued focus on delivering meaningful outcomes for our customers while building a resilient, well-governed business capable of generating sustainable long-term value.

Cambodia’s operating environment remains dynamic, shaped by evolving consumer behaviour, regulatory developments, and rapid digital adoption. Against this backdrop, the need for financial protection continues to grow, yet insurance penetration remains below 2% of GDP. This underscores a significant and enduring opportunity to expand access to protection, savings, and health solutions for Cambodian families.

Our strategy is anchored in meeting these needs. In 2025, Prudential Cambodia strengthened its customer propositions, improved service accessibility, and enhanced engagement across both digital and face-to-face channels. We continue to focus on responsible distribution, ensuring that customer outcomes, quality advice, and long-term value remain at the core of our growth.

At the same time, we have maintained a disciplined approach to execution and capital management. The Company further strengthens its financial position through a diversified investment strategy, with increasing allocation to long-term assets. This has enhanced asset-liability matching and improved risk-adjusted returns, supporting the delivery of stable and sustainable value for our policyholders and shareholders. We also remain committed to supporting the development of Cambodia’s capital markets as part of our long-term investment approach.

Strong governance and risk management remain fundamental to maintaining trust. The Board continues to provide active oversight across strategy, performance, and risk, with particular focus on customer outcomes, regulatory compliance, cybersecurity, data protection, and operational resilience. These priorities are essential to safeguarding our customers and sustaining confidence in the business.

Our people and partners are central to delivering our strategy. We continue to invest in capability development, leadership, and a culture grounded in integrity, accountability, and inclusion. This enables us to serve customers better while maintaining high standards of professionalism and conduct.

Looking ahead, the fundamentals of the Cambodian market remain highly attractive. A young population, rising incomes, and increasing awareness of financial and health protection needs position the Company well for long-term growth. Prudential Cambodia will continue to capture this opportunity by sharpening execution, enhancing distribution productivity, and delivering simpler, more seamless customer experiences.

We will further strengthen our propositions across protection, savings, and health, while investing in technology, data, and operational excellence to support scalable growth and consistent service delivery. With disciplined execution, strong governance, and prudent capital management, we remain confident in our ability to deliver sustainable returns while supporting customers in protecting what matters most.

On behalf of the Board, we extend my sincere appreciation to management, our employees, regulators, and partners for their continued commitment and collaboration. Most importantly, we thank our customers for the trust they place in Prudential Cambodia.

Yours sincerely,

Dr. Kalyan Mey  
Chairman of the Board of Directors  
26 June 2026

## Message from Chief Executive Officer



In 2025, Prudential Cambodia maintained a clear focus on disciplined delivery and long-term value creation. Anchored by our purpose – for every life, we are partners; for every future, we are protectors – we reinforced core business foundations while continuing to offer simple and accessible financial and health solutions for Cambodian families.

We made deliberate decisions to build for the long-term; shifting our focus from volume-driven growth to quality, sustainability and customer outcomes. We strengthened underwriting and controls, sharpened our approach to customer segmentation, and continued to invest in distribution capability. At the same time, we kept raising the bar on customer experience, improving service journeys across sales, policy administration and claims.

Our strategy remains clear: grow responsibly through trusted, customer-focused distribution; build a stronger protection, savings and health proposition; and deliver outstanding service through simpler, digital journeys. In 2025, we continued to strengthen our operating platform so we can scale efficiently and securely, including investments in data, process discipline and cybersecurity. We also continued to expand self-service options that help customers manage policies more conveniently and stay connected to us through digital channels.

In distribution, we continued to professionalise our agency through stronger recruitment, training and productivity management, while also deepening collaboration with our partners. We focused on responsible selling and ensuring that advice and solutions are aligned to customers’ needs and priced fairly, because sustainable growth starts with trust.

In health and protection, we stayed disciplined on product design, pricing and claims management, while continuing to improve how customers experience our support at key moments. Claims is where our promise becomes real, and we are committed to making the process clearer, faster and more empathetic, supported by robust controls to protect customers.

Operationally, we continued to strengthen our technology and data foundations, enhance cybersecurity and improve process efficiency. We also worked with partners to make premium payment and servicing more convenient for customers, supporting a more seamless experience across digital and in-person touchpoints. These investments are essential to deliver consistent service, manage risk well, and support the next phase of growth especially as customers increasingly expect digital convenience alongside trusted human advice.

For more than a decade, we protected nearly half a million customers, delivered on our promise through US\$ 33.4 million in claims as of April 2026.

None of this progress is possible without our people. In 2025, we continued to build a performance-oriented, customer-led culture grounded in integrity and our values. We invested in talent development, and strengthened leadership capability.

For sustainability, empowering our communities is central to our mission. Since 2016, our flagship financial literacy programme, Cha-Ching, has reached nearly 149,451 Cambodian students across 300 schools. By teaching essential money management behaviours of Earn, Save, Spend, and Donate, we are building the bedrock for a resilient economy. As we look to the future, our community investment strategy has evolved. Following the successful handover and phasing out of our long-standing “Road Safety” and “Safe School” programmes in 2025, we have redirected our resources towards the critical intersection of Climate and Health.

Through new initiatives, such as deploying ambulance boats and training healthcare workers to combat climate-driven health threats, we are strengthening healthcare infrastructure and mitigating environmental pressures. By aligning our inclusive insurance framework with community-level interventions, we continue to deliver on our promise to make protection simple, affordable, available, and fair for all.

### Outlook

We enter 2026 with confidence and a clear ambition to accelerate not just in speed, but in growth, quality and efficiency.

We will continue simplifying the customer experience through digital self-service and more convenient payment and servicing pathways. At the same time, we will remain vigilant in managing risk, capital and compliance. With these priorities, we believe Prudential Cambodia is well positioned to protect more Cambodian families and deliver sustainable, long-term value for customers, partners and shareholders.

Thank you for your continued trust and support.



Yours sincerely,

Ponlu Tola  
Chief Executive Officer  
26 June 2026

## Financial Highlights

### Balance Sheet (US\$ million)

	2025 \$m	2024 \$m	2023 \$m
Investment Portfolio	379.52	330.39	292.82
Intangible assets	55.95	21.75	24.95
Total assets	462.75	415.70	361.20
Total equity	94.15	93.17	89.63
Insurance contract liabilities	353.89	301.34	249.62

### P&L Account (US\$ million)

	2025 \$m	2024 \$m	2023 \$m
Net premiums	72.29	83.39	75.67
Finance income	21.16	19.39	17.06
Other operating and administrative expenses	33.12	40.39	32.96
Income tax expense	0.39	1.46	3.80
Net profit for the year	0.98	3.54	14.13

### Solvency & Capital Ratios

	2025	2024	2023
Equity to Assets Ratio	20.35%	22.41%	24.81%
Assets Growth Rate	11.32%	15.09%	16.55%
Solvency Ratio	137%	140%	154%
Investment Yield	5.64%	5.97%	6.00%

### Insurance Market Data in Cambodia

	2025 \$m	2024 \$m	2023 \$m
Prudential's share of total gross premiums within the overall market*	36.0%	42.0%	39.4%
Prudential Gross Premium	72.29	83.39	75.67
Total gross premium within the overall life insurance market**	205	200	194

\*Source from Life Market Report released by Insurance Association of Cambodia (IAC).

\*\*Source from Insurance regulator of Cambodia (IRC).

## Financial Highlights

### INVESTMENT PORTFOLIO

in US\$ Millions

↑ 15%

INCREASE FROM 2024

380

2025

330

2024

### OTHER OPERATING AND ADMINISTRATIVE EXPENSES

in US\$ Millions

↓ 18%

Effective Cost Management From 2024

33

2025

40

2024

NET PROFIT for the year remain positive almost



1M

in US\$ Millions

### Prudential Cambodia

continues to maintain its position as the leading insurer in the market,

holding a dominant market share of 36%

of total gross premium, reinforcing its strong leadership in the industry.

# Business Information

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**BUSINESS**

## About Prudential Cambodia

### Who We Are

Prudential (Cambodia) Life Assurance PLC (“Prudential Cambodia”) commenced operations in January 2013 as a wholly owned subsidiary of Prudential plc, a leading international life and health insurance and asset management company with a long-standing presence across Asia and Africa.

Prudential Cambodia has established itself as a key player in Cambodia’s life insurance industry.

At the heart of Prudential Cambodia’s approach is a strong commitment to delivering meaningful protection. Through simple, accessible, and customizable life insurance and health solutions, the company supports individuals and families in managing life’s uncertainties from health challenges to long-term financial planning offering security and peace of mind during life’s most important moments.

For over a decade, Prudential Cambodia has been a cornerstone of community resilience, behind amidst the growing challenges of climate change. Through its community investment fund, the company builds secure schools in remote regions like Stung Treng and Ratanakiri, implements critical road safety modifications in Kampot’s high-risk school zones, and champions financial literacy by equipping children and teachers with vital money management skills through the Cha-Ching programme. By seamlessly blending safe learning environments, health awareness, and financial empowerment, Prudential Cambodia continues to protect vulnerable populations and pave the way for a sustainable, inclusive future.

### Serving Cambodian Families for 13 Years and Beyond

For 13 years, Prudential Cambodia has stood in protecting what matters most. The company has supported (nearly half a million) customers through its life and health protection solutions, reaching families across the country through its bancassurance partners and an approximate network of 4,000 of agents nationwide.

Delivering on its promise at critical moments, Prudential Cambodia has approved over **US\$ 33.4 million in claims** (as of April 2026), providing timely financial support when it is needed most. As it looks to the future, Prudential Cambodia remains committed to deepening its impact continuing to serve, protect, and empower Cambodian families for generations to come.

### Our purpose and mission

*Delivering impact through everything we do.*

Our purpose is **For Every Life, For Every Future**. We are Prudential. For every life, we are partners. For every future, we are protectors.

At Prudential, it is our mission to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions.

### Our Global Presence

Prudential plc provides life and health insurance and asset management to 17 million customers across 20 markets in Asia and Africa.

In Asia, we provide savings and protection in markets with low insurance penetration and a pension funding gap, while in Africa, we are building businesses in some of the world’s most under-penetrated markets.

Prudential’s mission is to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions. The business has dual primary listings on the Stock Exchange of Hong Kong (HKEX: 2378) and the London Stock Exchange (LSE: PRU). It also has a secondary listing on the Singapore Stock Exchange (SGX: K6S) and a listing on the New York Stock Exchange (NYSE: PUK) in the form of American Depositary Receipts. It is a constituent of the Hang Seng Composite Index and is also included for trading in the Shenzhen-Hong Kong Stock Connect programme and the Shanghai-Hong Kong Stock Connect programme.

Prudential is not affiliated in any manner with Prudential Financial, Inc. a company whose principal place of business is in the United States of America, nor with The Prudential Assurance Company Limited, a subsidiary of M&G plc, a company incorporated in the United Kingdom.



Serving  
Cambodian  
Families for  
**13 Years**  
*and Beyond*

# Product and Services

## Type and Data of the Life Insurance Products

Prudential Cambodia offers a range of insurance products designed to meet the diverse protection and financial planning needs of customers. The following section provides the definitions and classifications of the insurance product types.

Term Life Insurance is a life insurance policy that pays when the insured deceases within a specific period such as 5 (five) years or 10 (ten) years, or deceases before a specified age, and the benefits are paid to a beneficiary as determined in the contract. If the insured is still alive after the specified period in the contract, the beneficiary will not be entitled to receive any benefit from the insurance.

Whole Life is an insurance contract which insures the death of the insured, and the insurance premium may be paid for a specific period of time or for a whole life. An insurance company shall pay the benefit to the family of the deceased or any designated beneficiary upon the death of the insured.

Endowment Insurance is a life insurance in which the benefit may be paid to the insured if the insured is still alive during the insured period as specified in a contract. If the insured deceases before the specified date in the contract, the benefit shall be granted to the beneficiary.

Annuity Insurance is an insurance contract in which an income shall be granted to the insured for retirement age.

Health and Protect Rider is an additional benefit attached to a life insurance policy that provides extra protection and financial coverage for medical treatment, illness, injuries, accidents and other health care-related expenses including long term care of an insured patient who is physically injured or affected by disease.

No.	Product Type	Number of Product
1	Term Life	7
2	Whole Life	0
3	Endowment	4
4	Annuity	0
5	Health and Protection Rider	16

### Savings and Protection:



PRUហ្វេរី



PRUអនាគតកូនខ្ញុំ



PRUសន្សំ



PRUស្រលាញ់+

# Product and Services

## The Needs Trend of the Insurance Market

Endowment products, as explained above, provide coverage for Death, Total and Permanent Disability (TPD) due to non-accidental causes, and Accidental Death/Total and Permanent Disability (TPD) due to accidental causes, while also offering a maturity benefit payable at the end of the policy term. This type of product combines both protection and savings elements, making it attractive to customers seeking financial security alongside long-term savings.

In contrast, Term Life products, as described above, are designed primarily to provide pure protection, offering life coverage without any maturity benefit. These products focus on providing financial protection against unforeseen life events.

The life insurance market in Cambodia has demonstrated progressive development, underpinned by strong underlying growth potential and expanding market opportunities is still considered relatively young, having developed over approximately a decade. As an emerging market, customer demand continues to be driven largely by the preference for combined saving and protection solutions, while awareness and demand for pure protection products are still developing. This market behavior is also reflected in Prudential Cambodia's product portfolio, where Endowment products remain dominant over Term Life products.

In addition, the attachment of riders to insurance base plans reflects growing customer awareness of the financial risks associated with serious health conditions. As medical costs continue to rise and the understanding of health protection needs improves, more customers are recognizing the value of strengthening their life insurance coverage with critical illness benefits particularly following the impact of the COVID-19 pandemic. This trend indicates a gradual shift in customer preference toward more comprehensive protection solutions, beyond basic savings and life coverage.

As market trends continue to evolve, Prudential Cambodia incorporates market demand analysis as an essential part of our product development process. Prior to launching any product, we conduct market research if necessary to ensure that the proposed solutions align with customer needs and emerging market trends. Following product launch, we continuously monitor product performance and market developments to evaluate customer response, identify changing preferences, and ensure that the product offerings remain relevant and competitive in the market.

### Loan Protection:



កម្ចីមានសុវត្ថិភាព



កម្ចីមានសុវត្ថិភាព វិបរ+

### Life Protection:



PRUទ្រព្យខ្ញុំ



PRUស្រលាញ់

# Distribution partners



**Partnership Distribution**  
Expanding Access Through Strategic Bancassurance

Partnership distribution is a key growth driver for Prudential Cambodia, helping extend insurance access through trusted financial ecosystems across the country. By integrating protection into customers' everyday financial journeys, these partnerships make insurance more accessible, relevant, and convenient. Combining banks' market reach and customer insights with Prudential's global lifeinsuranceexpertise, the bancassurance model strengthens financial inclusion and supports customers' long-term resilience. Products offered through these partnerships are designed to meet core needs in life and health protection, savings, and loan-related coverage.

**Strengthening Scale and Impact**

In 2025, the bancassurance channel continued to demonstrate strong performance and strategic importance for Prudential Cambodia.

In 2025, the bancassurance channel generated 36,887 new business policies. In terms of premium, bancassurance accounted for US\$10.40 million of regular premium and US\$2.41 million of single premium, resulting in a total first-year premium of US\$12.82 million.

These results reflect the continued expansion of bancassurance capabilities and the effectiveness of partnership-driven distribution in reaching a broader customer base.

Beyond commercial performance, Prudential Cambodia's partnerships have contributed to this progress by consistently delivering high-quality, compliant, and customer-focused solutions that build trust and confidence in insurance.

**Delivering Customer-Centric Experiences**

At the core of Prudential Cambodia's partnership approach is a strong commitment to putting customers first.

Across all bancassurance touchpoints, the Company applies consistent service standards and disciplined execution to deliver reliable and seamless customer experiences. Customers benefit from:

- Convenient access to insurance solutions through bank branches nationwide
- Trusted advisory supported by trained front line staff and financial consultants
- Integrated services that align banking and protection needs
- Continuous support throughout the policy life cycle, from onboarding to claims

By embedding insurance into familiar financial environments, Prudential Cambodia helps customers make informed decisions with confidence, fostering greater awareness and adoption of protection solutions.

**Building for the Future**

Looking ahead, Prudential Cambodia remains committed to strengthening its partnership distribution capabilities as part of its long-term growth strategy.

The Company will continue to:

- Deepen collaboration with existing bank partners
- Expand access to protection solutions across underserved segments
- Enhance digital integration to deliver more seamless and personalised experiences
- Uphold strong governance and customer-first principles across all distribution channels

# Distribution partners



**Agency Force Distribution**  
Building Trust Through Professional Financial Advisors

The Agency force remains as the strategic distribution channel of Prudential Cambodia, playing a critical role in delivering personalised financial guidance and protection solutions to customers across the country.

Through a dedicated network of licensed life consultants, Prudential Cambodia continues to bring its purpose to life ensuring that individuals and families have access to trusted advice, tailored solutions, and long-term financial protection.

The Agency channel enables deeper customer engagement by focusing on relationship-building, financial education, and needs-based advisory.

**Strengthening Capabilities and Professional Standards**

Prudential Cambodia continues to invest in the development and professionalization of its Agency force to ensure consistent, high-quality customer engagement. During 2025, the Agency channel delivered 4,017 new business policies, generating a total first-year premium of US\$ 2.77 million.

The Company provides structured training and development programs focused on:

- Financial planning and needs-based advisory
- Product knowledge and solution design
- Customer service standards and ethical selling practices
- Digital tools and processes to enhance productivity and engagement

Through these initiatives, financial consultants are equipped not only with technical knowledge, but also with the skills and mindset required to deliver customer-first experiences aligned with Prudential's values.

In addition, governance and compliance frameworks are embedded across the Agency channel to ensure responsible selling practices, transparency, and adherence to regulatory requirements—further strengthening customer trust and confidence.

**Enhancing Customer Experience**

At the core of the Agency model is a strong commitment to delivering meaningful and consistent customer experiences. Prudential Cambodia ensures that every customer interaction is guided by clear service standards and aligned with the principle of putting customers first. Through continuous feedback and ongoing capability building, the Agency force continues to improve how it engages, advises, and supports customers.

**Building a Future-Ready Agency Force**

Looking ahead, Prudential Cambodia remains committed to strengthening its Agency capabilities to support sustainable growth.

Key priorities include:

- Professionalise agency force through selective recruitment and capability building
- Improve agent productivity through driving upward mobility to top-tier performers
- Support agents with new and enhanced digital tools
- Reinforce customer-centric behaviours and outcome-driven engagement

Through these efforts, the Agency force will continue to play a vital role in expanding access to financial protection – ensuring that more Cambodian families benefit from trusted advice and long-term security.

# Customers

## Customer at the Heart of Every Interaction

At Prudential, the principle of “Customer is Our Compass” goes beyond aspiration – it is embedded in how we govern decisions, design journeys, and deliver experiences. Every interaction we create is anchored in helping customers feel protected, understood, and supported when it matters most. From onboarding and ongoing servicing to claims and maturity payouts, we apply consistent service standards and disciplined execution to ensure dependable, high-quality experiences at every touchpoint.

By actively listening to customers through structured feedback and continuously improving how we operate, we strengthen the quality,

reach, and consistency of customer engagement nationwide. This customer-led approach deepens trust, builds long-term loyalty, and delivers tangible improvements in customer satisfaction.

Guided by a life-stage perspective, we look beyond today’s policyholders to anticipate future protection needs living our purpose of securing futures in line with our promise: “For Every Life, For Every Future.”

Prudential Cambodia has protected nearly half a million customers and approved approximately **US\$ 33.4 million in claims** as of April 2026, providing timely financial support to families during both planned milestones and unexpected life events.

### Our Customer Story – Claims: Seng Channa

*“Initially, the Prudential team advised us to take up a life insurance plan. After discussing it with my husband, we recognised it would give our children security for the future, so I decided to purchase a Prudential plan called PRUMyChildFuture. Although some people questioned why I was paying for insurance, my husband reminded me to focus on our family’s long-term protection.”*

*In 2024, my husband was diagnosed with stage 4 cancer. He told me that we had already prepared for the future with Prudential and that I should contact them if anything happened to him. After his treatment, he later passed away. During this difficult time, the Prudential team stood by me – supporting me with the required documents and keeping me informed at every step of the claims process.”*

**This experience reflects our commitment to empathy, clarity, and unwavering support – ensuring customers are never left alone during their most challenging moments.**



### Our Customer Story “Delivering on Promises, Seamlessly”



*“I expected the maturity benefit process to be lengthy, but I trusted that a company like Prudential would honour its commitment. When my plan matured, the benefit was credited directly into my bank account – automatically and without any complicated steps. There was no paperwork, no delays, and no stress. Prudential delivered exactly as promised.”*

**This seamless experience reinforces our focus on reliability, simplicity, and delivering on our commitments.**



### Driving Trust from the First Contact: Customer Acquisition

At the acquisition stage, we focus on building confidence through clear, professional, and well-governed advice. Customers are supported by appropriately licensed and trained sales and insurance agents who guide them through structured affordability and suitability assessments. A proactive welcome call confirms understanding, addresses questions, and ensures customers begin their journey with confidence and clarity.



### Trusted Insurance Advisers

Customers can access advice through partner bank sales teams or our nationwide agency network. All advisers are licensed and supported by strong governance, structured training, and clear sales standards to ensure advice is ethical, needs-based, and delivered with a customer-first mindset.

> Needs-Based Advice: We conduct financial needs analysis at the point of purchase to understand customers’ protection needs, affordability, and coverage gaps. This helps ensure recommendations are suitable, sustainable, and aligned to informed long-term decision-making.

> Quality-First Coaching and Oversight: Responsible advice is reinforced through continuous training, monitored sales practices, and post-sales checks such as welcome calls. These safeguards help confirm customer understanding, capture feedback, and enable early escalation of concerns – strengthening trust from the very beginning.



### Digital-First Onboarding

Customer information is captured digitally at the point of sale, eliminating paper-based processes. This reduces manual errors, strengthens data security, and ensures a smoother, more efficient onboarding experience.



### Servicing and Claims: Care that Continues

Throughout the servicing and claims journey, we balance human care with digital convenience. Our customer service representatives deliver personalised, empathetic support, while streamlined omnichannel platforms ensure timely responses and clear communication. As customer needs evolve, we continue expanding digital capabilities and differentiated propositions to support customers across every life stage.



### Agent Care – Relationships Built on Trust

Our nationwide agency force and partner bank consultants provide relationship-led care – listening first, then guiding customers with clear, responsible advice. With an ethical, customer-first mindset, agents support customers end-to-end, ensuring they feel understood, respected, and supported throughout their protection journey.



