



តារា អ៊ុនធឺធីន ប.ក  
明星保險公司  
DARA INSURANCE PLC.

# Annual Report

# 20 25



*Most*  
— Trusted Partner

# Table of Contents

---

## *I.* THE FINANCIAL HIGHLIGHT OF BUSINESS

- . Message From Chairwoman
- . Message From Chief Executive Officer
- . Summary of Financial Report

---

## *II.* GENERAL BUSINESS INFORMATION

- . About Company
- . The Company's Products
- . Sales Distribution Channel & Partnership
- . Customers

---

## *III.* CORPORATE GOVERNANCE INFORMATION

- . The Company Structure
- . The Committees
- . Corporate Government Report

---

## *IV.* FINANCIAL CONDITION AND BUSINESS OPERATIONS INFORMATION

- . Capital and Solvency Management
- . Investment Management
- . Technical Reserve Management
- . Business Result
- . Reinsurance
- . Risk Management
- . Sustainability Reporting

---

## *V.* FINANCIAL STATEMENT

---

*I.*

# THE FINANCIAL HIGHLIGHT OF BUSINESS

---

- . Message From Chairwoman
- . Message From Chief Executive Officer
- . Summary of Financial Report



# Message's

## Chairwoman

On behalf of the Board of Directors, I am pleased to share the Annual Report of the Company for the financial year ended 31 December 2025.

The year 2025 was marked by both opportunities and challenges for Cambodia's general insurance industry. Continued economic growth, infrastructure development, and rising awareness of risk protection supported market expansion, while intensified competition, evolving regulatory requirements, and global economic uncertainties required prudent oversight and disciplined governance. In this environment, the Board remained focused on ensuring the Company's long-term sustainability, financial resilience, and responsible growth.

Throughout the year, the Board exercised its oversight role with diligence and independence, working closely with Management to strengthen corporate governance, risk management, and internal control frameworks. Particular emphasis was placed on underwriting discipline, claims management efficiency, capital adequacy, and compliance with regulatory standards issued by the Insurance Regulator of Cambodia. These measures are essential to safeguarding policyholders' interests and maintaining the trust of stakeholders.

**Oknha Lim Lina**

Chairwoman

The Company reported a net profit of **USD 258,886 (KHR 1.038 billion)**, and no dividend was declared or recommended. The Board of Directors confirmed that there is no change in share capital, all material movements to or from reserves and provision during the financial year, and there was no unusual nature of items or transaction.

We are encouraged by the Company's performance in 2025, reflecting Management's commitment to balanced growth, improved operational efficiency, and customer-centric service delivery. The Company continued to enhance its product offerings, strengthen distribution partnerships, and invest in systems and people to support sustainable development in a dynamic market environment.

Looking ahead, the Board remains cautiously optimistic about the outlook for the insurance sector in Cambodia. While uncertainties remain, we believe that the Company is well-positioned to navigate emerging risks and capitalize on growth opportunities through sound governance, robust risk management, and strategic agility.





**Mrs. Hang  
Chanthou**

Chief Executive Officer

# Message's

## Chief Executive Officer

On behalf of the Management Team, I am pleased to share the Annual Report of the Company for the financial year ended 31 December 2025.

In 2025, Dara Insurance Plc. continued to navigate a challenging market while maintaining a disciplined underwriting approach. The Company recorded gross premium income increased by 64% to **USD 6.62 million**, reflecting growth in business activities with the net earned premiums income of **USD 0.81 million**. Total operating income reached **USD 2.20 million**, supported by reinsurance commission and investment income. Net claims were carefully managed at **USD 0.16 million**, and total underwriting and operating expenses amounted to **USD 1.74 million**.

As a result, the Company achieved a profit before tax of USD 0.30 million and a net profit after tax of **USD 0.26 million**, which also represents the total comprehensive income for the year.

Customer trust remained central to our strategy. In 2025, we invested in service quality, digital initiatives, and process to ensure convenience, transparency, and responsiveness. We believe that consistent service excellence is key to building long-term relationships and sustaining our competitive position in the market.

Risk management and corporate governance remained key priorities. The Company maintained a strong risk management framework aligned with regulatory requirements and industry best practices. Working closely with the Board of Directors, we ensure effective oversight, strong internal controls, and full compliance with applicable laws and regulations.

These measures support the Company's long-term stability and safeguard the interests of all stakeholders. Moving forward, the company remains committed to prudent risk management, sustainable growth, and stable financial performance in a competitive market.

The Company would like to sincerely express its appreciation to the Board of Directors, our business partners, customers, and all members of our team for their continued support and kind cooperation.



## SUMMARY OF FINANCIAL REPORT

The summarized financial statements of Dara Insurance Plc. provide an overview of the Company's performance and position for 2023, 2024, and 2025, based on audited reports prepared under applicable standards. Gross Premiums Income and Net Earned Premiums income reflect underwriting activity, while Claims Incurred show the outcomes of insurance operations. Net Profit represents the overall financial result after all income and expenses.