### Digital Self-Servicing

Through PRUServices and our Telegram Bot, customers can access services anytime and anywhere. These platforms allow customers to check policy information, update personal details, pay premiums, and submit claims – putting control and convenience directly into customers’ hands.



### Live Chat and Contact Centre Support

For real-time support, customers can engage with Prudential via official Facebook Messenger and Telegram Live Chat, receiving fast, two-way assistance with seamless escalation to service representatives when more personalized support is needed.

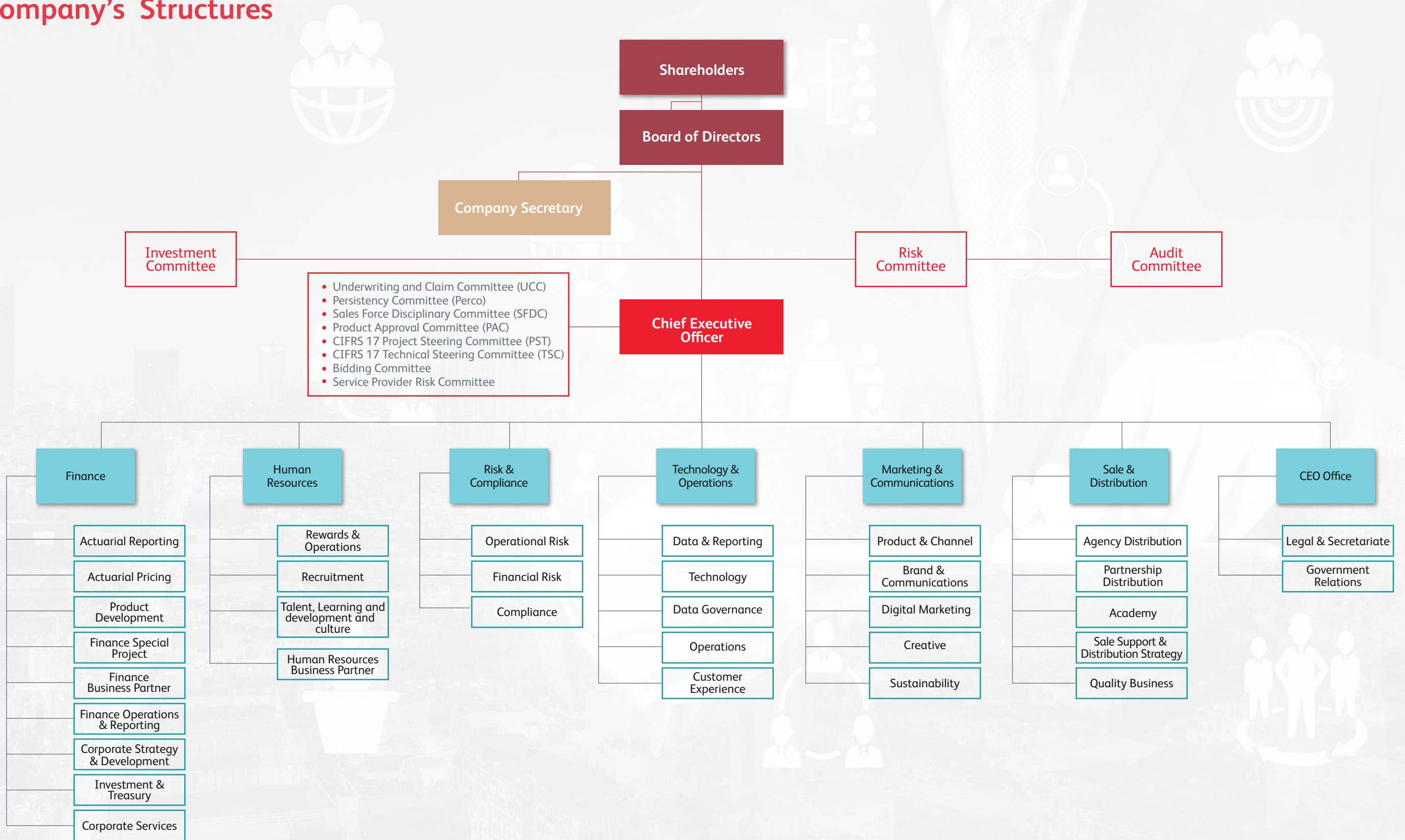
Our Contact Centre provides reliable, human-led support via toll-free and direct phone lines, as well as email. Where issues require further review, our teams take full ownership, ensuring timely follow-up and clear updates so customers feel supported throughout their entire journey.

# Corporate Governance

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# Company's Structures



## Company's Structures

### SHAREHOLDERS

The Company held its Annual General Meeting of shareholders ("AGM") in compliance with the laws, regulations and the Article of Association of the Company; and the AGM shall be held no later than 15 months after the previous AGM.

### BOARD OF DIRECTORS

The Board of Directors is elected by shareholders for a three-year term and is tasked with providing collective leadership and oversight to secure the company's long-term success, sustainability, and ethical standards.

The Board of Directors conducts themselves in accordance with applicable Terms of Reference, MAA, and regulations. Key responsibilities include: approving key internal policies, determines the conditions, qualifications and procedures for selection of Directors, evaluates the composition and performance of the board of directors and executive committee, responsible for establishing a strong corporate governance framework that upholds ethical conduct, integrity and transparency, while ensuring compliance with all legal and regulatory requirements. The Board of Director also manages overseas financial management and reporting including the approval of annual financial statements and significant transactions and regularly reviews the company's financial health.

Additionally, the Board supervises risk management and internal controls, sets the company's risk appetite, and ensures timely regulatory disclosures. To enhance governance and oversight, it delegates authority to specialized committees including Audit Committee, Investment Committee and Risk Committee and Executive Committee but retains ultimate accountability, ensuring an effective mix of skills and independence among its members.

Through these actions, the Board aims to protect shareholder value, support sustainable growth, and maintain the trust of the customers and all stakeholders. The Board of Directors is also responsible for setting the Company's strategic direction, approving strategic priorities and annual plans, and monitoring performance to ensure prudent operations that are aligned with the Company's values and objectives.

The Board of Directors meeting shall be held four times a year, either virtually or in person, according to a schedule set in each prior quarterly.

## Board of Directors



**Dr. Mey Kalyan** is an Independent and Non Executive Director of the Company since 2014. **Dr. Mey Kalyan** has extensive experience in economic development, public policy advisory, and international development finance. He has been serving as an Advisor to the Royal Government of Cambodia since 2008, advising key national institutions including the Supreme National Economic Council (SNEC), the Rural Development Bank, and the National Committee of One Village, One Product. In these roles, he has contributed to national economic planning and policy formulation at the Cabinet level.

Dr. Mey Kalyan holds a Doctorate (PhD), Master's, and bachelor's degrees in Economic Development from the University of Kobe, Japan.

**Dr. Mey Kalyan**

Independent and Non-Executive Director



**Dr. So Phonnary** is an Independent and Non-Executive Director and the chairman of the Investment Committee of the Company since 2024, providing independent oversight and contributing to the Board's governance, strategic direction, and accountability. Recognized for her independence under relevant legal and governance standards, she actively participates in Board discussions and decision-making.

With a distinguished career as Senior Executive Vice President and Group Chief Operations Officer at ACLEDA Bank Plc., Dr. So Phonnary played a significant role in the bank's growth and operations prior to her planned retirement, bringing substantial expertise and leadership experience to her current roles.

**Dr. So Phonnary**

Independent and Non-Executive Director



**Mr. Ho Varabott** has served as Independent Non-Executive Director since 2023, bringing over 25 years of experience in banking, finance, and investment management across Europe and Asia-Pacific. He is a Professor of Finance at CamEd Business School, a consultant to UNESCAP and the Global Green Growth Institute, and Vice-Chairman of the Green Energy Finance Committee at EuroCham Cambodia. His career background also includes senior positions at Credit Suisse, Aberdeen Asset Management, AXA Insurance in France and Banque Hottinguer Bank. Mr. Varabott holds an MBA from the University of Chicago Booth School of Business and is a Certified European Financial Analyst. He contributes independent judgment and strategic insight as a Board member and Audit Committee member.

**Mr. Ho Varabott**

Independent and Non-Executive Director

## Board of Directors



**Ms. Ng Sim Kheng** is a Non-Executive Director of the Company since 2024. She is an experienced finance and insurance professional with over 30 years working across Australia, Hong Kong, China and ASEAN. Almost 25 years have been in senior leadership roles, including Chief Financial Officer, Appointed Actuary, Board Director, Board Supervisor and Regional General Manager. She is currently the Group Chief Controller and a director on the Boards of Prudential Services Asia and Prudential Services Singapore and was previously Chief Financial Officer of Prudential Assurance Malaysia Berhad. She has contributed to corporate governance through board oversight and advisory roles.

**Ms. Ng Sim Kheng** holds a PhD and a Bachelor of Science (First Class Honours) from the University of Melbourne. She is a Fellow of multiple actuarial societies and also a Certified Practising Accountant (CPA Australia). She serves as Adjunct Professor at The Chinese University of Hong Kong and has held a number of professional and academic advisory roles, reflecting her longstanding contribution to governance and the broader actuarial profession.

**Ms. Ng Sim Kheng**

Non-Executive Director



**Mr. Tola Ponlu** is a seasoned business leader and a recognized pioneer in Cambodia's life insurance industry, with a track record of driving growth, innovation, and market development. He currently serves as Chief Executive Officer overseeing Cambodia, Laos and Myanmar.

Mr. Tola directs strategic growth and regional synergy and has been instrumental in shaping the industry's landscape. His leadership journey spans decades, during which he has held multiple senior roles across leading life insurance organizations in Cambodia.

Mr. Tola holds advanced business management qualifications from the University of Auckland and Massey University in New Zealand.

**Mr. Tola Ponlu**

Executive Director

## Company's Structures Executive Management

The Executive Management is a management committee ("**Executive Committee**") established by the Board of Directors to support effective corporate governance and the efficient management of the Company. The Executive Committee operates under authority delegated by the Board of Directors and in accordance with its approved Terms of Reference. It functions as the principal executive forum responsible for overseeing the implementation of the Company's business strategies and approved plans.

The Executive Committee is chaired by the Chief Executive Officer and comprises senior executives appointed by the Chief Executive Officer. Acting within its delegated authority, the Executive Committee is responsible for decision-making on business initiatives and the day-to-day operations of the Company, ensuring that activities are conducted in alignment with the Company's strategic objectives and governance framework.

In fulfilling its role, Executive Committee reviews and discusses business performance, strategic initiatives, and operational matters, and takes appropriate management actions to support sustainable business performance. Any matters that are specifically required for the Board of Directors approval according to applicable laws, regulations, or the company's internal governance policies, the executive committee must be submitted to the Board for review and decision.

### BACKGROUND OF EXECUTIVE MANAGEMENT



**Tola Ponlu** is a seasoned business leader and a recognized pioneer in Cambodia's life insurance industry, with a track record of driving growth, innovation, and market development. He currently serves as Chief Executive Officer overseeing Cambodia, Laos and Myanmar.

Tola directs strategic growth and regional synergy and has been instrumental in shaping the industry's landscape. His leadership journey spans decades, during which he has held multiple senior roles across leading life insurance organizations in Cambodia. Tola holds advanced business management qualifications from the University of Auckland and Massey University in New Zealand.

**Mr. Tola Ponlu**

Chief Executive Officer, Prudential, Cambodia, Laos, and Myanmar (CLM)



**Chi Chung Wong** oversees financial strategy, reporting, and investment governance across Cambodia, Laos, and Myanmar as Chief Financial Officer. He holds a degree in Actuarial Science from The University of Hong Kong and is a Fellow of the Society of Actuaries (FSA) and Chartered Enterprise Risk Analyst (CERA).

In 2021, he founded the Cambodia Actuarial Working Group (CAWG) to develop the actuarial profession and support students in achieving professional qualifications in Cambodia.

**Mr. Chi Chung Wong**

Chief Financial Officer, Prudential, Cambodia, Laos and Myanmar (CLM)

## Company's Structures Executive Management



**Heng Sok** leads digital transformation and operational excellence across Cambodia, Laos, and Myanmar as Chief Technology and Operations Officer. His background spans insurance, academia, and international development, including tenure with the World Bank. In addition to a Master's degree from Chapman University, Heng is a Certified Public Accountant (CPA) and holds several prestigious international certifications, such as Financial Risk Management (FRM) and Project Management Professional (PMP).

**Mr. Heng Sok**

Chief Technology & Operations Officer, Prudential, Cambodia, Laos and Myanmar (CLM)



**Sophanna Teng** is responsible for shaping the people strategy, driving talent development, and fostering a high-performance culture across Cambodia, Laos, and Myanmar as Chief Human Resources Officer. She brings a wealth of expertise in organizational transformation, having previously held senior HR leadership roles at international organizations. Sophanna holds an MBA from the National University of Management.

**Mrs. Sophanna Teng**

Chief Human Resources Officer, Prudential, Cambodia, Laos and Myanmar (CLM)



**Chu Ing Shin** oversees pricing, product development, and actuarial valuation for Cambodia, Laos, and Myanmar as Chief Actuary and Product Officer. With over decades of extensive experience in the life insurance industry, she plays a vital role in ensuring product sustainability and driving long-term customer value. She holds a degree from the University of Melbourne and is a Fellow of the Society of Actuaries (FSA).

**Ms. Chu Ing Shin**

Chief Actuary & Product Officer, Prudential, Cambodia, Laos and Myanmar (CLM)



**John Masvongo** currently serves as the Chief Risk Officer and oversees the enterprise risk management and capital frameworks across Cambodia, Laos and Myanmar. He brings over decades of deep expertise in the life insurance industry.

John holds a Master of Science in Data Science from the Johns Hopkins Whiting School of Engineering and a Master of Business Administration from Saïd Business School, University of Oxford. He also earned a Bachelor of Commerce in Actuarial Science from the National University of Science and Technology (Zimbabwe) and he is a Fellow of the Institute and Faculty of Actuaries.

**Mr. John Masvongo**

Chief Risk Officer, Prudential, Cambodia, Laos and Myanmar (CLM)

# Committee Reports

## a. Audit Committee

### Committee's Purpose

The Audit Committee is established and authorized by the Board of Directors of Prudential (Cambodia) Life Assurance Plc. to review, oversee, and monitor the integrity of the Company's financial reporting, the effectiveness of the internal control and risk management framework – including financial and non-financial reporting controls – as well as the effectiveness of the Company's overall governance framework.

### Committee's Key Roles and Responsibilities



#### Financial Reporting and Disclosure

Reviews the integrity and accuracy of the Company's financial statements, including significant accounting policies, judgments and estimates, unusual transactions, audit adjustments, and the going concern assessment.



#### Risk Management and Internal Controls

Oversees the effectiveness of the Company's internal control and risk management framework. Reviews key risk documents, risk appetite and limits, material risk exposures, emerging risks, and Management's mitigation actions.



#### External and Internal Audit

Oversees the external audit process by reviewing audit plans and scope, assessing audit quality, and ensuring the independence and effectiveness of the external auditor. Reviews audit findings and consider Management's responses to significant audit recommendations.

Additionally, reviews the effectiveness and independence of Internal Audit, endorses the annual internal audit plan, reviews key findings and remediation progress, and ensures significant issues are appropriately escalated.



#### Compliance and Financial Crime

Oversees the effectiveness of the Company's compliance framework, approves the annual compliance plan, and reviews compliance reports, including material regulatory matters. Reviews policies and procedures related to financial crime risks, including anti-money laundering, fraud, sanctions, and anti-bribery and corruption.



#### Governance and Attestations

Reviews the effectiveness of the Company's governance framework and Management's adherence to Group governance standards, including externally required attestations. Determines the level of assurance required and reviews assurance reports provided by second and third-line function.

### Membership

The Audit Committee comprises three members, including one chairman and two members who are all independence directors. As of December 2025, one seat was vacant following the recent resignation of a member.

### Committee highlights 2025

During 2025, the Audit Committee held four meetings in March, June, September, and December, focusing on strengthening financial oversight, risk management, and governance. Key activities included reviewing and endorsing the Annual Financial Report and regulatory submissions, approving the annual internal audit and compliance plans, and reviewing internal audit and compliance reports. The Committee also discussed key non-financial risks, emerging trends, root causes, and Management's mitigation actions, while continuing to oversee the effectiveness of the Company's internal control and governance framework.

# Committee Reports

## b. Investment Committee

### Committee's Purpose

The Investment Committee supports the Board in overseeing the Company's investment management activities. It provides oversight of the strategy, performance, operations and key risks of PCLA's investment funds, and helps ensure that investments are managed in line with the Company's investment objectives as set out in the Investment Policy. The Committee also oversees the implementation of the Group Investment Policy and the Company's compliance with its requirements.

### Roles and Responsibilities of Investment Committee

The investment committee has roles and main responsibilities as follows:

- Set and approve overall investment strategy, including Strategic Asset Allocation ("SAA") and Tactical Asset Allocation ("TAA") limits (if applicable).
- Establish, review, and update investment guidelines and policy periodically.
- Set up a 3-year investment plan on an annual basis.
- Oversee investment risk including market, credit, liquidity and counterparty risks.
- Ensure adherence to all internal and external compliance requirements, avoid conflicts of interest in all decisions, and maintain robust internal control systems.
- Establish investment performance benchmarks, assess results considering economic and legislative changes, and provide periodic reports to the Board.
- Maintain adequate cost-efficient resources for investment activities and effective asset utilization.
- For any compliance breaches, Investment Committee must act promptly and seek Board approval when needed, considering business needs and market conditions.

### Membership

The Investment Committee comprises eight members, including two non-executive directors (one of which is independent director), four members from the Executive Committee, and one representative each from Group Credit Risk and Group Investment. Its composition is in line with regulatory requirements.

### Committee highlights 2025

In 2025, the Committee held at least four quarterly meetings with active engagement, during which it reviewed investment strategy and governance to ensure alignment with policyholder obligations. Portfolio reallocations were endorsed to optimize risk-adjusted returns and strengthening asset-liability matching, including the approval of longer-tenor US\$ bonds. The Committee also approved updates to guidelines to align with Prudential Group standards and regulatory requirements, including the refreshed Investment Policy and Standard Operating Procedures. Throughout the year, the Committee maintained oversight of investment performance and portfolio positioning within defined risk appetite and regulatory limits, while strengthening the monitoring and reporting of investment risks. In addition, the Committee continued to track developments among local market participants to identify potential emerging investment opportunities.

# Committee Reports

## c. Risk Committee

### Committee's Purpose

The Committee is responsible for the oversight and review of the Company's risk appetite, tolerance, and strategy. The committee monitors current and potential future risk exposures, the effectiveness of the Company's risk management framework, and adherence to applicable risk policies and regulatory obligations.

### Committee's Key Roles and Responsibilities

The Risk Committee has roles and main responsibilities as follows:

- Foster the culture of effective risk management and compliance that is embedded throughout the Company.
- Review and/or approve the PCLA risk documents including the PCLA Risk Strategy, the PCLA Risk Governance Arrangements (or equivalent document), the PCLA risk policies and standards, internal model validation report and change requests, proposed changes on risk definition and categorization, and other related documents, where applicable.
- Identify and discuss new and emerging risks and risk trends and review the associated management initiatives and actions.
- Oversee the PCLA's preparedness for Business Continuity Management (BCM) and periodic review of Business Continuity Plan (BCP).
- Monitor risk exposure, appetite, and limits, including breaches and mitigation actions.

### Membership

The committee comprises six members from the Executive Committee. The Committee, from time to time, may ask members of management and from the Group to attend all or part of any meeting to provide additional information and explanation as they consider necessary.

### Committee highlights 2025

During 2025, the Risk Committee held a total of four meetings, which took place in March, June, September, and December.

The Committee regularly reviewed the Company's risk profile to ensure key risks were appropriately identified, monitored, and managed in line with the approved risk appetite, limits, and regulatory requirements. It assessed strategic and emerging risks affecting sustainability, operational resilience, and customer outcomes, while evaluating the effectiveness of the risk management framework, including methodologies, indicators, controls, and escalation processes. The Committee also monitored the Company's financial resilience, reviewed key non-financial and customer-related risks, oversaw major incidents and remediation actions, and considered regulatory developments, reinforcing a strong risk culture, clear accountability, and disciplined risk governance across the organization.

# REPORT OF CORPORATE GOVERNANCE

## REPORT OF THE BOARD OF DIRECTORS

In 2025, the Board of Directors held four meetings, involving face-to-face meetings in first quarter and another three meetings in virtually. Each meeting included updates on business activities and reports from each board committee. In these meetings, items requiring the Board's approval were presented, and in some cases, approvals were conducted by email on an ad hoc basis.

In 2025, the Board of Directors has approved on the key matters relating to the Company's investment oversight, governance and management structure, branch operations, financial and audit reporting, regulatory and compliance matters, including internal policies and strategic business planning.

## REPORT OF EXECUTIVE MANAGEMENT

The Executive Management ("Executive Committee") under authority delegated by the Board of Directors has approved certain aspects of business operations. In 2025, the Executive Committee approved matters relating to the new products and the related reinsurance engagement in support of the Company's business operations and strategic objectives.

# Financial Condition and Operations Overview

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## Capital and solvency



### Capital and solvency

Prudential Cambodia held solvency ratio of **137%**

\*As of December 2025

which is above the solvency ratio of **120%** required to be maintained by life insurance company.

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Company recognizes the impact on shareholders' returns of the level of equity capital employed and seeks to maintain a prudent balance.

The Company maintains an adequate solvency ratio to ensure that it can efficiently meet insurance obligations and related expenses arising from insurance policies, in accordance with the Prakas on Determination of the Procedure and Policy of Insurance Technical Reserve Calculation.

Solvency ratio is calculated according to Article 4 of the Solvency Prakas, which is the ratio of net assets and required solvency of the company. As of December 2025, Prudential Cambodia held solvency ratio of 137%, which is above the solvency ratio of 120% required to be maintained by life insurance company.

The statement of solvency of the Company at the end of year 2025 is as given below. The amounts, wherever applicable, are in million US Dollars.

## Capital and solvency

### Required Capital

No.	Description	FY2025	FY2024
1	Statutory Deposit	0.7	0.7
2	Required Solvency	25.6	26.8
3	Property, Plant, and Equipment / Cash for Operations	2.8	2.8
<b>A</b>	<b>Required Capital (A=1+2+3)</b>	<b>29.1</b>	<b>30.3</b>

Total Required Capital is lower than previous year, mainly driven by a reduction in Required Solvency as a result of lower risk exposure. Statutory Deposit and Property, Plant and Equipment / Cash for Operations are largely in line.

### Net Asset

No.	Description	FY2025	FY2024
1	<b>Total Assets</b>	462.8	415.2
2	<b>Inadmissible Assets</b>	58.9	55.7
	- Receivables over 180 days	-	-
	- Advance and Prepayment	2.4	1.1
	- Related Parties' Loans and Receivables	0.6	0.5
	- Deferred Acquisition Costs (DAC)	51.3	48.6
	- Value of Property Over Book Value (Cost)	-	-
	- Intangible Asset	4.6	5.4
	- Encumbered Asset	-	-
3	<b>Total Liabilities</b>	368.6	322.0
	<b>Net Assets = (1-2-3)</b>	<b>35.2</b>	<b>37.5</b>

- Total Assets are higher than the previous year, mainly driven by growth in the asset base (placements with banks and held-to-maturity investments) and higher non-admissible assets, primarily Deferred Acquisition Costs and other items supporting the expansion of insurance operations, partly offset by lower Intangible Assets.
- Total Liabilities increased during the year, mainly higher insurance liabilities driven by general ageing of the business (weighted in-force duration of business increases from 5.3 years as at Dec-2024 to 6.8 years as at Dec-2025), partly offset by decrease in in-force rider mix (from 14.7% to 7.0%). As a result of the combined impact of higher liabilities and increased non-admissible assets, Net Assets decreased in FY2025 compared to FY2024.

### Solvency Position

No.	Description	FY2025	FY2024
1	<b>Net Assets</b>	35.2	37.5
2	Required Solvency = MAX(2.1,2.2)	25.6	26.8
	2.1 Minimum Required Solvency	3.5	3.5
	2.2 Required Solvency Based on Risk	25.6	26.8
3	<b>Solvency Margin (&gt;120%)= (1/2)</b>	137%	140%

- Net Assets is lower than last year, mainly due to movements in the admissible asset base and insurance liabilities.
- Required Solvency is determined by the higher of the Minimum Required Solvency and the Required Solvency Based on Risk, with the latter remaining the binding constraint for both FY2025 and FY2024.
- The Solvency Margin is slightly lower than FY2024; however, the Company continues to maintain a strong solvency position, with capital coverage comfortably above the regulatory minimum requirement.

## Investment

### Investment Strategies and Objectives

The Company's investment strategy is designed to invest in long-term assets to support the Company's long-term commitments to policyholders, while ensuring sufficient liquidity through investment in short to medium term assets. The strategy aims to generate sustainable returns, while maintaining a strong focus on security, liquidity and diversification. Investments are managed with due regard to the nature and duration of the Company's insurance liabilities, and are made only in instruments where the risks can be appropriately assessed, monitored and managed.

Investment activities are governed through an established oversight framework, including regular reviews of investment performance and key risk exposures. The Company's investment approach is guided by its Investment Policy and related governance documents, and is implemented in accordance with applicable laws and regulations, including Prakas No. 049 on Approval on Investment for Insurance Companies, dated 27 October 2022, by the Non-Bank Financial Services Authority (NBFSA).

Given the investable universe in the local market, the Company's portfolio is primarily invested in high-quality cash and deposit placements with financial institutions, and in eligible fixed income securities (including government and corporate bonds). Maturities are selected to balance yield, capital preservation and liquidity requirements. Where appropriate and permitted, the Company may also consider other eligible asset classes within applicable regulatory limits.

The Company integrates relevant environmental, social and governance (ESG) considerations into its investment processes and decisions, consistent with its responsible investment approach and in alignment with applicable Group Responsible Investment Standards.

### Summary of Investment Portfolio

As at 31 December 2025, the Company's investment portfolio (including cash at bank) amounted to US\$ 380 million, representing an increase of approximately 15% compared with the prior year.

In view of the domestic investable universe, invested assets mainly consist of deposit placements with local commercial banks and bonds. The portfolio is predominantly denominated in US dollars to align with the currency profile of insurance liabilities and to mitigate foreign-exchange risk in meeting policyholder obligations.

For asset-liability management purposes, investment maturities are diversified across medium- to long-tenor instruments (up to 15 years) to support duration matching and manage reinvestment risk.

The portfolio is monitored under the Company's investment governance framework to ensure adherence to internal policies and regulatory requirements, and to manage counterparty, concentration and reinvestment risks, while optimizing yield within the approved risk appetite.

### Analysis of Investment Risk

The Company is exposed to a range of investment-related risks arising from the nature of its asset holdings and its obligations to policyholders. In accordance with the Company's Investment Policy and the Group Financial Risk Policy, these risks are monitored and managed through an established governance framework, investment guidelines and limits, and regular management information and reporting.

# Investment

## Market Risks

### Interest rate risk:

movements in market interest rates may affect the market value of fixed income instruments and, where relevant, the Company's solvency position and capital requirements. This risk is managed through a structured asset-liability management (ALM) framework, which aims to meet policyholder liabilities through return generated from investment assets while maintaining the financial strength of capital and solvency position. Interest rate risk is further managed through duration monitoring, scenario and sensitivity analysis, and prudent portfolio construction aligned with the Company's liability profile and approved risk appetite.

### Currency risk:

foreign exchange movements may adversely affect the ability to meet liabilities if there is a currency mismatch between assets and insurance obligations. The Company mitigates this risk by maintaining a portfolio largely denominated in US dollars, consistent with the currency profile of its insurance liabilities.

### Liquidity risk:

risk arises from the need to have sufficient liquid assets to meet policyholder and third-party payments as they fall due, considered under both business-as-usual and stressed conditions. It includes the risk arising from funds composed of illiquid assets and results from a mismatch between the liquidity profile of assets and liabilities. The Company's liquidity risk is monitored by the Liquidity Coverage Ratio (LCR), defined by relevant regulations and internal policies, by applying stress testing and sensitivity analysis of its asset allocation strategy and report quarterly to the Investment Committee.

### Credit Risk:

invested credit risk is the potential for loss resulting from a borrower's failure to meet its contractual debt obligation(s) and arises from investments in debt instruments. Volatility in credit spreads can signal deteriorations in credit quality even though credit selection remains conservative and selective with the intention to hold to maturity. Counterparty risk, a type of credit risk, is the potential loss resulting from a counterparty that defaults on its contractual obligation(s) e.g. cash deposits with banks.

Credit and counterparty credit risk are managed through adherence to the local investment framework and the Group Financial Risk Policy, strict compliance with the approved counterparty and concentration limits, and a strong preference for high-quality counterparties with strong credit fundamentals. Exposures are monitored through periodic credit assessments approved by Investment Committee and diversification across counterparties, with regular reporting to the Committee. A credit risk increase is deemed to occur where a counterparty's external rating, internal credit assessment, or qualitative credit profile deteriorates such that it is no longer commensurate with the approved counterparty limits or risk appetite thresholds. Where such deterioration is identified, mitigating actions may include reducing exposures, adjusting tenors, or reallocating to alternative eligible counterparties or instruments.

# Investment

## Investment Opportunities

As capital market in Cambodia is developing, it demonstrates a strong potential for future growth which could expand the local investable universe for the Company. The Company continues to proactively identify opportunities to enhance risk-adjusted returns while safeguarding policyholder interests.

These opportunities include optimizing allocations across permitted instruments, extending duration where appropriate to support asset-liability matching, and strengthening diversification across sectors and geographies. The Company also takes a proactive role in supporting domestic capital market development, which broadens the pool of qualified market participants and expand investable opportunities.

Looking ahead, any evolution in the regulatory framework that permits additional eligible asset classes beyond those currently set out in the Investment Prakas could allow the Company to access deeper and more liquid markets and a wider range of instruments. This would further support diversification, risk adjusted returns, and duration management. Any such opportunities would be pursued in a disciplined manner, consistent with the Company's established governance framework, risk management processes, and investment appetite.

## 3 Years Investment Outlook

Over the medium term, the Company's investment priorities are expected to remain focused on supporting policyholder liabilities through a prudent and disciplined investment approach. The investment strategy will continue to emphasize capital preservation, liquidity management, and stable returns, consistent with the nature and duration of insurance obligations.

the characteristics of the local investable universe and regulatory environment, the asset allocation is expected to remain predominantly concentrated on fixed income instruments, including bank deposit placements and other permitted credible debt securities. The Company will continue to monitor market conditions and liability developments and adjust investment positioning, where appropriate, to ensure ongoing alignment with policyholder needs and the Company's risk appetite.

Should new investment opportunities arise, as outlined in the preceding section, the investment approach will be adjusted as appropriate, subject to maintaining alignment with policyholder liabilities and the Company's risk appetite.



## Insurance Technical Reserves

Investment Strategies and Objectives Insurance technical reserves are established to ensure that sufficient funds are available to meet all future obligations arising from in-force insurance contracts. These reserves are calculated on a prudent Gross Premium Valuation (GPV) basis and represent the Appointed Actuary's best estimate of future liabilities, with appropriate margins as required by regulation.

## Insurance Technical Reserves

### Movement in Reserves

Total liabilities of Prudential Cambodia include reserves and other liabilities. Total Reserves include Gross Premium Valuation (GPV) Reserve (or Mathematical Reserve), Unearned Premium Reserve (UPR), Incurred But Not Reported (IBNR) and Reported But Not Settled (RBNS) as follows:

No.	Description	FY2025	FY2024
1	<b>Total Admissible Assets (A)</b>	<b>403.8</b>	<b>359.5</b>
2	<b>Total Liabilities (L)</b>	<b>368.6</b>	<b>322.0</b>
	- Gross Premium Valuation (GPV) Reserve	352.4	300.1
	- Unearned Premium Reserve (UPR)	0.2	0.2
	- Incurred But Not Reported (IBNR)	0.0	0.0
	- Reported But Not Settled (RBNS)	0.7	0.7
	<b>Total Reserves</b>	<b>353.3</b>	<b>301.0</b>
	<b>Other Liabilities</b>	<b>15.1</b>	<b>21.0</b>
3	<b>Net Asset (NA = A – L)</b>	<b>35.2</b>	<b>37.5</b>

### Net Sum at Risk

No.	Description	FY2025	FY2024
1	Gross Mathematical Reserves	352.9	300.6
2	Mathematical Reserves Ceded to Reinsurers	0.5	0.5
	Net Mathematical Reserves	352.4	300.1
	Net Mathematical Reserves/Gross Mathematical Reserves	100%	100%
3	<b>Net Mathematical Reserves is floored at 85% of Gross Mathematical Reserves</b>	<b>352.4</b>	<b>300.1</b>

### Required Solvency Based on Risk

No.	Description	FY2025	FY2024
1	Gross Sum at Risk	4,368.5	5,911.5
2	Sum at Risk Ceded to Reinsurers	530.7	972.4
3	Net Sum at Risk	3,837.8	4,939.0
4	Net Sum at Risk/Gross Sum at Risk	88%	84%
	<b>Net Sum at Risk is floored at 50% of Gross Sum at Risk</b>	<b>3,837.8</b>	<b>4,939.0</b>

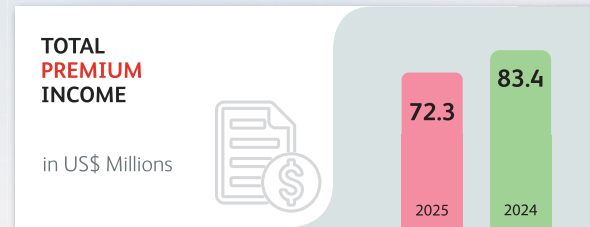
### Required Solvency Based on Risk

	<b>(A) 4% of Net Mathematical Reserves</b>	<b>14.1</b>	<b>14.8</b>
	<b>(B) 0.3% of Net Sum at Risk</b>	<b>11.5</b>	<b>12.0</b>
	<b>Required Solvency Based on Risk = (A+B)</b>	<b>25.6</b>	<b>26.8</b>

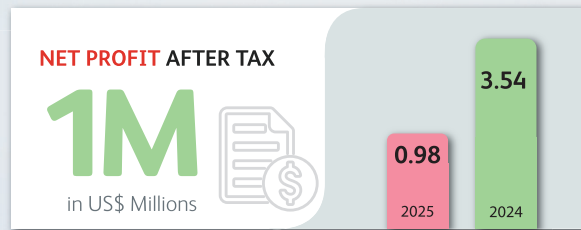
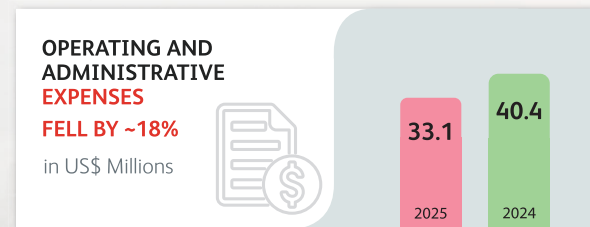
- Required Solvency Based on Risk decreased in FY2025, mainly due to the reduction in Net Sum at Risk, partly offset by an increase in Net Mathematical Reserves. The capital requirement continues to be determined based on the prescribed factors applied to Net Mathematical Reserves and Net Sum at Risk in accordance with regulatory requirements.
- The reduction in Required Solvency Based on Risk reflects a lower overall risk exposure of the Company compared to FY2024.

## Outcomes of the Business Operation

Prudential Cambodia delivered a resilient performance in the face of a challenging environment in 2025. Total premium income for the year was US\$72.3 million (net of reinsurance), compared to US\$83.4 million in 2024. This 13% year-on-year decrease reflects an industry-wide slowdown amid macroeconomic headwinds and the Company's deliberate pivot from volume-driven growth towards sustainable, quality-focused business. Throughout 2025, the Company maintained its market leadership position while emphasizing disciplined underwriting and customer-centric offerings, ensuring that growth remained responsible and aligned with long-term customer outcomes.



The Company demonstrated effective expense management during 2025, cost efficiencies and achieving a leaner operating base. Operating and administrative expenses fell by ~18% from the prior year, totalling US\$33.1 million in 2025 (2024: US\$40.4 million). This reduction resulted from proactive cost-control measures and productivity improvements, including optimization of non-commission expenses and prudent management of discretionary spending. The expense ratio improved to 45.8% in 2025 from 48.4% in 2024, reflecting a disciplined approach to overheads and operational efficiency. These efforts helped mitigate the impact of lower revenue on profitability and position the Company well for future growth.



Despite lower top-line results, the Company remained profitable in 2025. Net profit after tax was US\$0.98 million for the full year, compared to US\$3.54 million in 2024, largely due to softer premium revenue. Nevertheless, Prudential Cambodia achieved a positive bottom-line for the sixth consecutive year, underlining its financial resilience and prudent risk management in a difficult year. The Company's return on equity (ROE) was a modest 1.0% (2024: 3.8%), and the profit margin stood at 1%, reflecting the transitional nature of 2025 as the Company invested in improving persistency and business quality. The Company's robust capital position was maintained throughout the year, with a solvency ratio well above regulatory requirements, evidencing sound capital management. Looking ahead, the Company enters 2026 in a stable financial position and is focused on balancing growth with disciplined execution, continuing strong expense control, and enhancing profitability in a sustainable manner.

### CLAIMS

Starting from 2013, Prudential Cambodia provided insurance protection to nearly half a million customers and approved approximately

# US\$ 33.4 million in claims

as of April 2026, reflecting its commitment to customers protection.

## Outcomes of the Business Operation

### Our Claims Promise

A Prudential policy is there to protect customers' hopes during difficult times. We make sure customers' claim is handled promptly and with genuine care. Our process is designed to be as simple and straightforward as possible, requiring only the essential details. We have always here to fulfil the promises that help ease our customers' financial burden during the unfortunate events and ensure their peace in minds as their family is being protected.

### How can we deliver

#### Our Approach

Our claim process is simple and transparent. Our staff and agents are professionally trained to support our customers in a personal, customer-friendly manner.

#### When our customers make a claim

We assess and pay each genuine claim promptly. We only ask for relevant information and give our customers updates on their claims progress when they need them. We explain our decisions simply and clearly.

### Our Commitment

#### Timeliness

We handle each claim as soon as we receive it and will keep our customers informed of its progress.

#### Communication with Care

We let our customers know when we receive their claim, require additional documents and outcome of their claim. Our staff and agents are professionally trained to guide our customers whenever they need help.

#### Customer Experience

Customers' feedback is important to help us serve customers better. If our customers have a complaint, we will deal with it seriously.

#### Fairness

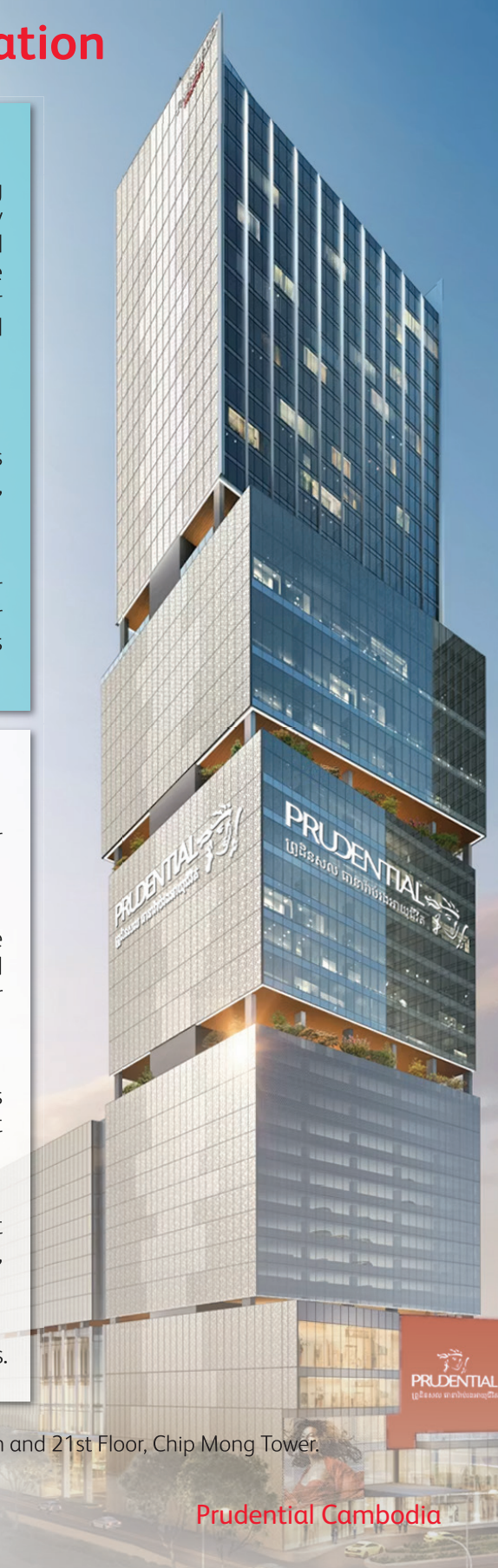
We understand customers' claim is important to them. We treat every customer fairly. We ensure our claims process is clear, transparent, and without customer bias.

#### Privacy

We take our customers' privacy seriously and will protect it at all times.

Prudential Cambodia office, located at Unit L19, L20 and L21 on 19th, 20th and 21st Floor, Chip Mong Tower.

*Image for illustrative purposes only.*



## Reinsurance

Prudential Cambodia determines appropriate reinsurance arrangement according to the nature of underlying risk of each product and business, which can be:

### Surplus arrangement:

- Surplus arrangement is primarily used to cede insurance risks that exceed the Company's appetite related to Death and Total and Permanent Disability (TPD).
- Prudential Cambodia may adopt different retention levels across products with similar risk profiles, taking into account factors such as distribution channels, level of underwriting, and other relevant considerations.

### Quota share arrangement:

- Quota share arrangement Refer refers to proportional sharing of risks with reinsurers based on a fixed percentage. This arrangement is typically applied to specific risks accidental benefits, critical illness, and medical benefits.
- The Company may also adopt a combination of quota share and surplus arrangements for the same risk, depending on its risk appetite, financial position, and other relevant considerations.

### Catastrophe excess of loss arrangement:

- Catastrophe excess of loss arrangement is primarily used to transfer exposure to large aggregate losses arising from catastrophic events, such as floods, earthquakes, and other natural disasters. This arrangement mainly provides protection against death and disability risks resulting from such events.

Our Reinsurance strategy is in compliance with Prudential Group's policy and local regulations.

### Selection and Evaluation of Reinsurance:

Prudential Cambodia selects appropriate reinsurer for the business based on following considerations:

- Adhere to local regulation and Prudential Group's policy.
- Financial strength and credit rating of the reinsurer: Prudential Cambodia will select reinsurer with credit rating in line with the requirement from local regulation and Prudential Group's policy.
- Cost of Reinsurance: This is a commercial decision to select reasonably priced reinsurer to balance cost and benefit.
- Expertise and capacity of the reinsurer to support the product development, underwriting, claim, and other operational processes.
- Flexibility and alignment of reinsurance's structure and terms and conditions to the Company's overall product and business strategy.

These have primarily been Prudential Cambodia's reinsurance strategy since the beginning of our operation with no notable changes. Prudential Cambodia will continue monitoring the reinsurance cost effectiveness as part of our in-force reinsurance management.

## Reinsurance

### Reinsurance Strategy:

Prudential uses reinsurance to manage and mitigate mortality and morbidity risk, which helps reduce volatility of financial performance and stabilize solvency position.

Prudential's reinsurance strategy has reasonably taken into consideration the following factors:

- The type of reinsurance arrangement must be consistent with overall risk management objectives and framework.
- The size of insurance reserves and its ability to withstand large claims.
- The analysis of actual versus expected claims experience where credible data is available.
- Reinsurers' ability and capacity to provide technical support and training, where they have greater expertise related to the risks involved such as new products, emerging risks etc.
- industry practice(s) and compliance with local law and regulation.
- Availability of shareholders' capital and Prudential's risk appetite
- Cost of reinsurance (reinsurance risk rates)

# Risk management

## Overview of Risk Management Approach

Prudential Cambodia operates within the Prudential Group's enterprise-wide risk management framework, which is designed to support sustainable value creation while protecting the interests of policyholders, shareholders, regulators, employees and the wider community. The framework promotes a disciplined, forward looking and proportionate approach to risk, taking into account the local operating and regulatory environment in Cambodia.

Risk management is embedded into business planning, decision making and daily operations. Risks are identified, assessed, managed and monitored on an ongoing basis, with clear governance structures and accountability in place. This approach supports operational resilience, financial soundness and compliance with applicable laws and regulations.

### Risk Management Cycle

Prudential Cambodia's risk management process follows a continuous cycle consisting of:

- **Risk identification:** Identification of principal and emerging risks using both top down and bottom up assessments, including consideration of changes in the external environment.
- **Risk assessment:** Evaluation of risks based on their potential financial, operational, reputational and regulatory impact.
- **Risk control and mitigation:** Application of policies, controls and management actions to keep risks within acceptable levels.
- **Monitoring and reporting:** Regular reporting to senior management and Boards on key risk exposures and emerging issues.