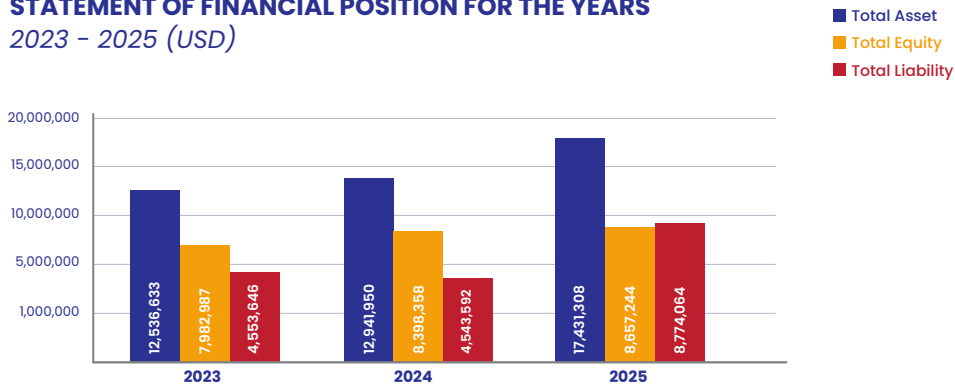
Total Assets, Liabilities, and Equity illustrate the scale of operations, financial obligations, and capital strength, while key ratios such as Loss, Expense, Combined, and Solvency Ratios provide insights into underwriting performance, operational efficiency, and regulatory compliance.

The Company's financial performance and position over **2023**, **2024**, and **2025** are summarized as follows:

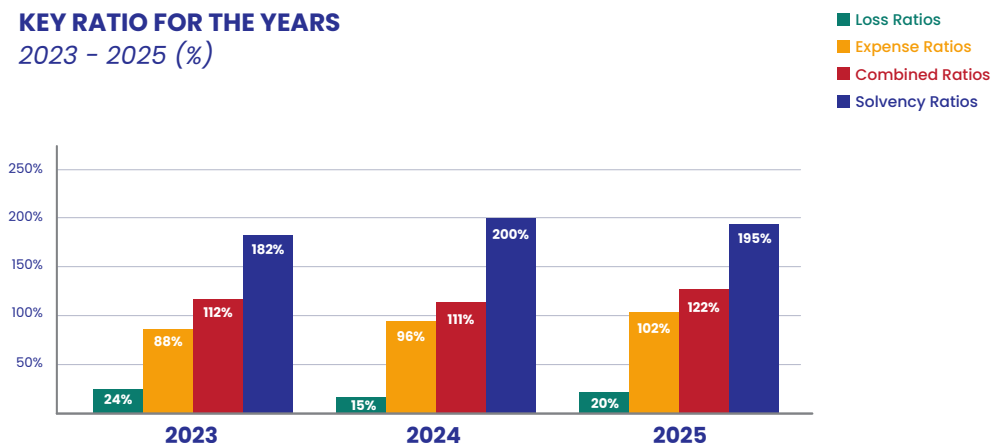
### STATEMENT OF PROFIT OR LOSS THE YEARS 2023 - 2025 (USD)

Description	2023	2024	2025
Gross Premium Incomes	4,357,792	4,035,931	6,618,601
Net Earned Premium Income	744,080	751,573	812,326
Claim Incurred	524,308	584,988	1,583,826
<b>Net Profit / Loss</b>	<b>321,752</b>	<b>415,371</b>	<b>258,886</b>

## STATEMENT OF FINANCIAL POSITION FOR THE YEARS 2023 - 2025 (USD)



## KEY RATIO FOR THE YEARS 2023 - 2025 (%)



## GENERAL INSURANCE MARKET TREND

Based on the data published on 28 January 2026 by the Insurance Association of Cambodia (IAC) on the 2025 General Insurance Market Statistics, the market grew by **2.50%** year-on-year, which is slower compared to the **3.40%** growth recorded in 2024. The growth was mainly driven by **Medical (13.50%)**, Auto Insurance (**9.50%**), and Personal Accident (PA) & Marine, Aviation and Transit (MAT) (**16.90%**).