Stress testing and scenario analysis are used to assess resilience under adverse but plausible conditions, supporting capital and liquidity management and business continuity planning.

### Governance and Risk Culture

Prudential Cambodia follows the Group's "three lines" model of risk governance:

- **First line:** Business functions own and manage risks within approved appetite.
- **Second line:** Independent risk and compliance functions provide oversight, challenge and specialist expertise.
- **Third line:** Internal audit provides independent assurance over the effectiveness of governance, risk management and internal controls.

A strong risk culture is promoted through clear policies, ethical standards, and employee accountability. Conduct, customer fairness and sustainability considerations are integrated into performance management and decision-making. Employees are encouraged to raise concerns through established speak-up mechanisms, supporting transparency and integrity.

### Risk Appetite

Prudential Cambodia operates within a clearly defined risk appetite framework aligned with Group principles and local regulatory expectations. The framework balances risk and reward, acknowledging that risk taking is inherent in insurance and investment activities, while ensuring that risks remain consistent with long term financial strength and customer protection.

Risk appetite covers financial risks (such as capital and liquidity) and non financial risks (including operational, conduct, legal and technology risks), with qualitative statements, limits and escalation triggers in place.

# Risk management

## Principal Risks

### Risks to Financial Position

Prudential Cambodia is exposed to macroeconomic and market developments that may affect investment performance, asset values and liability profiles. Key areas include:

- **Market risk:** The Company monitors market risk on a regular basis using appropriate financial metrics. These metrics are reviewed against established risk appetite limits to ensure that market risk exposures remain within acceptable levels.
- **Credit risk:** The Company establishes risk approval limits based on the creditworthiness of counterparties and investment instruments, including their credit ratings. Where proposed exposures exceed established thresholds, any increase in risk limits is subject to approval by the Group Office.
- **Liquidity risk:** This is monitored using the Liquidity Coverage Ratio (LCR), calculated on a quarterly basis for the upcoming 12-month period, to assess whether the investment portfolio alone is sufficient to cover potential cash outflows in a timely manner under normal and stressed business conditions, without reliance on internal or external funding sources.

The Company sets the LCR reporting trigger threshold, and a minimum limit. The Company holds a significant portion of its assets in liquid instruments, and its liquidity position remains well above the required level.

### Insurance Risk

The company regularly monitors experience across these key drivers, including mortality, morbidity, persistency, and expense experience, and compares actual outcomes against established assumptions and targets. When the risks start to deviate from the risk appetite, the management will take prompt actions to mitigate the issue.

### Non-Financial Risks

- **Operational Risk:** Operational risks were actively managed through the Company's established governance framework, covering conduct and regulatory compliance, sales conduct and customer outcomes, financial crime, technology and cyber security, third party management, people and succession risks, change delivery, and business resilience. The Risk Committee oversaw these risks through regular risk and control assessments, monitoring key risk indicators, incident and issue management, and reviews of control effectiveness. Management actions were implemented to address identified control gaps, strengthen oversight of third-party arrangements, enhance technology and data governance, reinforce conduct standards, and improve operational resilience. Overall, operational risks remained under close monitoring, with ongoing remediation and governance enhancements supporting sustainable operations and customer protection.
- **Strategic and Other Risks :** Strategic risks, including strategic direction and execution risks, as well as risks arising from regulatory change and the external operating environment, were assessed in the context of the Company's business objectives and long-term sustainability. Management actions and monitoring processes were in place to support effective strategy execution, adaptability to regulatory developments, and alignment with customer and stakeholder expectations.
- **Customer and Third-Party Due Diligence Measures:** All Prudential customers and third parties are subject to a risk-based Customer Due Diligence (CDD) framework, which is designed to ensure compliance with applicable regulatory requirements in the Kingdom of Cambodia, as well as Prudential Group-wide Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) policies issued by the Group Head Office in Hong Kong. In Cambodia, the CDD framework is implemented in accordance with the Law on Anti-Money Laundering and Combating the Financing of Terrorism of the Kingdom of Cambodia, together with relevant Prakas, regulations, and guidelines issued by the Cambodia Financial Intelligence Unit (CAFIU) and the Insurance Regulator of Cambodia (IRC), and is aligned with international standards, including the Financial Action Task Force (FATF) Recommendations, United Nations sanctions requirements, and applicable UK AML/CTF regulatory expectations.

The framework covers customer risk assessment, identification and verification, enhanced due diligence for higher-risk customers, and ongoing monitoring to ensure customer information and risk profiles remain accurate and up to date throughout the business relationship. Overall, AML & CTF risks remained under close monitoring with no material trend to be noted as of FY2025.

## Sustainability

Our sustainability strategy reflects our mission to become a trusted partner and protected and leverages our strengths to create long-term value for our stakeholders and for society.

## Sustainability

### Sustainability ambition:

Delivering real-world impact and long-term resilience



#### Simple and accessible health and financial protection

Developing sustainable and inclusive offerings

Delivering partnerships and digital innovation for health outcomes

Building resilient communities through community investments



#### Responsible investment

Financing a just and inclusive transition

Decarbonising our portfolio

Mainstreaming responsible investments in emerging markets



#### Sustainable business

Establishing sustainable operations and value chain

Empowering our people

Harnessing thought leadership to shape the agenda



### A foundation of good governance and responsible business practices

Corporate governance, conduct and ethics, risk management, external reporting and benchmarking



### Governance

Prudential Cambodia Life Assurance has established Sustainability Committee to provide structured oversight of sustainability and Environmental, Social and Governance (ESG) matters across the three markets. The Committee is mandated to drive and oversee the development, execution, and effectiveness of sustainability initiatives, guided by the Group Sustainability Strategy and adapted to local market maturity. It provides strategic direction across key areas including communication and awareness, environmental stewardship, community investment, sponsorships, and sustainability governance.

The Committee oversees progress towards net-zero ambitions, ensures responsible community investments aligned with Prudence Foundation and market priorities, and reviews sponsorship proposals to maximize business and societal value. It also leads the setting and monitoring of sustainability priorities and KPIs, reports progress to the Board and periodically reviews its own effectiveness to ensure continued alignment with Group expectations and regulatory requirements.

# Sustainability

## Sustainability in 2025 at glance

### 140,967 Customers Protected

from critical illness financial risks through embedded rider coverage.



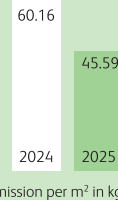
### Transformed 96 public schools

across Stung Treng, Ratanakiri, and Siem Reap into safe learning environments, safeguarding **74,869 students** and community members through the Safe School program.



### 22% Decarbonization Progress:

Reduced Scope 1 & 2 emissions from **60.16** to **45.59 kg CO<sub>2</sub>e/m<sup>2</sup>** between 2024 and 2025.



### 149,451 Children Reached

Empowered children with foundational financial literacy through Cha-Ching programs across **300 public schools** since 2016.



### Mitigated traffic accident

risks around **8 public schools**, securing a safer commute and learning environment for **21,518 students**, in Kampot, Kampong Thom and Siem Reap.



### \$5 Million Green Bond Investment

Invested in Green Infrastructure Bonds to support sustainable development and long-term portfolio growth.



### 1,867 Teachers Certified

Built institutional capacity by training public school teachers to deliver the Cha-Ching curriculum.



### 5 Ambulance Boats Delivered

to 5 remote healthcare centers in Stung Treng and Ratanakiri to improve emergency transport access.



### 100% Sustainability Linked KPI

People managers assessed against sustainability-linked performance indicators.



### Prudential Cambodia became Women Empowerment Principal Signatory



# Sustainability



## Simple and Accessible Health and Financial Protection

For Prudential Cambodia, this pillar is a commitment to improving the life trajectories of Cambodian families. In a market where medical costs can drive debt, our approach bridges the gap between savings and essential health protection.

### Integrating Protection and Prosperity

In 2025, we focused on combining long-term financial planning with immediate health resilience. By integrating Critical Illness Protection with savings products, families can build for future goals while being protected from high medical costs – ensuring a health crisis does not compromise their children's future.

Building Literacy and Resilience Accessibility starts with understanding. In its ninth year, our Cha-Ching program has reached 149,451 students across 300 schools since 2016, helping build strong financial habits and a more resilient economy.

### Towards Climate-Health Resilience

In 2025, we shifted from Road Safety and Safe School programs toward Climate and Health initiatives, focusing on:

- Strengthening healthcare infrastructure to address climate-related diseases
- Mitigating environmental pressures on public health systems

By aligning inclusive insurance with community health efforts, we ensure protection is simple, affordable, and accessible reaching even the most underserved communities.

# Sustainability

## About Cha-Ching Financial Literacy Programme

Since 2016, the Cha-Ching Financial Programme has reached 140,967 Cambodian students across 300 schools, building a vital foundation for financial inclusion. By simplifying economics into four core behaviours – Earn, Save, Spend, and Donate – the initiative teaches children aged 7–12 to manage money ethically and practically. These early interventions empower students to set financial goals and distinguish needs from wants, transitioning them from passive observers to active economic participants. As Cambodia grows, Cha-Ching ensures the next generation possesses the resilience and literacy necessary for long-term national stability.



## About Safe School Project (Phased out in 2025)

The Promoting Safe School Initiative (2016–2025) is a partnership between Prudential Cambodia, Plan International, and MoEYS to strengthen disaster resilience. Utilizing the Comprehensive School Safety Framework, the project transformed 96 public schools in Ratanakiri, Siem Reap, and Stung Treng into officially recognized "Safe Schools."

Benefiting nearly 75,000 individuals, the initiative mitigated risks from floods and storms through infrastructure upgrades and disaster management training. With Phase III's successful handover to provincial authorities, the program is now institutionalized, aligning with the Sendai Framework to ensure Cambodian children have a safe, uninterrupted right to education.



# Sustainability

## About Road Safety Program (Phased out in 2025)

Safe Steps Road Safety, led by the AIP Foundation and funded by Prudence Foundation with Prudential Cambodia, addresses traffic fatalities in high-risk school zones across Siem Reap and Kampot.

Covering two phases (2023–2026), the initiative benefits over 60,000 students, parents, and teachers. Phase II utilizes iRAP's Star Rating for Schools to guide infrastructure upgrades, including 30 km/h zones and flashing beacons. By combining physical improvements with advocacy and awareness campaigns, the program institutionalizes safer behaviors and environments, aiming for long-term systemic change and protecting Cambodian communities from road-related injuries.



## About Climate and Health Project

"Community-Led Resilience" (2024–2025) is a climate-health initiative by the Prudential Resilience Fund and CRF, addressing rising mosquito-borne disease risks in Stung Treng and Ratanakiri.

Targeting remote, river-dependent areas, the project directly benefits 5,000 members by providing five ambulance boats for emergency transport and training 50 healthcare workers in climate readiness. By establishing local taskforces under the National Disaster Management framework, the program empowers communities to lead prevention efforts against dengue and malaria. This multi-pillar approach ensures long-term resilience and improved healthcare access for over 53,000 people vulnerable to climate-driven health threats.



# Sustainability



## Responsible investment

At Prudential Cambodia we recognize that our role as a long-term investor and steward of our policyholders' assets carries a profound responsibility. The second pillar of our sustainability strategy, Responsible and Diligent Investment, is designed to ensure we act as a responsible asset manager with a granular understanding of our capital's impact. This pillar is not merely about risk mitigation; it is about actively shaping a resilient future for Cambodia.

For Prudential Cambodia, this pillar translates into three strategic imperatives:

- **Strengthening Reporting among Investees:** We actively support our investees in recording and reporting carbon emissions. By helping them establish clear roadmaps toward net-zero emissions, we ensure that the businesses fuelling Cambodia's growth are also accountable for their environmental footprint.

- **Financing a Just and Inclusive Transition:** We understand that decarbonization in emerging markets like Cambodia must be handled with care. Sudden divestment from high-emission sectors can lead to unintended consequences, job losses and economic instability – before green alternatives are fully mature. We advocate for a transition that protects vulnerable communities from both climate risks and economic displacement.
- **Mainstreaming in Emerging Markets:** As these markets grow, so does the demand for health and financial protection. We integrate sustainability into every stage of our investment process, aiming to reduce the weighted average carbon intensity (WACI) of our portfolio by 55% by 2030.

# Sustainability

## Achievements and Market Leadership

Prudential Cambodia is moving beyond policy toward tangible climate action. A landmark achievement in our portfolio is the \$5 million investment in Green Infrastructure Bonds issued by SchneiTec Dynamic. This capital supports a 60MW solar photovoltaic power plant equipped with a Battery Energy Storage System (BESS) in Kampong Chhnang province.

This bond, registered as a Green Bond, received a "Dark Green" rating from S&P Global Ratings – the highest possible assessment, signifying activities aligned with a low-carbon, climate-resilient future. This investment underscores our commitment to the Green Bond Principles of the ICMA and the ASEAN Green Bond Standards.

## Driving the Ecosystem Dialogue

We believe in leading by example and contributing to the national sustainable finance framework. In 2025, the Prudential Cambodia investment team was a key contributor to several high-level dialogues organized by the Securities and Exchange Regulator of Cambodia (SERC):

- **Unlocking Cambodia's Sustainable Finance (September 15, 2025):** PCLA served as a panellist in this workshop co-organized with UNESCAP and GGGI. The session moved beyond traditional bonds to explore Sustainability-Linked Instruments, where interest rates are tied to the achievement of specific environmental targets.
- **Green, Social, and Sustainability Bonds (July 8, 2025):** We engaged in critical discussions regarding "transition finance" for "brown" industries – heavy manufacturing sectors that are not yet green but have documented, verifiable plans to become sustainable.
- **Inaugural Investor Roundtable (November 11, 2025):** Focused on "closing the deal" for bankable projects, PCLA shared insights on what institutional investors require: clear Use-of-Proceeds reporting, verifiable impact metrics, and robust financial modeling that accounts for long-term climate risks.

Through these investments and engagements, Prudential Cambodia remains at the forefront of the Kingdom's journey toward a sustainable and inclusive economy.





## Sustainable Business

The third pillar of Prudential’s sustainability strategy, Sustainable Business, serves as the operational backbone of our commitment to the country. In Cambodia, this means moving beyond high-level pledges to implement a culture of accountability where environmental stewardship, talent vitality, and ethical standards are woven into the daily fabric of our operations. By optimizing our footprint and empowering our people, we ensure that Prudential Cambodia remains a trusted partner for our customers and regulators alike.

## Environmental Stewardship and Operational Efficiency

Prudential Cambodia has made significant strides in reducing its environmental impact, reflecting our Group-wide ambition to lower carbon footprints. In 2025, we achieved a substantial reduction in Scope 1 and 2 emissions, dropping from 60.16 kg CO<sub>2</sub>e/m<sup>2</sup> in 2024 to 45.59 kg CO<sub>2</sub>e/m<sup>2</sup>. Our intensity ratio also saw a marked improvement, moving from 0.72 to 0.64 tCO<sub>2</sub>e/FTE.

# Sustainability

These figures are not merely metrics; they represent a tangible shift toward energy efficiency and responsible resource management within our local offices, proving that business growth can be decoupled from environmental degradation.

In 2025, we trained senior managers under the ‘Leap’ Program: A high-impact curriculum targeting 20 learners to accelerate professional growth and strategic thinking.

## Empowering Talent and Leadership

We believe that sustainability is driven by people. To ensure our strategy is executed at every level, 100% of people manager in Cambodia now have sustainability-linked KPIs integrated into their annual objectives. This aligns leadership incentives with outcomes such as footprint reduction and the responsible use of data and AI.

## Holistic Wellbeing and Gender Equality

A sustainable business must be an inclusive and healthy one. In 2025, we enhanced our support for employee health by partnering with Naluri, a digital, evidence-based wellbeing platform. Naluri provides our staff with personalized coaching and confidential mental health support, addressing stress, burnout, and chronic health risks. By fostering emotional resilience and physical health, we ensure our workforce has the capacity to perform sustainably over the long term.

To support this cultural shift, we have prioritized talent vitality through robust development programs.



# Sustainability

Furthermore, Prudential Cambodia reached a historic milestone in its journey toward social equity. On February 3, 2025, we became an official signatory of the United Nations Women’s Empowerment Principles (WEPs). This public commitment, reaffirmed by our CEO, ensures that women in Cambodia receive equal opportunities for representation and leadership. By advocating for gender equality in the workplace and the marketplace, we are tapping into the full potential of Cambodia’s diverse talent pool, making our business more innovative and resilient.

Through these concerted efforts in environmental efficiency, leadership development, and inclusive practices, Prudential Cambodia is not just observing global standards – it is setting a local benchmark for what it means to be a truly sustainable business in the 21st century.

## Case study: Sustainability Linked-KPI

At Prudential and Prudential Cambodia, sustainability is a lived responsibility, not a centralized function. To bridge global ambition with local execution, we have embedded sustainability-linked KPIs directly into the performance frameworks of our leadership. This initiative ensures that long-term environmental and social impact is driven by active ownership rather than voluntary effort.

To equip our leaders for this transition, all People Managers are enrolled in a mandatory Sustainability 101 course. This foundational training ensures every manager understands how their individual objectives – ranging from reducing carbon footprints to promoting gender diversity – contribute to Prudential’s broader global goals.



# Sustainability

By linking these outcomes to leadership remuneration, we have signaled that sustainability is a core business priority. With a target of 100% coverage by 2026, this approach transforms sustainability into a measured, sustained culture that strengthens trust with our customers, partners, and regulators across the Kingdom.

## Reporting approach

At Prudential, sustainability reporting is a strategic benchmark of our mission-driven progress. While currently voluntary, our disclosures rigorously comply with the UK Companies Act, FCA Listing Rules, and the HKEX ESG Reporting Code. We have fully aligned TCFD recommendations and the new ISSB S2 climate-related disclosure requirements.

Prudential Cambodia is pivotal to this global alignment, consistently contributing localized data to meet these exacting international standards. By integrating Cambodian market insights into our Group-wide reporting, we ensure compliance with IFRS Sustainability Disclosure Standards and facilitate independent limited assurance on key metrics, including Scope 1, 2, and 3 emissions. This unified approach demonstrates our commitment to transparency and ethical governance, bridging regional performance with global expectations. Through this alignment, Prudential Cambodia ensures that its local operations contribute directly to the Group’s resilient, long-term value creation and climate-related financial disclosures.

## Sustainability data governance and oversight

Prudential’s sustainability data governance is anchored in strong Group-level governance, policies, and controls designed to ensure accuracy, consistency, and integrity of ESG data and disclosures. At Group level, sustainability data is governed through defined reporting frameworks, data boundaries, and assurance processes outlined in Prudential’s Sustainability Reports and Basis of Reporting. Key sustainability metrics published by Prudential are subject to internal controls and, for selected indicators, independent external assurance, reinforcing transparency and accountability.

Within the CLM markets, sustainability data governance is operationalized through the CLM Data Governance Council, which provides cross-functional oversight and coordination on sustainability-related data. The Council’s role is to ensure sustainability data used for reporting, decision-making, and external disclosures is properly defined, validated, and aligned with Group methodologies and reporting standards. This includes oversight of data ownership, data quality controls, and escalation of risks related to data integrity or inconsistencies, in line with Prudential’s enterprise data governance principles and internal operating procedures.

# Sustainability

## Greenwashing risk control

Prudential recognizes greenwashing as a material governance and reputational risk. To mitigate this, the Group has embedded greenwashing prevention within its Sustainability Policy, Group Code of Conduct, Risk Framework, and Sustainability Reporting governance.

These policies require that all sustainability-related claims are evidence-based, supported by verifiable data, and aligned with approved definitions and methodologies. Sustainability disclosures are governed by documented reporting standards and internal review processes to ensure claims accurately reflect underlying performance.

Operationally, internal SOPs support these policies by establishing clear roles and controls across data collection, validation, approval, and disclosure. Sustainability data is subject to internal challenge and review, with clear escalation pathways where data gaps, inconsistencies, or potential misrepresentation risks are identified. Prudential's commitment to strong risk management and governance ensures that sustainability communications, including environmental metrics and commitments, are controlled in a manner consistent with regulatory expectations and emerging global standards on greenwashing prevention.



**Prudential (Cambodia) Life Assurance PLC**  
(Registration No. 00012967)

Report of the Board of Directors  
and  
Audited financial statements in accordance with  
Cambodian International Financial Reporting Standards (“CIFRSs”)  
with deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*

as at 31 December 2025 and for the year then ended

# Audited Financial Statements

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**AUDIT**

## CORPORATE INFORMATION

Company	Prudential (Cambodia) Life Assurance PLC	
Registration No.	00012967	
Registered office	Chip Mong Tower, Unit L19, L20, and L21 of 19th Floor 20th Floor and 21st Floor, Russian Federation Blvd (110), Phum 10, Sangkat Phsar Depou 3 Khan Toul Kork, Phnom Penh Kingdom of Cambodia	
Shareholders	Prudential Corporation Holdings Limited PCA IP Services Limited Prudential Holdings Limited	
Board of Directors	Mr. Wilson Wing Yiu Ma	Non-Executive Director/Chairman (Ended term on 30 June 2025)
	Mr. Ponlu Tola	Executive Director
	Mr. Ho Varabott	Independent Non-Executive Director
	Dr. Mey Kalyan	Independent Non-Executive Director
	Mr. Sim Hoychhoung	Independent Non-Executive Director (Ended term on 01 November 2025)
	Mrs. So Phonnary	Independent Non-Executive Director
	Mrs. Ng Sim Kheng	Non-Executive Director
Management team	Mr. Ponlu Tola	Chief Executive Officer
	Mr. Chi Chung Wong	Chief Financial Officer (Appointed on 25 February 2025)
	Ms. Chu Ing Shin	Chief Actuary and Product Officer (Appointed 02 May 2025)
	Mr. Heng Sok	Chief Technology and Operation Officer
	Mr. Chee Weng Yip	Chief Distribution Officer
	Mr. Zameen Zahari	Chief Risk Officer (Ended term on 02 September 2025)
	Mr. John Masvongo	Interim Chief Risk and Compliance Officer (Appointed on 05 September 2025)
	Mrs. Teng Sophanna	Chief Human Resources Officer (Appointed on 14 July 2025)
Principal bankers	ACLEDA Bank Plc. Advanced Bank of Asia Limited Cambodian Public Bank Plc. Canadia Bank Plc. J Trust Royal Bank Plc. Phnom Penh Commercial Bank Plc. Sathapana Bank Plc. Wing Bank (Cambodia) Plc.	
Auditors	Ernst & Young (Cambodia) Ltd.	

## REPORT OF THE BOARD DIRECTORS

The directors submit their report together with the audited financial statements of Prudential (Cambodia) Life Assurance PLC (“the Company”) as at 31 December 2025 and for the year then ended.

### PRINCIPAL ACTIVITY

The principal activity of the Company is underwriting of life insurance business in the Kingdom of Cambodia.

### FINANCIAL RESULTS

The financial results of the Company for the year ended are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
Profit before income tax	1,362,380	5,464,508	5,000,512	20,357,084
Income tax expense	(386,678)	(1,550,965)	(1,457,387)	(5,933,022)
<b>Net profit for the year</b>	<b>975,702</b>	<b>3,913,543</b>	<b>3,543,125</b>	<b>14,424,062</b>

### DIVIDENDS

No dividend was declared or paid and the directors do not recommend any dividend to be paid for the year.

### SHARE CAPITAL

The Company’s share capital as at 31 December 2025 amount to US\$ 61,320,000 (31 December 2024: US\$ 61,320,000) as disclosed in Note 17 to the financial statements.

There was no change in share capital and shareholder structure during the year.

### RESERVES AND PROVISIONS

All material movements to or from reserves and provisions during the financial year have been disclosed in the financial statements.

## THE BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

Mr. Wilson Wing Yiu Ma	Non-Executive Director/Chairman (Ended term on 30 June 2025)
Mr. Ponlu Tola	Executive Director
Mr. Ho Varabott	Independent Non-Executive Director
Dr. Mey Kalyan	Independent Non-Executive Director
Mr. Sim Hoychhoung	Independent Non-Executive Director (Ended term on 01 November 2025)
Mrs. So Phonnary	Independent Non-Executive Director
Ms. Ng Sim Kheng	Non-Executive Director

## DIRECTORS' INTERESTS

None of the directors held or dealt directly or indirectly in the shares of the Company during the year.

## DIRECTORS' BENEFITS

During and at the end of the year, no arrangements existed to which the Company is a party, with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, except for equity-settled-share-based payments received by the directors as part of compensation as a full time employee.

No director of the Company has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as shown in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements.

## STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*, ("CIFRSs with the deferral of CIFRS 17 and CIFRS 9"), in line with Accounting and Auditing Regulator's notification allowing for the delay in their implementation (see Note 2.1).

The Board of Directors oversees the preparation of these financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with the disclosure requirements of CIFRSs with the deferral of CIFRS 17 and CIFRS 9 or, if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- Set overall policies for the Company, ratify all decisions and actions by management that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PPROVAL OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 226 OF LAW ON COMMERCIAL ENTERPRISE

I, Ponlu Tola, on behalf of the Board of Directors, do hereby confirm that the the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs with the deferral of CIFRS 17 and CIFRS 9, and comply with the relevant requirements of laws and regulations applicable to the insurance industry.

Signed in accordance with a resolution of the Board of Directors:

**Ponlu Tola**  
**Chief Executive Officer**

Phnom Penh, Kingdom of Cambodia  
18 March 2026



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Reference: 61038570/69299305

## INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders and the Board of Directors of Prudential (Cambodia) Life Assurance PLC**

### *Opinion*

We have audited the financial statements of Prudential (Cambodia) Life Assurance PLC (“the Company”), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*, in line with Accounting and Auditing Regulator’s notification allowing for the delay in their implementation.

### *Basis for Opinion*

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Prakas issued by the Ministry of Economy and Finance of Cambodia on Code of Ethics for Professional Accountants and Auditors as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Cambodia. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of matter*

We draw attention to Note 2.1 to the financial statements, which describes the guidance on the delay in the implementation of CIFRS 17 and CIFRS 9. Our opinion is not modified in respect of this matter.

### *Information Other than the Financial Statements and Auditor’s Report Thereon*

The other information obtained at the date of the auditor’s report comprises Corporate Information and Report of the Board of Directors. Management is responsible for the other information.

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



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRSs with the deferral of CIFRS 17 and CIFRS 9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor’s Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

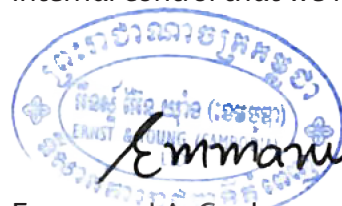
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

We communicate with those charged with governance 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.



Emmanuel A. Gueias  
Partner  
Ernst & Young (Cambodia) Ltd.  
Certified Public Accountants  
Registered Auditors

Phnom Penh, Kingdom of Cambodia  
18 March 2026

(Registration No. 00012967)

## STATEMENT OF FINANCIAL POSITION as at 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
			(Note 2.3)		(Note 2.3)
				(As reclassified-Note 30)	
<b>ASSETS</b>					
Property and equipment	7	2,249,320	9,026,521	2,506,177	10,087,362
Deferred acquisition costs and other intangible assets	8	55,945,922	224,510,985	54,012,007	217,398,328
Right-of-use assets	10	2,290,953	9,193,594	2,464,465	9,919,472
Statutory deposit	9	700,000	2,809,100	700,000	2,817,500
Deferred tax assets	20	385,310	1,546,249	272,437	1,096,559
Insurance and other receivables	11	21,098,053	84,666,488	25,019,098	100,701,869
Reinsurance assets	12	561,950	2,255,105	342,237	1,377,504
Placements with banks	13	315,982,268	1,268,036,841	289,982,268	1,167,178,629
Held-to-maturity investments	14	57,681,915	231,477,525	32,940,668	132,586,189
Equity security at fair value through profit or loss	15	1,824,072	7,320,000	1,873,292	7,540,000
Cash and cash equivalents	16	4,032,848	16,183,819	5,591,084	22,504,113
<b>TOTAL ASSETS</b>		<b>462,752,611</b>	<b>1,857,026,227</b>	<b>415,703,733</b>	<b>1,673,207,525</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	61,320,000	245,280,000	61,320,000	245,280,000
Retained earnings		32,828,323	134,550,872	31,852,621	130,637,329
Cumulative exchange differences on translation		-	(2,013,652)	-	(897,529)
<b>TOTAL EQUITY</b>		<b>94,148,323</b>	<b>377,817,220</b>	<b>93,172,621</b>	<b>375,019,800</b>
<b>LIABILITIES</b>					
Insurance contract liabilities	18	353,893,162	1,420,173,259	301,335,961	1,212,877,243
Insurance and other payables	19	12,449,472	49,959,730	18,931,141	76,197,842
Lease liabilities	10	2,261,654	9,076,018	2,264,010	9,112,640
Income tax payable	20	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>368,604,288</b>	<b>1,479,209,007</b>	<b>322,531,112</b>	<b>1,298,187,725</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>462,752,611</b>	<b>1,857,026,227</b>	<b>415,703,733</b>	<b>1,673,207,525</b>

(Registration No. 00012967)

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 20

	Notes	2025		2024	
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
(As reclassified-Note 30)					
Gross premiums		73,358,156	294,239,564	84,110,354	342,413,251
Reinsurance premiums ceded		(1,068,631)	(4,286,279)	(715,595)	(2,913,187)
<b>Net premiums</b>		<b>72,289,525</b>	<b>289,953,285</b>	<b>83,394,759</b>	<b>339,500,064</b>
Other income (expense)		256,282	1,027,947	(417,676)	(1,700,359)
Finance income	21	21,161,780	84,879,900	19,385,592	78,918,745
<b>Total operating income</b>		<b>93,707,587</b>	<b>375,861,132</b>	<b>102,362,675</b>	<b>416,718,450</b>
Claims and benefits incurred		(7,241,861)	(29,047,104)	(6,885,328)	(28,030,170)
Claims and benefits ceded to reinsurers		442,958	1,776,705	1,708,973	6,957,229
Change in insurance contract liabilities	18	(52,482,572)	(210,507,596)	(51,507,206)	(209,685,836)
Change in insurance contract liabilities ceded to reinsurers	18	219,713	881,269	(112,172)	(456,652)
<b>Net benefits and claims</b>		<b>(59,061,762)</b>	<b>(236,896,726)</b>	<b>(56,795,733)</b>	<b>(231,215,429)</b>
Other operating and administrative expenses	22	(33,120,802)	(132,847,537)	(40,394,901)	(164,447,642)
Finance cost		(162,643)	(652,361)	(171,529)	(698,295)
<b>Total claims, benefits and expenses</b>		<b>(92,345,207)</b>	<b>(370,396,624)</b>	<b>(97,362,163)</b>	<b>(396,361,366)</b>
<b>Profit before income tax</b>		<b>1,362,380</b>	<b>5,464,508</b>	<b>5,000,512</b>	<b>20,357,084</b>
Income tax expense	20	(386,678)	(1,550,965)	(1,457,387)	(5,933,022)
<b>Net profit for the year</b>		<b>975,702</b>	<b>3,913,543</b>	<b>3,543,125</b>	<b>14,424,062</b>
Exchange difference on translation		-	(1,116,123)	-	(5,540,753)
<b>Total comprehensive income for the year</b>		<b>975,702</b>	<b>2,797,420</b>	<b>3,543,125</b>	<b>8,883,309</b>

	Share capital		Retained earnings		Cumulative exchange differences on translation		Total
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$
As at 1 January 2025	61,320,000	245,280,000	31,852,621	130,637,329	93,172,621	375,019,800	
Total comprehensive income for the year	-	-	975,702	3,913,543	(1,116,123)	2,797,420	
<b>As at 31 December 2025</b>	<b>61,320,000</b>	<b>245,280,000</b>	<b>32,828,323</b>	<b>134,550,872</b>	<b>(2,013,652)</b>	<b>377,817,220</b>	
As at 1 January 2024	61,320,000	245,280,000	28,309,496	116,213,267	89,629,496	366,136,491	
Total comprehensive income for the year	-	-	3,543,125	14,424,062	(5,540,753)	8,883,309	
<b>As at 31 December 2024</b>	<b>61,320,000</b>	<b>245,280,000</b>	<b>31,852,621</b>	<b>130,637,329</b>	<b>(897,529)</b>	<b>375,019,800</b>	

(Registration No. 00012967)

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2025

(Registration No. 00012967)

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
			(Note 2.3)		(Note 2.3)
				(As reclassified-Note 30)	
<b>OPERATING ACTIVITIES</b>					
Profit before income tax		1,362,380	5,464,508	5,000,512	20,357,084
Adjustments for:					
Depreciation and amortization	8	12,798,796	51,335,970	10,445,689	42,524,400
Gain on disposal of property and equipment		(71,293)	(285,956)	(26,254)	(106,880)
Loss on write off of property and equipment		6,701	26,878	5,396	21,967
Loss on termination of lease		16,682	66,912	-	-
Unrealized loss on equity security at fair value through profit or loss	15	49,220	197,421	589,376	2,399,350
Interest income	21	(21,161,780)	(84,879,900)	(19,385,592)	(78,918,745)
Accretion of interest	10.2	180,990	725,951	193,313	786,977
Changes in working capital:					
Deferred acquisition costs	22	(13,032,366)	(52,272,820)	(16,009,540)	(65,174,837)
Insurance and other receivables		4,486,306	17,994,573	(5,377,333)	(21,891,123)
Reinsurance assets		(219,713)	(881,269)	112,172	456,652
Insurance contract liabilities		52,557,201	210,806,933	51,714,247	210,528,700
Insurance and other payables		(6,718,201)	(26,946,704)	(243,414)	(990,938)
Share-based compensation		339,883	1,363,271	304,181	1,238,321
Income tax paid	20	(499,551)	(2,003,699)	(2,901,048)	(11,810,167)
Interest paid on lease liabilities		(180,990)	(725,951)	(193,313)	(786,977)
<b>Net cash provided by operating activities</b>		<b>29,914,265</b>	<b>119,986,118</b>	<b>24,228,392</b>	<b>98,633,784</b>

(Registration No. 00012967)

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
			(Note 2.3)		(Note 2.3)
<b>INVESTING ACTIVITIES</b>					
Acquisitions of:					
Property and equipment	7	(214,423)	(860,051)	(1,743,229)	(7,096,685)
Other intangible assets	8	(203,791)	(817,406)	(224,983)	(915,906)
Held-to-maturity investments		(33,387,043)	(133,915,429)	(5,000,000)	(20,355,000)
Placements with banks		(48,300,000)	(193,731,300)	(55,016,500)	(223,972,172)
Proceeds from:		-	-		
Disposal of property and equipment		72,479	290,713	37,763	153,733
Maturities of held-to-maturity investments		8,683,651	34,830,124	3,467,864	14,117,674
Maturities of placements with banks		22,300,000	89,445,300	15,688,000	63,865,848
Interest received		20,163,892	80,877,371	16,599,519	67,576,642
<b>Net cash used in investing activities</b>		<b>(30,885,235)</b>	<b>(123,880,678)</b>	<b>(26,191,566)</b>	<b>(106,625,866)</b>
<b>FINANCING ACTIVITIES</b>					
Payments of principal portion of lease liabilities	10	(587,266)	(2,355,524)	(739,912)	(3,012,182)
<b>Cash used in financing activities</b>		<b>(587,266)</b>	<b>(2,355,524)</b>	<b>(739,912)</b>	<b>(3,012,182)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,558,236)</b>	<b>(6,250,084)</b>	<b>(2,703,086)</b>	<b>(11,004,264)</b>
Cash and cash equivalents at beginning of year		5,591,084	22,504,113	8,294,170	33,881,684
Exchange difference on translation		-	(70,210)	-	(373,307)
<b>Cash and cash equivalents at end of year</b>	16	<b>4,032,848</b>	<b>16,183,819</b>	<b>5,591,084</b>	<b>22,504,113</b>

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 December 2025 and for the year then ended

**1. COMPANY'S BACKGROUND AND PRINCIPAL ACTIVITIES**

Prudential (Cambodia) Life Assurance PLC (“the Company”) was incorporated as a public limited liability company in Cambodia under the Registration No. Co. 2743 E/2012 dated 18 October 2012. On 26 July 2016, the Company obtained a new Registration No. 00012967 from the Ministry of Commerce. The Company commenced its commercial operations on 31 December 2012 under the license granted from the General Department of the Financial Industry of the Ministry of Economy and Finance. On 22 August 2024, the Company obtained the permanent license from the Insurance Regulator of Cambodia.

The Company is 99.999% owned by Prudential Corporation Holdings Limited, immediate parent company. The ultimate parent company is Prudential Public Limited Company. Both immediate and ultimate parent companies are incorporated in the United Kingdom.

The registered office of the Company is at Chip Mong Tower, Unit L19, L20 & 21, 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> floor, Russian Federation Boulevard (110), Sangkat Phsar Depou Ti Muoy, Khan Tuol Kouk, Phnom Penh, Kingdom of Cambodia.

The principal activity of the Company is underwriting of life insurance business in the Kingdom of Cambodia. The Company has been providing its services through its head office in Phnom Penh and 4 provincial branches in the Kingdom of Cambodia.

As at 31 December 2025, the Company had 651 employees (31 December 2024: 770 employees).

These financial statements were authorized for issue by the Company's Board of Directors on 18 March 2026.

**2. BASIS OF PREPARATION**

The financial statements of the Company have been prepared on historical cost basis, except for any financial assets and financial liabilities that have been measured at fair value.

The Company presents its statement of financial position broadly in the order of liquidity.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settled the liability simultaneously.

**2.1 Statement of compliance**

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*, (“CIFRSs with the deferral of CIFRS 17 and CIFRS 9”) in line with Accounting and Auditing Regulator's notification allowing for the delay in its implementation. As such, the Company applied CIFRS 4, *Insurance Contracts*, in accounting for the insurance contracts and CIAS 39, *Financial Instruments: Recognition and Measurement*, in accounting for the financial instruments. (see Note 5)

**2.2 Fiscal year and reporting period presented**

The Company's fiscal year starts on 1 January and ends on 31 December.

**2.3 Functional and presentation currency**

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records primarily in United States Dollar (“US\$”), management has determined the US\$ to be the Company's functional currency as it reflects the economic substance of the underlying events and circumstances of the Company. The financial statements are presented in US\$. All values are rounded to the nearest US\$, except when otherwise indicated.

*Presentation in Khmer Riel*

The translation of the US\$ amounts into thousands KHR (“KHR'000”) is presented in the financial statements to comply with the Law on Accounting and Audit dated 11 April 2016 using the closing and average rates for the year then ended, as announced by Accounting and Auditing Regulator.

Assets and liabilities included in the statement of financial position are translated at the closing rate prevailing at the end of each reporting date, whereas income and expense items presented in the statement of comprehensive income are translated at the average rate for the year then ended. All resulting exchange differences are recognized in the statement of comprehensive income. Such translation should not be construed as a representation that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate. All values in KHR are rounded to the nearest thousand (“KHR'000”), unless if otherwise indicated.

The financial statements are presented in KHR based on the applicable exchange rates per US\$1 as follows:

	2025	2024
Closing rate	4,013	4,025
Average rate	4,011	4,071

**3. MATERIAL ACCOUNTING POLICY INFORMATION****3.1 Product classification**

Insurance contracts are those contracts under which the Company accepts significant insurance risk from the policyholder by agreeing to compensate the policyholders or other beneficiaries if a specified uncertain future event adversely affects the policyholders or other beneficiaries. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

*Life insurance non-participating contracts*

These are contracts that are predominantly protection based. For protection based contracts, the Company usually guarantees a fixed level of benefit that is payable upon a claim event (e.g. death, total permanent disability, critical illness). In return, the policyholders pay contractual premiums that may be guaranteed over the terms of the contracts.

**3.2 Property and equipment**

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs if the recognition criteria are met. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is authorized.

Depreciation and amortization of property and equipment, intangible assets are calculated on a straight-line basis over the estimated useful life of each asset category, as follows:

Leasehold improvements	Shorter of useful lives and lease period
IT equipment	5 years
Office furniture and equipment	5 years
Motor vehicles	5 years
Others	5 years

The assets' residual values, and useful lives and method of depreciation and amortization are reviewed and adjusted if appropriate at each financial year end and adjusted prospectively, if appropriate. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as expenses.

**3.3 Deferred acquisition costs and other intangible assets***Deferred acquisition costs ("DAC")*

Direct and indirect costs incurred to sell, underwrite and initiate new insurance contracts are deferred to the extent that these costs have not already been recovered and are recoverable out of future profits from these insurance contracts.

Subsequent to initial recognition, deferred acquisition costs are amortized over the period in which the costs, net of the related deferred tax provision, are expected to be recoverable out of margins in matching revenues from the related policies.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in profit or loss.

*Computer software*

Costs directly associated with the purchase of or development of identifiable computer software that is not an integral part of the hardware that generate expected future benefits to the Company are recognized as an intangible asset.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Computer software costs are amortized from the date they are available for use, not to exceed five years.

*Partnership fees*

Partnership fees relate to fees incurred under partnership arrangements for bank distribution of the Company's products. The fees are amortized on a basis to reflect the pattern in which future economic benefits are expected to be consumed, over the term of the partnership contract.

Subsequent expenditure is authorized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred. Any change in estimated future payment is recognized as a change in estimate and accounted for currently and prospectively.

*Assets in progress*

Assets in progress are not depreciated until such time as the relevant assets are completed and put into operational use.

**3.4 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the asset. All other borrowing costs are expensed in the period in which they occur.

### 3.5 Lease

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

#### *Company as a lessee*

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### *(i) Right-of-use assets*

The Company recognizes right-of-use assets (“ROU”) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as expenses.

#### *(ii) Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the organization wide approach on incremental borrowing rate (“IBR”) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *(iii) Short-term leases and leases of low-value assets*

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

### 3.6 Impairment of non-financial assets

Assets that are subject to depreciation and/or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for 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 cost to sell and its value in use.

Any impairment loss is charged to profit or loss in the period in which it arises. Reversal of impairment loss is recognized in profit or loss to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

### 3.7 Insurance and other receivables

#### *Insurance receivables*

Insurance receivables are recognized when the premium is due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortized cost, using the effective interest rate method. The carrying value of insurance receivables are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Premiums and claims are presented on a gross basis and ceded reinsurance is presented separately. Reinsurance assets are authorized when the contractual rights are extinguished or expired.

### *Other receivables*

Other receivables consist mainly of prepayments, deposits, advance and amount due from related parties which are carried at anticipated authorized values. An estimate is made for impairment loss based on a review of all outstanding amounts as at the statement of financial position date.

### *Related parties*

A party is related to an entity if directly, or indirectly through one or more intermediaries, has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The party is related to an entity if it is controlled, jointly controlled or significantly influenced by the entity, or is under common control with the entity or has significant influence over the entity. A related party can be an individual or a legal entity.

All related party transactions including payment on behalf, advance, settlements, etc. are disclosed in the relevant notes to the financial statements.

## **3.8 Reinsurance**

Assets, liabilities, income and expense arising from reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

An asset or liability is recognized in the statement of financial position representing premiums due to or payments due from reinsurers; and the share of benefits and claims recoverable from reinsurers. The net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

## **3.9 Fair value measurement**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CIFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are authorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is authorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Information about the assumptions made in measuring fair values is included in Note 27 – Management of insurance and financial risks.

## **3.10 Financial assets**

### **3.10.1 Recognition and measurement**

Financial assets within the scope of CIAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity financial investments. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held-to-maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortized cost.

The Company's financial assets include loans and receivables, cash and cash equivalents, insurance and other receivables, and other investments.

#### *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. These include investment in subordinated debt. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less impairment.

#### *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the EIR, less impairment. The EIR amortization is included in 'Investment income' in the statement of profit or loss. Gains and losses are recognized in the statement of profit or loss when the investments are authorized or impaired, as well as through the amortization process.

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

Financial assets at FVPL include financial assets held for trading and those designated upon initial recognition as at FVPL. Investments typically bought with the intention to sell in the near future are classified as held for trading. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by CIAS 39.

### **3.10.2 Impairment of financial assets**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### *Assets carried at amortized cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognized in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the profit and loss account.

### **3.10.3 De-recognition of financial assets**

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

- ▶ The rights to receive cash flows from the asset have expired;
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; or
- ▶ Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **3.11 Cash and cash equivalents**

Cash and cash equivalents comprise of current and saving account with local banks and cash in trading account which can be withdrawn on demand at any time.

### **3.12 Equity**

#### **3.12.1 Share capital**

Ordinary shares with discretionary dividends are classified as equity. Distributions of dividends to owners are charged directly to retained earnings.

Dividends on ordinary shares are recognized as liabilities when declared before reporting date. Dividends declared after the reporting date, but before the financial statements are authorized for issue, are not recognized as a liability at the reporting date.

### **3.13 Insurance contract liabilities**

A liability for contractual benefits that are expected to be incurred in the future is recorded when the contract is recognized.

The liability for traditional non-participating contracts is determined as the sum of the expected present value of future guaranteed benefits, and the expected future management and distribution expenses, less the expected present value of future gross considerations arising from the policy discounted at a prudent interest rate, derived with reference to the prospective returns available on assets within Cambodia.

Additional provisions for prudence are made in the valuation assumptions to allow for adverse deviation from the best estimate assumptions. Provisions made for adverse deviation (“PAD”) are mainly based on prudent adjustments to the best estimate assumptions. The level of provisions is reviewed annually by the Company’s actuary to assess their appropriateness and sufficiency.

Article 18 of the Prakas on Procedures and Methods of Insurance Technical Reserve Calculation, dated 23 December 2022, requires the policy reserves held to be floored at cash value, if any, where the flooring applies at fund level aggregation. PCLA has revised the reserve flooring at cash value from policy level flooring to product level flooring in December 2025. The reserves held is still more prudent than the regulatory requirement.

### **3.14 Financial liabilities**

#### **3.14.1 Recognition and measurement**

Financial liabilities within the scope of CIAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or financial guarantee contracts. This does not include liabilities on insurance contracts. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs.

The Company’s financial liabilities include insurance contract liabilities, insurance and other payables including amounts payable to related parties, and lease liabilities.

#### **3.14.2 De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

### **3.15 Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.16 Revenue recognition**

#### **a. Premiums**

Premiums received from policyholders are recognized in the profit or loss on their respective due dates. Premiums due but not received on the due date are recognized as revenue with the corresponding outstanding premiums receivable recognized in the statement of financial position. The variable compensations expense arising from these outstanding premiums is accrued in the same reporting period.

Premiums due after but received before the end of the financial year are recognized as liabilities in the statement of financial position.

#### **b. Interest income**

Interest income is recognized in the income statement on an accrual basis. Interest received during the period is treated as investing activities in the statement of cash flows.

#### **c. Allowances and commission on reinsurance ceded**

Allowances and commission on reinsurance ceded are recognized at the same time the reinsurance premiums are recognized.

### **3.17 Expense recognition**

#### **(i) Claims and benefits incurred**

Claims and settlement costs that are incurred during the reporting period are recognized when a claimable event occurs and/or the insurer is notified.

Benefits and claims arising on life insurance policies, including settlement costs, are accounted for using case by case basis and for this purpose, the benefits payable under a life insurance policy are recognized as follows:

- (a) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates.
- (b) death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

#### *(ii) Change in insurance contract liabilities*

Life policy reserves are calculated using the actuarial method, based on the current assumptions or on assumptions established at inception of policies, which reflect the best estimate at the time increased with a margin for risk and adverse deviation. The key assumptions used are mortality rate, morbidity rate, longevity rate, lapse rate, expenses, and discount rate. Changes in reserves are recognized as expense during the year

#### *(iii) Finance cost*

Finance cost consists of interest expense charged against operations and calculated using the effective interest method.

#### *(iv) Variable compensation*

Variable compensations which are costs directly incurred in securing premium on insurance policies, net of income derived from reinsurers for ceding of premium to reinsurers, are charged to the profit or loss in the period in which they are incurred.

### **3.18 Taxes**

#### *Income tax*

Income tax assets or liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

#### *Deferred tax*

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet rates.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted during the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

### **3.19 Employee benefits**

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### Share-based payments

The Company offers equity settled share-based compensation plans to its employees. For this equity settled share-based plans, in accordance with the ultimate Parent Company's policy, the Company makes a prepayment to purchase the share-based awards granted to employees in advance at the prevailing share price. The prepayment is recognized as an asset when made. Employee expenses in respect of this benefit are recognized in profit or loss by amortizing the prepayment by level manner over the vesting period.

The amount recognized as an expense is adjusted in each period to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods, including seniority payment. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

### 3.20 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to liability.

### 3.21 Foreign currency transactions

The Company's financial statements are presented in United States dollar ("US\$"), which is also the Company's functional currency.

Transactions in other currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are retranslated at the functional currency rate of exchange ruling at statement of financial position date. All differences are taken to income statement. Non-monetary items that are measured in terms of historical cost in other currency are translated using the exchange rates as at the respective dates of the initial transactions.

### 3.22 Events after the reporting period

Post year-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements.

Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

### 4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year, except for the adoption, where applicable, of the following amendments to CIFRSs which became effective beginning on or after 1 January 2025. Adoption of amendment to IAS 21- Lack of exchangeability during the year does not have any significant impact on the Company's financial position and performance.

### 5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

- (i) Amendments to CIFRS 9 and CIFRS 7: classification and measurement of financial instruments, *effective beginning on or after 1 January 2026*
- (ii) Amendments to CIFRS 9 and CIFRS 7, Contracts referencing nature-dependent electricity (previously Power Purchase Agreements), *effective beginning on or after 1 January 2026*
- (iii) Annual Improvements to CIFRS Accounting Standards – Volume 11, *effective beginning on or after 1 January 2026*
- (iv) CIFRS 18, Presentation and Disclosure in Financial Statements, *effective beginning on or after 1 January 2027*
- (v) CIFRS 19, Subsidiaries without Public Accountability Disclosures, *effective beginning on or after 1 January 2027*
- (vi) Amendments to IAS 21, Translation to a Hyperinflationary Presentation Currency - *effective beginning on or after 1 January 2027*
- (vii) CIFRS 17, Insurance Contracts

In May 2017, the IASB issued IFRS 17, *Insurance Contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4. IFRS 17 was effective for annual reporting periods beginning on or after 1 January 2023.

Effective IFRSs issued by the IASB are simultaneously adopted in Cambodia with equivalent CIFRSs unless the regulators decide, otherwise. CIFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of CIFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in CIFRS 4, which are largely based on grandfathering previous local accounting policies, CIFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

- A default general model for most contracts that measures insurance liability using four “building blocks” (General Measurement Model/Building Block Approach).
- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

On 24 March 2023, ACAR issued a notification allowing to delay the mandatory adoption of CIFRS 17 and CIFRS 9 for insurance companies to be effective for annual reporting periods beginning on or after 1 January 2025. On 23 December 2024, ACAR issued another notification to further delay the implementation until 1 January 2028.

The review of the implication and impact of adopting this standard is currently ongoing.

#### (viii) CIFRS 9, Financial Instruments

CIFRS 9 replaced CIAS 39 Financial Instruments: Recognition and Measurement. However, the Company elected, under the amendments to CIFRS 4 to apply the temporary exemption from CIFRS 9, deferring the initial application date of CIFRS 9 to align with the initial application of CIFRS 17. The Company concluded that it qualified for the temporary exemption from CIFRS 9 because its activities are predominantly connected with insurance and there has been no significant change in the activities of the Company.

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

#### *(i) Product classification*

As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits payable on the occurrence of an insured event with benefits payable if the insured event did not occur. The Company has determined that the insurance policies it issues have significant insurance risk and therefore meet the definition of an insurance contract and should be accounted for as such.

### Estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows.

#### *i) Deferred acquisition cost*

The determination of deferred acquisition cost is dependent on assumptions made by the management of the Company. These estimates are reviewed and adjusted (if necessary) each year in order to establish deferred acquisition costs which reflect best estimate assumptions.

#### *ii) Insurance contract liabilities*

Insurance contract liabilities for traditional products which include mathematical reserve, outstanding claim reserve and benefits payable are established in accordance with generally accepted actuarial principles.

Mathematical reserve is the difference between the present value of total insurance outgo payable in the future, and the present value of the insurance premiums receivable in the future. Mathematical reserve is calculated for all currently selling long-term products.

Claim reserve is the provision for claims not reported (“Incurred But Not Reported” - IBNR) and claims submitted but still in the course of settlement (“Reported But Not yet Settle” - RBNS) as at the statement of financial position date.

The Company makes estimates relating to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates for life insurance contracts. These estimates form the assumptions used to calculate the liabilities arising from these contracts in consistent with the generally accepted actuarial principles and the Prakas no.063 on Procedures and Methods of Insurance Technical Reserve Calculation issued by the IRC on 23 December 2022.

**iii) Impairment of financial assets**

Judgment is required in determining whether or not a decline in fair value of an available-for-sale financial investment and loans and receivables below its original cost or amortized costs is of such a nature as to constitute impairment, and thus whether an impairment loss needs to be recognized.

**iv) Fair value of financial assets and derivative financial instruments determining using valuation techniques**

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flow models and/or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity risk, credit risk, and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

**v) Taxation**

Taxes are calculated on the basis of current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

**vi) Recognition of deferred income tax assets**

The Company reviews the carrying amounts of deferred income tax assets at each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized.

**7. PROPERTY AND EQUIPMENT**

	2025					
	Leasehold improvements	IT equipment	Office furniture and equipment	Motor vehicles	Construction in progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Cost</b>						
As at 1 January	2,058,870	2,844,527	697,004	535,762	15,289	6,151,452
Additions	1,782	145,138	21,309	-	-	450,955
Transfer	36,633	-	9,561	-	-	(46,194)
Disposals	-	(210,833)	(47,602)	(237,915)	-	(496,350)
Write off	(179,551)	(86,339)	(72,355)	-	(9,065)	(347,310)
<b>As at 31 December</b>	<b>1,917,734</b>	<b>2,692,493</b>	<b>607,917</b>	<b>297,847</b>	<b>6,224</b>	<b>5,758,747</b>
<b>Accumulated depreciation</b>						
At 1 January	826,292	1,873,430	400,320	535,762	9,471	3,645,275
Charge for the year	297,776	325,375	75,524	-	1,250	699,925
Disposals	-	(209,662)	(47,587)	(237,915)	-	(495,164)
Write off	(179,551)	(81,628)	(70,365)	-	(9,065)	(340,609)
<b>As at 31 December</b>	<b>944,517</b>	<b>1,907,515</b>	<b>357,892</b>	<b>297,847</b>	<b>1,656</b>	<b>3,509,427</b>
<b>Net carrying amount</b>						
As at 31 December	973,217	784,978	250,025	-	4,568	2,249,320
KHR'000 equivalent (Note 2.3)	3,905,520	3,150,117	1,003,350	-	18,332	9,026,521

2024

	2024					Total
	Leasehold improvements	IT equipment	Office furniture and equipment	Motor vehicles	Construction in progress	
Cost	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January	1,532,678	2,470,785	615,734	673,262	80,925	5,882,348
Additions	15,743	382,619	66,905	-	-	1,743,229
Transfer	1,352,766	209,680	224,480	-	-	-
Disposals	-	(217,748)	-	(137,500)	-	(355,248)
Write off	(842,317)	(809)	(210,115)	-	(65,636)	(1,118,877)
<b>As at 31 December</b>	<b>2,058,870</b>	<b>2,844,527</b>	<b>697,004</b>	<b>535,762</b>	<b>15,289</b>	<b>6,151,452</b>
Accumulated depreciation						
At 1 January	1,351,735	1,735,154	555,018	673,262	73,595	4,388,764
Charge for the year	316,874	345,324	50,021	-	1,512	713,731
Disposals	-	(206,239)	-	(137,500)	-	(343,739)
Write off	(842,317)	(809)	(204,719)	-	(65,636)	(1,113,481)
<b>As at 31 December</b>	<b>826,292</b>	<b>1,873,430</b>	<b>400,320</b>	<b>535,762</b>	<b>9,471</b>	<b>3,645,275</b>
Net carrying amount						
As at 31 December	1,232,578	971,097	296,684	-	5,818	2,506,177
KHR'000 equivalent (Note 2.3)	4,961,126	3,908,665	1,194,153	-	23,418	10,087,362

Cash purchases of property and equipment:

	2025	2024
	US\$	US\$
Purchases of property and equipment	(450,955)	(1,743,229)
Payable to suppliers	236,532	-
Cash flows on purchase of property and equipment	(214,423)	(1,743,229)
KHR'000 (Note 2.3)	(860,051)	(7,096,685)

**8. DEFERRED ACQUISITION COSTS AND OTHER INTANGIBLE ASSETS**

	2025				
	Deferred acquisition costs	Computer software	Partnership fee	Assets in progress	Total
Cost	US\$	US\$	US\$	US\$	US\$
As at 1 January	84,088,798	4,028,623	7,928,495	21,182	11,978,300
Additions	13,032,366	-	-	203,791	13,236,157
<b>As at 31 December</b>	<b>97,121,164</b>	<b>4,028,623</b>	<b>7,928,495</b>	<b>224,973</b>	<b>109,303,255</b>
Accumulated amortization					
As at 1 January	35,480,326	2,260,752	4,314,013	-	42,055,091
Amortization	10,336,940	504,137	461,165	-	11,302,242
<b>As at 31 December</b>	<b>45,817,266</b>	<b>2,764,889</b>	<b>4,775,178</b>	<b>-</b>	<b>53,357,333</b>
Net carrying amount					
As at 31 December	51,303,898	1,263,734	3,153,317	224,973	55,945,922
KHR'000 equivalent (Note 2.3)	205,882,543	5,071,365	12,654,261	902,816	224,510,985

		2024					Total US\$
		Deferred acquisition costs US\$	Computer software US\$	Partnership fee US\$	Assets in progress US\$	Subtotal US\$	
<b>Other intangible assets</b>							
Cost							
As at 1 January	68,079,258	2,805,067	7,928,495	1,019,755	11,753,317	79,832,575	
Additions	16,009,540	203,801	-	21,182	224,983	16,234,523	
Transfer	-	1,019,755	-	(1,019,755)	-	-	
As at 31 December	<b>84,088,798</b>	<b>4,028,623</b>	<b>7,928,495</b>	<b>21,182</b>	<b>11,978,300</b>	<b>96,067,098</b>	
Accumulated amortization							
As at 1 January	27,536,611	1,742,966	3,902,258	-	5,645,224	33,181,835	
Amortization	7,943,715	517,786	411,755	-	929,541	8,873,256	
As at 31 December	<b>35,480,326</b>	<b>2,260,752</b>	<b>4,314,013</b>	<b>-</b>	<b>6,574,765</b>	<b>42,055,091</b>	
Net carrying amount							
As at 31 December	<b>48,608,472</b>	<b>1,767,871</b>	<b>3,614,482</b>	<b>21,182</b>	<b>5,403,535</b>	<b>54,012,007</b>	
KHR'000 equivalent (Note 2.3)	<b>195,649,100</b>	<b>7,115,681</b>	<b>14,548,290</b>	<b>85,257</b>	<b>21,749,228</b>	<b>217,398,328</b>	

Depreciation and amortization in the statement of cash flows consist of:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Amortization of deferred acquisition costs	10,336,940	41,461,466	7,943,715	32,338,864
Amortization of other intangible assets	965,302	3,871,826	929,541	3,784,161
Depreciation of right-of-use assets (Note 10.1)	796,629	3,195,279	858,702	3,495,776
Depreciation of property and equipment (Note 7)	699,925	2,807,399	713,731	2,905,599
	<b>12,798,796</b>	<b>51,335,970</b>	<b>10,445,689</b>	<b>42,524,400</b>

## 9. STATUTORY DEPOSIT

A Statutory deposit is maintained with the National Bank of Cambodia in compliance with Article 53 of the Royal Government's Sub-Decree on Insurance dated 22 October 2001, Article 1 of the Ministry of Economy and Finance's Circular No 009 MEF dated 9 December 2002. The deposit, equivalent to 10% of the Company's initial registered capital, earns no interest and is refundable only when the Company ceases its operations in Cambodia.

## 10. LEASES

### 10.1 Right-of-use assets

The Company has lease contracts for head office and branches with lease terms ranging from 2 to 6 years. The Company also has certain leases of office space with lease terms of 12 months or less where the Company applies the 'short-term lease' recognition exemption for these leases.

Set out below are the carrying amounts of the right-of-use assets recognized and their movements during the year:

	2025			
	<i>Buildings</i>	<i>Vehicles</i>	<i>Total</i>	
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>KHR'000</i> (Note 2.3)
<b>Cost</b>				
As at 1 January	3,715,449	-	3,715,449	14,954,682
Additions	-	545,597	545,597	2,188,390
Modifications	94,202	-	94,202	377,844
Expirations	(151,820)	-	(151,820)	(608,950)
Termination	-	(44,487)	(44,487)	(178,437)
Exchange difference	-	-	-	(43,699)
<b>As at 31 December</b>	<b>3,657,831</b>	<b>501,110</b>	<b>4,158,941</b>	<b>16,689,830</b>
<b>Accumulated depreciation</b>				
At 1 January	1,250,984	-	1,250,984	5,035,210
Depreciation for the year	682,666	113,963	796,629	3,195,279
Expirations	(151,820)	-	(151,820)	(608,950)
Termination	-	(27,805)	(27,805)	(111,526)
Exchange difference	-	-	-	(13,777)
<b>As at 31 December</b>	<b>1,781,830</b>	<b>86,158</b>	<b>1,867,988</b>	<b>7,496,236</b>
<b>Net carrying amounts</b>				
<b>As at 31 December</b>	<b>1,876,001</b>	<b>414,952</b>	<b>2,290,953</b>	<b>9,193,594</b>

	2024			
	<i>Buildings</i>	<i>Signages</i>	<i>Total</i>	
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>KHR'000</i> (Note 2.3)
<b>Cost</b>				
As at 1 January	3,922,979	129,566	4,052,545	16,554,646
Additions	2,731,834	-	2,731,834	11,121,296
Modifications	144,249	-	144,249	587,238
Expirations	(3,083,613)	(129,566)	(3,213,179)	(13,080,852)
Exchange difference	-	-	-	(227,646)
<b>As at 31 December</b>	<b>3,715,449</b>	<b>-</b>	<b>3,715,449</b>	<b>14,954,682</b>
<b>Accumulated depreciation</b>				
At 1 January	3,483,896	121,565	3,605,461	14,728,308
Depreciation for the year	850,701	8,001	858,702	3,495,776
Expirations	(3,083,613)	(129,566)	(3,213,179)	(13,080,852)
Currency translation difference	-	-	-	(108,022)
<b>As at 31 December</b>	<b>1,250,984</b>	<b>-</b>	<b>1,250,984</b>	<b>5,035,210</b>
<b>Net carrying amounts</b>				
<b>As at 31 December</b>	<b>2,464,465</b>	<b>-</b>	<b>2,464,465</b>	<b>9,919,472</b>

**10.2 Lease liabilities**

	2025	2024
	<i>US\$</i>	<i>US\$</i>
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Within one year	772,988	590,904
More than one year	1,759,629	2,062,521
<b>Total undiscounted lease liabilities</b>	<b>2,532,617</b>	<b>2,653,425</b>
<b>KHR'000 (Note 2.3)</b>	<b>10,163,392</b>	<b>10,680,036</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025		
	<i>Buildings</i>	<i>Vehicles</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 1 January	2,264,010	-	2,264,010
Additions	-	497,587	497,587
Modification	87,323	-	87,323
Accretion of interest	157,278	23,712	180,990
Payments	(668,904)	(99,352)	(768,256)
<b>As at 31 December</b>	<b>1,839,707</b>	<b>421,947</b>	<b>2,261,654</b>
<b>KHR'000 (Note 2.3)</b>	<b>7,382,744</b>	<b>1,693,273</b>	<b>9,076,018</b>

	2024		
	<i>Buildings</i>	<i>Signages</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 1 January	442,546	8,000	450,546
Additions	2,420,611	-	2,420,611
Modifications	132,765	-	132,765
Accretion of interest	193,313	-	193,313
Payments	(925,225)	(8,000)	(933,225)
<b>As at 31 December</b>	<b>2,264,010</b>	<b>-</b>	<b>2,264,010</b>
<b>KHR'000 (Note 2.3)</b>	<b>9,112,640</b>	<b>-</b>	<b>9,112,640</b>

	2025	2024
	<i>US\$</i>	<i>US\$</i>
<b>Present value of lease liabilities</b>		
Within one year	632,770	435,214
Beyond one year	1,628,884	1,828,796
<b>Lease liabilities as at 31 December</b>	<b>2,261,654</b>	<b>2,264,010</b>
<b>KHR'000 (Note 2.3)</b>	<b>9,076,018</b>	<b>9,112,640</b>

**The following are the amounts recognized in profit or loss**

	2025	2024
	US\$	US\$
Depreciation expense of right-of-use assets (Note 22)	796,629	858,702
Interest expense on lease liabilities	180,990	193,313
Expense relating to short-term leases and low value assets (Note 22)	16,007	69,312
<b>Total amount recognized in profit or loss</b>	<b>993,626</b>	<b>1,121,327</b>
<b>KHR'000 (Note 2.3)</b>	<b>3,985,434</b>	<b>4,564,922</b>

**11. INSURANCE AND OTHER RECEIVABLES**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
	(As reclassified-Note 30)			
<b>Receivables arising from insurance and reinsurance contracts:</b>				
Due from policyholders	4,815,116	19,323,061	8,435,311	33,952,127
Due from reinsurers	272,194	1,092,315	1,813,784	7,300,481
	<b>5,087,310</b>	<b>20,415,376</b>	<b>10,249,095</b>	<b>41,252,608</b>
<b>Other receivables:</b>				
Accrued interest receivable	8,500,230	34,111,423	8,743,573	35,192,881
Amounts due from related parties (Note 24.2)	2,556,007	10,257,256	3,489,368	14,044,706
Prepayments	2,319,195	9,306,930	1,057,313	4,255,685
Prepayment on income tax and withholding tax credit (Note 20)	1,752,048	7,030,969	262,252	1,055,564
Deposits and advances	411,440	1,651,109	740,390	2,980,070
Other tax receivables	113,757	456,507	186,841	752,035
Others	358,066	1,436,918	290,266	1,168,320
	<b>16,010,743</b>	<b>64,251,112</b>	<b>14,770,003</b>	<b>59,449,261</b>
	<b>21,098,053</b>	<b>84,666,488</b>	<b>25,019,098</b>	<b>100,701,869</b>

**12. REINSURANCE ASSETS**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
<b>Reinsurance premiums reserve</b>	<b>561,950</b>	<b>2,255,105</b>	<b>342,237</b>	<b>1,377,504</b>

Reinsurance assets represent the ceded reserves calculated for the portion of the policies reinsured with Munich Re, CamRe, and GenRe.

**13. PLACEMENTS WITH BANKS**

These represent long-term fixed deposits with banks in Cambodia which have maturity terms ranging from 1 to 15 years from placement dates and earn interest at rates ranging from 4.25% to 8.00% per annum.

**14. HELD-TO-MATURITY INVESTMENTS**

This account consists of investments in corporate bonds, government bonds and subordinated debts classified as held-to-maturity investments. As at 31 December 2025, these include investments in various industries such as telecommunication, transportation, financial institutions and education, and agribusiness. These investments have maturities ranging from 3 to 15 years and earn interest at rates ranging from 4.30% to 8.50% (2024: 5.50% to 8.50%) per annum. Repayment of subordinate debts shall be at 20% of the total amount each year, beginning from the end of third year until maturity at the end of seventh year.

**15. EQUITY SECURITY AT FAIR VALUE THROUGH PROFIT OR LOSS**

Movements of the Company's investment in equity security are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
<b>Listed shares</b>				
As at 1 January	1,873,292	7,540,000	2,462,668	10,059,999
Fair value loss during the year	(49,220)	(197,421)	(589,376)	(2,399,350)
Exchange difference	-	(22,579)	-	(120,649)
<b>As at 31 December</b>	<b>1,824,072</b>	<b>7,320,000</b>	<b>1,873,292</b>	<b>7,540,000</b>

This represents the Company's investment in ACLEDA Bank Plc, which is classified as financial asset at fair value through profit or loss. This investment was bought with the intention to sell in the near future and is held for trading. The fair-value is determined based on the readily available market price from Cambodia Stock Exchange.

**16. CASH AND CASH EQUIVALENTS**

Cash in banks represents current and saving accounts with local banks with interest at rates ranging from 0.25% to 3.50% (2024: 0.25% to 2.75%) per annum.

**17. SHARE CAPITAL**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Registered, authorized, issued and outstanding: <b>61,320,000 shares of US\$1 each</b>	<b>61,320,000</b>	<b>245,280,000</b>	<b>61,320,000</b>	<b>245,280,000</b>

The details of Company's shareholders and their respective ownership interest are as follows:

	% of ownership	Number of shares	Amount US\$
Prudential Corporation Holding Limited	99.9999967%	61,319,998	61,319,998
PCA IP Services Limited	0.0000016%	1	1
Prudential Holdings Limited	0.0000016%	1	1
	<b>100%</b>	<b>61,320,000</b>	<b>61,320,000</b>
Equivalent in KHR'000 (Note 2.3)			<b>245,280,000</b>

**18. INSURANCE CONTRACT LIABILITIES**

	2025		
	Insurance contract liabilities	Reinsurance assets	Net
	US\$	US\$	US\$
<b>Life insurance non-par contracts</b>			
Life insurance non-par contracts	353,114,557	(561,950)	352,552,607
Incurring But Not Reported ("IBNR")	14,557	-	14,557
	<b>353,129,114</b>	<b>(561,950)</b>	<b>352,567,164</b>
Death claims payable	246,528	-	246,528
Surrender payable	512,269	-	512,269
Maturity payable	5,251	-	5,251
<b>Insurance contract liabilities</b>	<b>353,893,162</b>	<b>(561,950)</b>	<b>353,331,212</b>
Equivalent in KHR'000 (Note 2.3)	<b>1,420,173,259</b>	<b>(2,255,105)</b>	<b>1,417,918,154</b>

	2024		
	Insurance contract liabilities	Reinsurance assets	Net
	US\$	US\$	US\$
<b>Life insurance non-par contracts</b>			
Life insurance non-par contracts	300,633,149	(342,237)	300,290,912
Incurring But Not Reported ("IBNR")	13,393	-	13,393
	<b>300,646,542</b>	<b>(342,237)</b>	<b>300,304,305</b>
Death claims payable	320,347	-	320,347
Surrender payable	369,072	-	369,072
<b>Insurance contract liabilities</b>	<b>301,335,961</b>	<b>(342,237)</b>	<b>300,993,724</b>
Equivalent in KHR'000 (Note 2.3)	<b>1,212,877,243</b>	<b>(1,377,504)</b>	<b>1,211,499,739</b>

Movements in insurance contract liabilities of life insurance non-par contracts are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
As at 1 January	300,646,542	1,210,102,332	249,139,336	1,017,734,188
New business	1,658,791	6,656,728	1,211,854	4,933,458
In-force	49,689,348	199,403,354	51,356,937	209,074,092
Death and maturities	(1,573,478)	(6,314,367)	(584)	(2,382)
Investment return	12,233,044	49,091,206	11,961,209	48,694,083
Impact of assumptions and model changes	(9,525,133)	(38,224,359)	(13,022,210)	(53,013,415)
Exchange difference	-	(3,607,760)	-	(17,317,692)
<b>As at 31 December</b>	<b>353,129,114</b>	<b>1,417,107,134</b>	<b>300,646,542</b>	<b>1,210,102,332</b>

**19. INSURANCE AND OTHER PAYABLES**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
	(As reclassified-Note 30)			
Reinsurance payables	437,786	1,756,835	865,553	3,483,851
Premiums received from policies not yet issued	746,712	2,996,555	902,898	3,634,164
	<b>1,184,498</b>	<b>4,753,390</b>	<b>1,768,451</b>	<b>7,118,015</b>
Other employee benefits	2,784,447	11,173,986	3,117,822	12,549,234
Amounts due to related parties (Note 24.2)	641,006	2,572,356	3,166,453	12,744,972
Withholding and other tax payables	252,397	1,012,869	807,195	3,248,960
Provision for seniority indemnity	30,302	121,602	32,560	131,054
Accrued expenses and other payables *	7,556,822	30,325,527	10,038,660	40,405,607
	<b>11,264,974</b>	<b>45,206,340</b>	<b>17,162,690</b>	<b>69,079,827</b>
	<b>12,449,472</b>	<b>49,959,730</b>	<b>18,931,141</b>	<b>76,197,842</b>

\* Accrued expenses and other payables included unpaid audit service fees amounting to US\$ 54,087 or KHR'000 217,323 (2024: US\$ 46,200 or KHR'000 185,955).

**20. INCOME TAX**

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

**Applicable tax rates**

In accordance with the new Law on Taxation amended pursuant to the Law on Financial Management 2017, for the activity of life insurance or reinsurance that has saving feature and other insurance activities except insurance or reinsurance on property or other risk insurance, tax on income shall be at 20% on taxable income.

In addition, according to Notification No. 6715 from the General Department of Taxation (“GDT”) on Implementation of Collection of Tax on Income for Insurance Company dated 25 April 2017, a life insurance or reinsurance company shall pay prepaid tax on income at 1% of gross premium without classification of products.

On 24 July 2024, the Company received the gold tax compliance for the fiscal year from 2025 to 2026.

On 23 August 2024, the Company received certification of maintaining proper tax and accounting records in compliance with Prakas No. 638 dated 4 July 2017 issued by the Ministry of Economy and Finance, which entitles the Company for minimum tax payment exemption for the fiscal years 2024 and 2025. On 13 May 2025, the Company was re-awarded with certification of maintaining proper tax and accounting record from the GDT with validity period of two years 2026 and 2027.

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Current tax	499,551	2,003,699	1,520,759	6,191,010
Deferred tax	(112,873)	(452,734)	(88,096)	(358,639)
Adjustments on current income tax of prior years	-	-	24,724	100,651
	<b>386,678</b>	<b>1,550,965</b>	<b>1,457,387</b>	<b>5,933,022</b>

**Reconciliation of current income tax**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
<b>Profit before income tax</b>	<b>1,362,380</b>	<b>5,464,508</b>	<b>5,000,512</b>	<b>20,357,084</b>
Income tax expense at 20%	272,476	1,092,902	1,000,102	4,071,417
Adjustment on current income tax of prior years	-	-	24,724	100,651
Adjustment on non-deductible expenses	114,202	458,063	432,561	1,760,954
<b>Income tax expense</b>	<b>386,678</b>	<b>1,550,965</b>	<b>1,457,387</b>	<b>5,933,022</b>

**Deferred tax assets-net**

Deferred tax assets (liability) arise in respect of:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Unrealised revaluation	247,753	994,232	189,066	760,991
Accelerated tax depreciation and amortization	129,075	517,978	92,118	370,775
Provision for reinstatement cost	9,230	37,040	22,153	89,166
Provision for employee benefits	6,060	24,319	6,512	26,211
Provision for IBNR	2,911	11,682	2,679	10,782
Leases	(9,719)	(39,002)	(40,091)	(161,366)
	<b>385,310</b>	<b>1,546,249</b>	<b>272,437</b>	<b>1,096,559</b>

Movements of income tax payable are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
As at 1 January	-	-	2,398,002	9,795,838
Current tax expense	499,551	2,003,699	1,520,759	6,191,010
Adjustments on current income tax of prior years	-	-	24,724	100,651
Income tax paid	(499,551)	(2,003,699)	(2,901,048)	(11,810,166)
Withholding tax credit utilization	-	-	(1,042,437)	(4,243,761)
Exchange difference	-	-	-	(33,572)
<b>As at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movements of prepayment of income tax and withholding tax credit are as follows (Note 11):

	2025		2024	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
As at 1 January	262,252	1,055,564	-	-
Additions:				
Prepayment of income tax	770,121	3,088,955	816,014	3,321,993
Withholding income tax credit	1,219,226	4,890,315	966,997	3,936,645
Less: utilization during the year	(499,551)	(2,003,699)	(1,520,759)	(6,191,010)
Exchange difference	-	(166)	-	(12,064)
<b>As at 31 December</b>	<b>1,752,048</b>	<b>7,030,969</b>	<b>262,252</b>	<b>1,055,564</b>

**21. FINANCE INCOME**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Interest income from fixed deposits with banks	18,640,104	74,765,457	17,274,778	70,325,621
Interest income from corporate and government bonds	2,090,773	8,386,091	2,101,369	8,554,673
Interest income from investment in subordinated debt	430,903	1,728,352	9,445	38,451
	<b>21,161,780</b>	<b>84,879,900</b>	<b>19,385,592</b>	<b>78,918,745</b>

**22. OTHER OPERATING AND ADMINISTRATIVE EXPENSES**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Variable compensations	10,392,387	41,683,864	18,143,746	73,863,190
Other acquisition costs	19,606,754	78,642,693	23,380,322	95,181,290
Other operating and administrative costs	5,817,087	23,332,334	6,936,658	28,239,135
	<b>35,816,228</b>	<b>143,658,891</b>	<b>48,460,726</b>	<b>197,283,615</b>
Change in deferred acquisition costs (Note 8)	(13,032,366)	(52,272,820)	(16,009,540)	(65,174,837)
Amortization of deferred acquisition costs (Note 8)	10,336,940	41,461,466	7,943,715	32,338,864
<b>Net change in deferred acquisition costs</b>	<b>(2,695,426)</b>	<b>(10,811,354)</b>	<b>(8,065,825)</b>	<b>(32,835,973)</b>
	<b>33,120,802</b>	<b>132,847,537</b>	<b>40,394,901</b>	<b>164,447,642</b>

Analysis of other operating and administrative expenses (gross of DAC) are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Commissions and other variable expenses (*)	12,108,727	48,568,104	20,437,880	83,202,609
Staff costs (Note 23)	10,222,866	41,003,915	11,061,554	45,031,586
IT maintenance	4,754,945	19,072,084	6,343,546	25,824,576
Professional fees (**)	1,763,326	7,072,701	3,104,796	12,639,625
Meeting and events expenses	828,952	3,324,926	969,454	3,946,647
Amortization of other intangible assets (Note 8)	965,302	3,871,826	929,541	3,784,161
Depreciation of right-of-use assets (Note 10.1)	796,629	3,195,279	858,702	3,495,776
Depreciation of property and equipment (Note 7)	699,925	2,807,399	713,731	2,905,599
Business license and related fees	573,480	2,300,228	613,920	2,499,268
Utilities and office expenses	457,416	1,834,696	402,179	1,637,271
Advertising and promotion expenses	436,175	1,749,498	352,949	1,436,855
Entertainment expenses	308,481	1,237,317	303,185	1,234,266
Education and training expenses	227,765	913,565	245,287	998,563
Bank charges	151,321	606,949	154,208	627,781
Rental expenses (Note 10.2)	16,007	64,204	69,312	282,169
Other operating and administrative expenses (***)	1,504,911	6,036,200	1,900,482	7,736,863
	<b>35,816,228</b>	<b>143,658,891</b>	<b>48,460,726</b>	<b>197,283,615</b>

(\*) Other variable expenses pertain to salaries, commission, and various types of incentive provided for revenue generating purposes.

(\*\*) Professional fees include audit fees amounting to US\$ 90,145 or KHR'000 361,572 in 2025 (2024: US\$ 84,190 or KHR'000 342,737). There is no non-audit service provided during the year.

(\*\*\*) Other operating and administrative expenses include regulatory fee, travelling expenses, communication expenses, training expenses, and various operational expenses.

**23. STAFF COSTS**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Salaries	5,093,568	20,430,301	5,669,400	23,080,127
Seniority indemnity	612,553	2,456,950	557,578	2,269,900
Share-based compensation expenses	339,883	1,363,271	304,181	1,238,321
Other benefits (*)	4,176,862	16,753,393	4,530,395	18,443,238
	<b>10,222,866</b>	<b>41,003,915</b>	<b>11,061,554</b>	<b>45,031,586</b>

(\*) Other benefits include performance bonus, transportation allowance, uniform allowance, and insurance coverage.

**24. RELATED PARTY DISCLOSURES****24.1 Significant transactions with related parties during the year**

Significant transactions with related parties during the year and outstanding balances are as follows:

Related party	Nature of transaction	2025		2024	
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Prudential Corporation Holdings Limited	Technical support	3,659,507	14,678,282	298,411	1,214,831
	Reimbursement	783,013	3,140,665	610,551	2,485,553
	Professional fees	1,181,229	4,737,908	2,522,124	10,267,567
Prudential Myanmar Life Insurance Limited	Technical Support	3,475	13,938	2,129,247	8,668,165
	Reimbursement	-	-	179,965	732,638
Prudential Life Assurance (Laos) Company Limited	Technical Support	618,393	2,480,372	277,563	1,129,959
	Reimbursement	158,765	636,806	59,988	244,211
Prudence Foundation	Reimbursement	26,550	106,493	36,377	148,091
	Technical support	35,714	143,247	-	-
Prudential Service Asia	Reimbursement	32,151	128,958	-	-
	Technical support	40	162	79,998	325,672
Prudential Service Singapore Pte Ltd	Professional fees	-	-	-	-
	Technical Support	1,195,026	4,793,250	1,738,362	7,076,872
Pulse Ecosystems Pte Ltd	Reimbursement	64,169	257,380	3,992	16,251
	Technical Support	545,913	2,189,659	1,063,239	4,328,446
Prudential Tech & Services India Private Ltd	Reimbursement	8,197	32,877	599,883	2,414,529
	Technical Support	747,358	2,997,651	-	-
PH - Pru Life Assurance Corp. of the UK-PLUK	Reimbursement	66,401	266,333	130,964	533,154
	Technical Support	796	3,193	-	-
PT Prudential Life Assurance (Indonesia Life)	Reimbursement	3,222	12,924	-	-
	Technical Support	-	-	-	-

**24.2 Balances with related parties**

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
<i>Amounts due from:</i>				
Prudential Corporation Holdings Limited	1,816,894	7,291,196	2,746,678	11,055,379
Prudential Life Assurance (LAOS) Co., Ltd	549,633	2,205,677	390,661	1,572,411
PH - Pru Life Assurance Corp. of the UK-PLUK	67,197	269,662	130,964	527,130
Prudential Service Singapore Pte Ltd	66,771	267,952	67,631	272,215
Prudence Foundation	35,714	143,320	5,000	20,125
Prudential Service Asia Sdn Bhd	8,379	33,625	10,680	42,987
Prudential Tech & Services India Private Ltd	8,197	32,894	8,196	32,988
PT Prudential Life Assurance (Indonesia Life)	3,222	12,930	-	-
Prudential Myanmar Life Insurance Limited	-	-	129,558	521,471
<b>(Notes 11)</b>	<b>2,556,007</b>	<b>10,257,256</b>	<b>3,489,368</b>	<b>14,044,706</b>
<i>Amounts due to:</i>				
Prudential Corporation Holdings Limited	350,356	1,405,979	1,266,718	5,098,540
Prudential Tech & Services India Private Ltd	142,018	569,918	599,883	2,414,529
Prudential Service Singapore Pte Ltd	145,157	582,515	201,978	812,961
Prudential Myanmar Life Insurance Limited	3,475	13,944	6,047	24,339
Pulse Ecosystems Pte Ltd	-	-	1,091,827	4,394,604
<b>(Note 19)</b>	<b>641,006</b>	<b>2,572,356</b>	<b>3,166,453</b>	<b>12,744,973</b>
<i>Remuneration of Directors and key management personnel:</i>				
Director fees	90,198	361,784	94,120	383,163
Key management remuneration	3,430,120	13,758,211	2,634,051	10,723,222
Share-based compensation	333,639	1,338,226	273,004	1,111,399

**25. SHARE BASED COMPENSATION**

The Prudential Asia and Africa Long Term Incentive Plan ("PAA LTIP") provides eligible employees with conditional awards. Awards are discretionary and vest in tranches over time within one, two or three years subject to the employee being in employment with the Company and to performance conditions being met. During the vesting period, the eligible employees are not entitled to dividends of the underlying shares. The fair value of shares is equal to the purchase price of each share at the grant date.

<i>No. of share awards</i>	2025	2024
As at 1 January	47,720	26,467
Granted during the year	40,069	40,416
Forfeited during the year	-	(891)
Vested during the year	(18,352)	(18,272)
<b>As at 31 December</b>	<b>69,437</b>	<b>47,720</b>

In 2025, the Company recognized share-based compensation expense under staff costs in profit or loss amounting to US\$ 339,883 or KHR'000 1,363,950 (2024: US\$ 304,181 or KHR'000 1,238,321) (see Note 23).

## 26. RISK MANAGEMENT FRAMEWORK

### 26.1 Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives.

The Company recognizes the importance of having efficient and effective risk management systems in place. The Company follows the risk management policies, practices and guidelines of the parent company. Significant risks and policies are approved, monitored and supervised by the parent company.

### 26.2 Risk management objectives, policies and processes for management of insurance risk

The primary insurance activity carried out by the Company is the assumption of risk of loss from persons who are directly subject to the risk. Such risks may relate to life, accident, health, financial or other perils that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Company also has exposure to market risk through its insurance and investment activities.

The Company manages its insurance risk through underwriting limits, underwriting guidelines and authority limits, approval procedures for new products or those exceed set limits, risk diversification, pricing guidelines, reinsurance, approval procedures for reinsurance and monitoring of emerging issues.

The Company uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include monitoring total risks on each life, monitoring volume and breakdown of business by various factors, sensitivity analyses, scenario analyses and stress testing for significant and relevant exposures.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency of claims is greater than expected. Insurance events are, by their nature, random, and the actual number of events during any one year may vary from those estimated using established statistical techniques.

### 26.3 Capital management and regulatory framework

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Company recognizes the impact on shareholders' returns of the level of equity capital employed and seek to maintain a prudent balance.

The IRC mandates the solvency margin and capital requirements. On 14 December 2022, the IRC issued Prakas No. 061 on Solvency Margin which introduced the new methodology to calculate the solvency requirement based on the Net Mathematical Reserve ("NMR") and the Net Sum at Risk ("NSAR"). The minimum solvency margin is 100% while the threshold that triggers first intervention is 120% which is calculated as the ratio of net assets over the required solvency as defined by IRC. In addition, it has also specified the required capital allocation for insurance companies.

The solvency requirement is the sum of 4% of NMR and 0.3% of NSAR, subject to the minimum required solvency amount of 50% of the minimum capital of US\$ 7.0 million or US\$ 3.5 million.

In relation to grouping company's asset as inadmissible for solvency, there was a question raised by the industry to the regulator to clarify the definition of "accounts receivable over 180 days". The regulator confirmed on 25th July 2025 in the Regulator-CEO forum that interest accruals to be received in over 180 days in the future is inadmissible. The regulator allows requests to waive deposits placed prior to 25th July 2025 with accrued interest to be fully admissible. In response to this confirmation, PCLA has formally requested the mentioned waiver and received approval from the regulator on 29th September 2025. There was USD 5.2 million accrued interests to be received in over 180 days in the future at the time of assessment at 25th July 2025.

The table below summaries the solvency margin of the Company.

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Solvency requirement				
NMR (4% of NMR)	14,094,737	56,562,180	12,005,454	48,321,953
NSAR (0.3% of NSAR)	11,513,523	46,203,768	14,817,073	59,638,720
Total (a)	25,608,260	102,765,948	26,822,527	107,960,673
Minimum solvency capital (b)	3,500,000	14,045,500	3,500,000	14,087,500
<b>Net asset</b>	<b>34,982,725</b>	<b>140,385,675</b>	<b>37,485,595</b>	<b>150,879,521</b>
<b>Required solvency (a or b whichever is higher)</b>	<b>25,608,260</b>	<b>102,765,948</b>	<b>26,822,527</b>	<b>107,960,673</b>
<b>Solvency margin</b>	<b>137%</b>		<b>140%</b>	

On the capital allocation, the Prakas requires 10% to the minimum capital to be deposited in IRC's account with the NBC, 50% with the local commercial banks with a maximum of 30% per each bank and the remaining 40% in cash or immovable properties used as property and equipment subject to approval by the IRC. On 06 April 2023, the Company has obtained approval from IRC which allowed the Company's deposit with ACLEDA Bank amounting to US\$ 88,450,000, which represents 39% of total placements with local banks in 2022 until 31 December 2025. As of 31 December 2025, the Company's deposit with ACLEDA Bank is US\$ 93,450,000 which represents 29.57% (31 December 2024: US\$ 88,450,000 which represents 35.5%) of total placement with local banks.

## 26.4 Underwriting strategy and Reinsurance strategy

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of the type of risk and the level of insured benefits. The Company has developed its insurance underwriting strategy according to two main areas – risk selection and risk classification.

The risk selection process determines the groups of insurance risk that are acceptable to the Company so that diversification of insurance risk types is achieved. At the same time, this is to ensure within each of these risk types, there is a sufficiently large population of risks to reduce the variability of the expected outcome.

Each group of insurance risks is classified into categories of standard and degree of substandard risk through underwriting. Medical selection and financial underwriting guidelines included in the Company's underwriting procedures allow the correct assignment of insurance risk to the appropriate classes. Each class has varied premium to reflect the health condition and family medical history of the applicants. The Company uses reinsurance in the normal course of business to diversify its risks and limits its net loss potential. Reinsurance arrangement for risk undertaken by the Company has limited the Company's risk exposure.

## 27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

The Company issues contracts that transfer insurance risk or financial risk or both. The following gives details of the Company's main products and the ways in which it manages the associated risks.

### 27.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

Risks that are specific to the various types of insurance contracts are elaborated below:

Life insurance non-participating contracts

The life insurance non-participating contracts consist of individual conventional endowments and attached protection riders.

### 27.1.1 Concentration of insurance risk

Concentrations of risk may arise where a particular event or a series of events could impact heavily upon the Company's insurance contract liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts and relate to circumstances where significant liabilities could arise.

Insurance risk for contracts is also affected by the policyholders' right to pay reduced or no future premiums, or to terminate the contract completely. As a result, the amount of insurance risk is also subject to policyholder behavior. On the assumption that policyholders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behavior. The Company has factored the impact of policyholders' behavior into the assumptions used to measure insurance contract liabilities.

### 27.1.2 Assumptions and changes in assumptions

*Process used to determine assumptions*

The Company determines assumptions in relation to future mortality and morbidity, persistency, discount rate, voluntary terminations and acquisition and administration expenses. These assumptions are used for calculating the liabilities during the life of the contracts.

Subsequently, as experience unfolds, the Company will conduct experience studies to investigate the appropriateness of these assumptions. The initial assumptions will be adjusted according to the Company's experience with allowance for any expected future trends, if applicable.

The assumptions used in the calculation of the liability are set on a prudent basis. These have been derived by first constructing a "best estimate" basis, where there is a 50% probability that on average the actual experience could be better or worse than the assumptions. Provisions for adverse deviations, against the best estimates described above, are incorporated into the prudent statutory valuation basis to allow for reasonably foreseeable adverse deviations from the best estimate experience.

Information regarding key assumptions used to calculate insurance contract liabilities is provided below:

#### (i) Mortality and morbidity rates

The incidence rates of mortality and morbidity were first estimated with reference to the experience for Prudential Vietnam Assurance Private Limited, which is operating in an environment similar to that of the Company, with some minor adjustments based on product profiles and emerging experiences. Experience against the assumptions are being monitored closely and the assumptions may be adjusted to reflect the emerging experience, if necessary.

**(ii) Persistency**

Persistency rates vary by product type, policy duration, channel and occupation class. The assumptions have been set with reference to the experience for Prudential Vietnam Assurance Private Limited. The main source of uncertainty is policyholders' behavior, which may be affected by market and economic conditions, amongst others. Changes in policyholders' behavior could result in future termination rates being different from what the Company has experienced previously. Allowance may be made for any trends in the data to arrive at a best estimate of future persistency rates that takes into account such policyholders' behavior, if necessary.

**(iii) Discount rate**

These are set with reference to the expected investment returns on the assets that will back the liabilities. These assumptions are based on weighted average of historical portfolio yields and investment yields, comprising local banks and reflecting haircut in respect of credit default risk.

US\$ deposit rates are as follows:

<i>Terms</i>	<i>Deposit rates</i>
1 year	4.25% to 4.50%
2 years	4.25% to 7.00%
3 years	4.35% to 7.00%
4 – 5 years	4.50% to 8.00%
>= 5 years	4.25% to 4.50%

The valuation discount rates range from 4.25% p.a. to 8.00% p.a. (2024: 3.25% p.a. to 4.15% p.a).

**(iii) Expenses**

The calculation of the insurance contract liabilities allows for future expenses which reflect the allocation of the Company's expenses to the individual policies in the long-term. This includes direct and indirect expenses, with allowance for inflation. The expense assumptions are derived from the results of the expense allocation model formulated from the latest business plan of the Company conducted in 2025.

**(iv) Lapse rate**

Lapse assumptions are determined based on the latest Lapse Study, reflecting the lapse experience by differentiating the different lapse assumption on product and channel level.

**Sensitivity analysis**

The sensitivity of the policy liability for the Company's life insurance non-participating contracts to the assumption for each parameter as at 31 December 2025 is indicated below.

<i>Parameter</i>	<i>Change in input</i>	<i>Impact on liability and profit or loss US\$'000</i>
Mortality/morbidity	+5% (multiplicative)	(846)
Discontinuance (Lapse/ surrender)	-10% (multiplicative)	(3,436)
Interest rate	-0.5% (additive)	(5,820)
Maintenance expenses	-10% (multiplicative)	1,346

A negative sign above indicates an increase in liability and a decrease in pre-tax profit.

The Company makes estimates and determine the assumption for life insurance contracts. These estimates form the assumptions used to calculate the liabilities arising from these contracts in consistent with the generally accepted actuarial principles and the Prakas no.063 on Procedures and Methods of Insurance Technical Reserve Calculation issued by the IRC on 23 December 2022.

**27.2 Financial risks**

Transactions in financial instruments may result in the Company assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the Company manages these risks.

**27.2.1 Market risk**

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices and foreign currency exchange rates.

**(i) Interest rate risk**

The Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio. The Company monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance reserves, are modelled and reviewed regularly. The overall objective of the investment strategy is to limit the net changes in the value of assets and liabilities arising from interest rate movement.

**(ii) Foreign currency risk**

Foreign currency risk is the risk of loss resulting from changes in currency exchange rates in currencies other than the functional currency. Fluctuations in exchange rates between US\$, the functional currency and other currencies in which the Company conducts business may affect its financial condition and results of operations. The current risk facing the Company mainly comes from movements in the US\$/KHR exchange rates. The Company seeks to limit its exposure to currency risk by minimizing its net foreign currency position.

Majority of the Company's financial assets are denominated in US\$, the functional currency, which mitigates the foreign currency risk. The remaining assets are denominated in KHR.

**(iii) Fair value of financial instruments**

*Cash and cash equivalents, insurance receivables, accrued income, insurance payables, life insurance deposits, lease liability and trade and other liabilities*

Carrying amounts approximate the fair values due to the relatively short-term maturities of these accounts.

*Amounts due from and due to related parties*

Carrying amounts of due from and due to related parties which are payable on demand approximate their fair values.

*Fair value disclosure under the Amendments to CIFRS 4*

As at 31 December 2025, the Company assessed the fair value of financial assets as follows:

- Assets for which their contractual cash flows represent solely payments of principal and interest (SPPI), excluding any financial assets that are held for trading or that are managed and whose performance is evaluated on a fair value basis; and
- All financial assets other than those specified in SPPI above (i.e. those for which contractual cash flows do not represent SPPI, assets that are held for trading and assets that are managed and whose performance is evaluated on a fair value basis).

As at 31 December 2025, the financial assets of the Company pertain to cash and cash equivalents, placements with banks, held-to-maturity investments, investment in subordinated debt, equity security at fair value through profit or loss, insurance and other receivables. The contractual cash flows of these financial assets represent solely payments of principal and interest and their carrying amount has been used as a reasonable approximation to fair value except for the corporate bonds under held-to-maturity investments with a carrying value as at 31 December 2025 of US\$ 38,757,017 or KHR'000 155,531,909 (31 December 2024: US\$ 27,940,668 or KHR'000 112,461,189) and fair value of US\$ 39,451,953 or KHR'000 158,320,687 (31 December 2024: US\$ 28,662,281 or KHR'000 115,365,681). The remaining held-to-maturity investments pertain to investment in government bonds and subordinated debt whose carrying value approximately fair value.

As at 31 December 2025, financial assets other than those specified in SPPI above pertains to equity security at fair value through profit or loss with carrying value and fair value of US\$ 1,824,072 or KHR'000 7,320,000 (2024: US\$ 1,873,292 or KHR'000 7,540,000).

Fair value of held-to-maturity investments and equity security at fair value through profit or loss securities are under level 1 fair values in the fair value hierarchy.

**27.2.2 Credit risk**

The Company's portfolio of fixed maturity investments (including its deposit arrangement with commercial banks) is subject to credit risk. This risk is defined as the potential loss in market value resulting from adverse changes in borrowers or counterparties' ability to repay the debts. The Company's objective is to earn competitive relative returns by investing in a diversified portfolio of investments. Credit risk of each investment, including deposits with commercial banks, are considered and analyzed. Limits are established to manage credit quality and concentration risk.

The Company has insurance and reinsurance receivables and other receivable amounts subject to credit risk. To mitigate the risk of the counterparties not paying the amount due, the Company has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Company also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

Details on credit quality by class of assets for all financial assets exposed to credit risk as at balance sheet date are as follows:

	<b>2025</b>			
	<b>Current</b>	<b>Past-due but not individually impaired</b>	<b>Individually impaired</b>	<b>Total</b>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Financial assets</b>				
Receivables arising from insurance and reinsurance contracts	5,087,310	-	-	5,087,310
Other receivables	11,135,541	-	-	11,135,541
Reinsurance assets	561,950	-	-	561,950
Placements with banks	315,982,268	-	-	315,982,268
Held-to-maturity investments	57,681,915	-	-	57,681,915
Equity security at fair value through profit or loss	1,873,292	(49,220)	-	1,824,072
Amount due from related parties	2,556,007	-	-	2,556,007
Cash and cash equivalents	4,032,848	-	-	4,032,848
<b>Total</b>	<b>398,911,131</b>	<b>(49,220)</b>	<b>-</b>	<b>398,861,911</b>
<b>KHR'000 (Note 2.3)</b>	<b>1,600,830,369</b>	<b>(197,520)</b>	<b>-</b>	<b>1,600,632,849</b>

	<b>2024</b>			
	<b>Current</b>	<b>Past-due but not individually impaired</b>	<b>Individually impaired</b>	<b>Total</b>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
<b>Financial assets</b>				
Receivables arising from insurance and reinsurance contracts	10,249,095	-	-	10,249,095
Other receivables	10,036,481	-	-	10,036,481
Reinsurance assets	342,237	-	-	342,237
Placements with banks	289,982,268	-	-	289,982,268
Held-to-maturity investments	32,940,668	-	-	32,940,668
Equity security at fair value through profit or loss	2,462,668	(589,376)	-	1,873,292
Amount due from related parties	3,489,368	-	-	3,489,368
Cash and cash equivalents	5,591,084	-	-	5,591,084
<b>Total</b>	<b>355,093,869</b>	<b>(589,376)</b>	<b>-</b>	<b>354,504,493</b>
<b>KHR'000 (Note 2.3)</b>	<b>1,429,252,823</b>	<b>(2,372,239)</b>	<b>-</b>	<b>1,426,880,584</b>

### 27.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company has to meet daily calls on its cash resources notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Company manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities. Investment portfolios are also structured with regard to the liquidity requirement of each underlying fund, and early surrender penalties and market adjustment clauses are used to defray costs of unexpected cash requirements.

*Contractual maturity*

In respect of the income-earning financial assets, the contractual maturity profile as at balance sheet date is as follows:

	2025						Total US\$
	Up to one year	1-3 years	3-5 years	5-15 years	Over 15 years	No maturity date	
	US\$	US\$	US\$	US\$	US\$	US\$	
<b>Financial assets</b>							
Receivables arising from insurance and reinsurance contracts	5,087,310	-	-	-	-	-	5,087,310
Other receivables	24,626,891	38,428,607	32,482,788	38,724,242	-	-	134,262,528
Reinsurance assets	12,179,000	37,333,000	107,451,000	368,633,000	36,354,000	-	561,950
Placements with banks	37,000,000	52,242,400	42,114,268	184,625,600	-	-	315,982,268
Held-to-maturity investments	3,324,601	13,635,610	12,315,278	29,481,527	-	-	58,757,016
Equity security at fair value through profit or loss	-	-	-	-	-	1,824,072	1,824,072
Amount due from related parties	2,556,007	-	-	-	-	-	2,556,007
Cash and cash equivalents	4,032,848	-	-	-	-	-	4,032,848
<b>Total</b>	<b>76,639,836</b>	<b>104,343,950</b>	<b>87,019,785</b>	<b>253,200,002</b>	<b>36,354</b>	<b>1,824,072</b>	<b>523,063,999</b>
<b>KHR'000 (Note 2.3)</b>	<b>307,555,662</b>	<b>418,732,271</b>	<b>349,210,397</b>	<b>1,016,091,608</b>	<b>145,889</b>	<b>7,320,001</b>	<b>2,099,055,828</b>

	2024						Total US\$
	Up to one year	1-3 years	3-5 years	5-15 years	Over 15 years	No maturity date	
	US\$	US\$	US\$	US\$	US\$	US\$	
<b>Financial assets</b>							
Receivables arising from insurance and reinsurance contracts	10,249,095	-	-	-	-	-	10,249,095
Other receivables	20,511,734	35,102,297	26,831,631	41,858,412	-	-	124,304,074
Reinsurance assets	6,095	16,531	39,133	269,014	11,464	-	342,237
Placements with banks	23,300,000	58,573,200	30,483,668	177,625,400	-	-	289,982,268
Held-to-maturity investments	8,638,396	7,556,991	7,518,847	9,226,434	-	-	32,940,668
Equity security at fair value through profit or loss	-	-	-	-	-	1,873,292	1,873,292
Amount due from related parties	3,489,368	-	-	-	-	-	3,489,368
Cash and cash equivalents	5,591,084	-	-	-	-	-	5,591,084
<b>Total</b>	<b>71,785,772</b>	<b>101,249,019</b>	<b>64,873,279</b>	<b>228,979,260</b>	<b>11,464</b>	<b>1,873,292</b>	<b>468,772,086</b>
<b>KHR'000 (Note 2.3)</b>	<b>288,937,732</b>	<b>407,527,301</b>	<b>261,114,948</b>	<b>921,641,522</b>	<b>46,143</b>	<b>7,540,000</b>	<b>1,886,807,646</b>

The following table presents the contractual maturities of the Company's non-derivative and derivative financial liabilities (on an undiscounted basis) and estimated timing of cash flows arising from liabilities under insurance contracts (on a discounted basis) as at balance sheet date.

	2025						Total US\$
	Up to one year	1-3 years	3-5 years	5-15 years	Over 15 years	No maturity date	
	US\$	US\$	US\$	US\$	US\$	US\$	
<b>Financial liabilities</b>							
Insurance contract liabilities	8,430,753	23,459,170	67,519,698	231,639,368	22,844,173	-	353,893,162
Insurance and other payable	12,197,075	-	-	-	-	-	12,197,075
Lease liabilities	772,988	1,583,588	176,041	-	-	-	2,532,617
<b>Total</b>	<b>21,400,816</b>	<b>25,042,758</b>	<b>67,695,739</b>	<b>231,639,368</b>	<b>22,844,173</b>	<b>-</b>	<b>368,622,854</b>
<b>KHR'000 (Note 2.3)</b>	<b>85,881,475</b>	<b>100,496,588</b>	<b>271,663,001</b>	<b>929,568,784</b>	<b>91,673,665</b>	<b>-</b>	<b>1,479,283,513</b>

The following table presents the contractual maturities of the Company's non-derivative and derivative financial liabilities (on an undiscounted basis) and estimated timing of cash flows arising from liabilities under insurance contracts (on a discounted basis) as at balance sheet date.

	2024						Total US\$
	Up to one year	1-3 years	3-5 years	5-15 years	Over 15 years	No maturity date	
	US\$	US\$	US\$	US\$	US\$	US\$	
<b>Financial liabilities</b>							
Insurance contract liabilities	6,057,194	14,521,101	34,375,692	236,311,375	10,070,599	-	301,335,961
Insurance and other payable	13,841,281	2,017,939	2,010,942	2,014,188	6,802	-	19,891,152
Lease liabilities	590,904	1,271,516	791,005	-	-	-	2,653,425
<b>Total</b>	<b>20,489,379</b>	<b>17,810,556</b>	<b>37,177,639</b>	<b>238,325,563</b>	<b>10,077,401</b>	<b>-</b>	<b>323,880,538</b>
<b>KHR'000 (Note 2.3)</b>	<b>82,469,750</b>	<b>71,687,488</b>	<b>149,639,997</b>	<b>959,260,391</b>	<b>40,561,539</b>	<b>-</b>	<b>1,303,619,165</b>

Expected utilization or settlement of assets and liabilities

There is no significant difference between the expected utilization or settlement of assets and liabilities and the contractual maturity as disclosed above.

## 28. MATURITY PROFILE OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

	2025			
	Within 1 year	Beyond 1 year	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.3)
<b>Financial assets</b>				
Receivables arising from insurance and reinsurance contracts	5,087,310	-	5,087,310	20,415,376
Other receivables	7,271,930	3,863,611	11,135,541	44,686,926
Reinsurance assets	12,179	549,771	561,950	2,255,105
Placements with banks	37,000,000	278,982,268	315,982,268	1,268,036,841
Held-to-maturity investments	-	57,681,915	57,681,915	231,477,525
Equity security at fair value through profit or loss	-	2,818,620	2,818,620	11,311,121
Amount due from related parties	2,556,007	-	2,556,007	10,257,256
Cash and cash equivalents	4,032,848	-	4,032,848	16,183,819
	<b>55,960,274</b>	<b>343,896,185</b>	<b>399,856,459</b>	<b>1,604,623,969</b>
<b>Non-financial assets</b>				
Property and equipment	-	5,758,747	5,758,747	23,109,853
Deferred acquisition costs and other intangible assets	-	109,303,255	109,303,255	438,633,962
Right of use assets	-	4,158,941	4,158,941	16,689,830
Statutory deposit	-	700,000	700,000	2,809,100
Others assets	2,319,195	-	2,319,195	9,306,930
Deferred tax assets	385,310	-	385,310	1,546,249
	<b>2,704,505</b>	<b>119,920,943</b>	<b>122,625,448</b>	<b>492,095,924</b>
	<b>58,664,779</b>	<b>463,817,128</b>	<b>522,481,907</b>	<b>2,096,719,893</b>
Less: Accumulated depreciation and amortization			(58,734,748)	(235,702,545)
Accumulated fair value loss on equity security at fair value through profit or loss			(994,548)	(3,991,121)
<b>Total Assets</b>			<b>462,752,611</b>	<b>1,857,026,227</b>
<b>Financial liabilities</b>				
Insurance contract liabilities	8,430,753	345,462,409	353,893,162	1,420,173,259
Insurance payables	1,184,498	-	1,184,498	4,753,390
Other payables	11,012,577	-	11,012,577	44,193,471
Lease liabilities	1,628,884	632,770	2,261,654	9,076,018
	<b>22,256,712</b>	<b>346,095,179</b>	<b>368,351,891</b>	<b>1,478,196,138</b>
<b>Non-financial liabilities</b>				
Other payables	252,397	-	252,397	1,012,869
	<b>252,397</b>	<b>-</b>	<b>252,397</b>	<b>1,012,869</b>
<b>Total Liabilities</b>	<b>22,509,109</b>	<b>346,095,179</b>	<b>368,604,288</b>	<b>1,479,209,007</b>

	2024		Total US\$	KHR'000 (Note 2.3)
	Within 1 year US\$	Beyond 1 year US\$		
<b>Financial assets</b>				
Receivables arising from insurance and reinsurance contracts	10,249,095	-	10,249,095	41,252,607
Other receivables	6,847,293	3,376,029	10,223,322	41,148,871
Reinsurance assets	6,095	336,142	342,237	1,377,504
Placements with banks	23,300,000	266,682,268	289,982,268	1,167,178,629
Held-to-maturity investments	6,467,863	26,472,805	32,940,668	132,586,189
Equity security at fair value through profit or loss	-	2,818,620	2,818,620	11,344,946
Amount due from related parties	3,489,368	-	3,489,368	14,044,706
Cash and cash equivalents	5,591,084	-	5,591,084	22,504,113
	<b>55,950,798</b>	<b>299,685,864</b>	<b>355,636,662</b>	<b>1,431,437,565</b>
<b>Non-financial assets</b>				
Property and equipment	-	6,151,452	6,151,452	24,759,595
Deferred acquisition costs and other intangible assets	-	96,067,098	96,067,098	386,670,069
Right of use assets	-	3,715,449	3,715,449	14,954,682
Statutory deposit	-	700,000	700,000	2,817,500
Others assets	1,057,313	-	1,057,313	4,255,685
Deferred tax assets	272,437	-	272,437	1,096,559
	<b>1,329,750</b>	<b>106,633,999</b>	<b>107,963,749</b>	<b>434,554,090</b>
	<b>57,280,548</b>	<b>406,319,863</b>	<b>463,600,411</b>	<b>1,865,991,655</b>
Less: Accumulated depreciation and amortization			(46,951,350)	(188,979,184)
Accumulated fair value loss on equity security at fair value through profit or loss			(945,328)	(3,804,946)
<b>Total Assets</b>			<b>415,703,733</b>	<b>1,673,207,525</b>
<b>Financial liabilities</b>				
Insurance contract liabilities	6,057,194	295,278,767	301,335,961	1,212,877,243
Insurance payables	1,768,451	-	1,768,451	7,118,015
Other payables	11,801,027	4,741,309	16,542,336	66,582,902
Lease liabilities	1,828,796	435,214	2,264,010	9,112,640
	<b>21,455,468</b>	<b>300,455,290</b>	<b>321,910,758</b>	<b>1,295,690,800</b>
<b>Non-financial liabilities</b>				
Other payables	620,354	-	620,354	2,496,925
	<b>620,354</b>	<b>-</b>	<b>620,354</b>	<b>2,496,925</b>
<b>Total Liabilities</b>	<b>22,075,822</b>	<b>300,455,290</b>	<b>322,531,112</b>	<b>1,298,187,725</b>

## 29. CONTINGENCIES

### Legal

The Company which operates in the insurance industry is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its financial position and results of operations.

### Taxation

The Company received various tax reassessments from Department of Large Taxpayers of the GDT. The Company strongly believes that it has reasonable grounds to challenge the tax reassessments. The Company is continuously discussing with the GDT the merits of these outstanding tax matters with a firm position against the reassessments.

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist and investigation by a number of authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation could be significant.

**30. RECLASSIFICATION OF CORRESPONDING FIGURES**

Below account in the financial statements for the year ended 31 December 2024 has been reclassified to conform to the current year's presentation as summarised below:

	As previously presented		Reclassification		As reclassified	
	US\$	KHR'000 (Note2.3)	US\$	KHR'000 (Note2.3)	US\$	KHR'000 (Note2.3)
<i>Statement of comprehensive income</i>						
Finance income	19,214,063	78,220,450	171,529	698,295	19,385,592	78,918,745
Finance cost	-	-	(171,529)	(698,295)	(171,529)	(698,295)
<i>Statement of financial position</i>						
Insurance and other receivables	24,832,257	99,949,834	186,841	752,035	25,019,098	100,701,869
Insurance and other payables	18,744,300	75,445,807	186,841	752,035	18,931,141	76,197,842
<i>Statement of cash flows - Operating activities</i>						
Insurance and other receivables	(5,190,492)	(21,130,493)	(186,841)	(760,630)	(5,377,333)	(21,891,123)
Insurance and other payables	(430,255)	(1,751,568)	186,841	760,630	(243,414)	(990,938)

**31. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE**

Other than as disclosed elsewhere in these financial statements, at the date of the report, there were no other significant events occurred subsequent to 31 December 2025 which would require adjustments or disclosures to be made in the financial statements for the year ended 31 December 2025.