The market details for both Gross Premium and Gross Claims by line of business are as follows:

Line of business	Gross Premium		Gross Claim	
	(USD)	(%)	(USD)	(%)
Auto	26,398,321	17%	13,562,925	51.40%
Property	49,259,932	32%	12,165,429	24.70%
MAT	7,914,757	5%	2,213,162	28%
Engineering	7,624,796	5%	(470,933)	(6.18%)
PA	8,679,693	6%	2,420,019	27.90%
Medical	37,897,607	25%	21,783,287	57.50%
Miscellaneous	13,904,607	9%	4,201,685	30.20%
<b>Total</b>	<b>151,679,734</b>	<b>100%</b>	<b>56,24,265</b>	<b>37%</b>

Competitive markets by type of company:



# *II.*

## **GENERAL BUSINESS INFORMATION**

---

- . About Company
- . The Company's Products
- . Sales Distribution Channel & Partnership
- . Customer

---

# About Company

Dara Insurance Plc. received its General Insurance Principal License from the Ministry of Economy and Finance on 2 July 2018 and its Certificate of Incorporation from the Ministry of Commerce on 10 July 2018, in accordance with the Insurance Law of the Kingdom of Cambodia dated 20 June 2000.

Dara Insurance Plc. is part of Canadia Investment Holding Plc. (CIH), one of Cambodia's largest and most robust conglomerates.

Our Canadia Investment Holding Plc. has been expanding its business for 35 years across various industries, including financial securities, banking, microfinance, insurance, construction and real estate development, municipal infrastructure, industrial parks, property management, the exhibition industry, shopping malls and retail hotels, tourism, education, healthcare, media and printing, and agriculture. One of the significant projects recently completed is Techo International Airport.

The Company's strategy is to grow a profitable portfolio by focusing on Property, Engineering, Miscellaneous, and Marine lines, supported by prudent underwriting and enhanced sales and claims services for all customer segments.

---

DARA'S VISION AND MISSION

# Vision



To be the most trusted, premiere insurance of choice.

# Mission

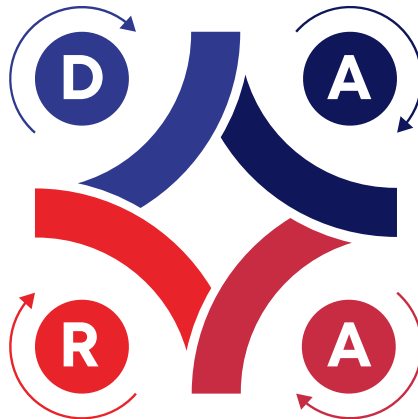


To deliver innovative insurance solutions through professionalism and excellent customer-centric services, creating trust, peace of mind, and lasting value for our stakeholders.

## DARA'S Core Value



Deliver our promises with integrity.



Adopt best practices for good corporate governance.



Reach out to our society and environment with corporate responsibility.



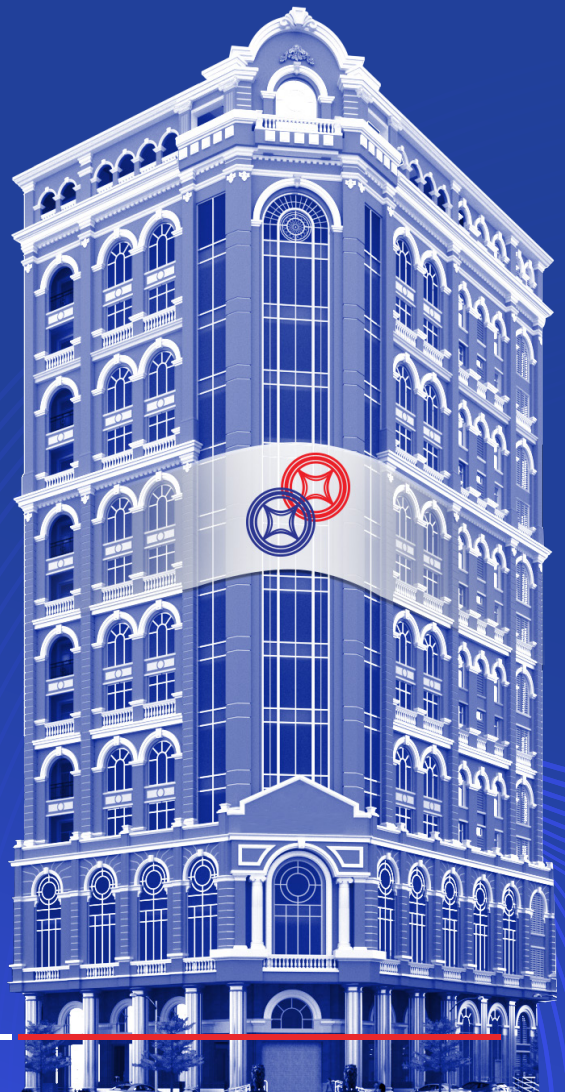
Aspire to pursue excellence in all we do.

# Our registered head office is located at

## **The Cambodia Post Bank Building**

7th–8th Floors, Building No.263,  
Corner of Street 110 (Preah Ang Doung)  
and Street 61 (Basc), Sangkat Wat Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia.

Dara Insurance Plc's principal activities  
comprise the underwriting of general  
insurance for corporate and individual  
customers in Cambodia, in accordance  
with applicable laws, regulations, and  
licensing conditions.



## THE COMPANY'S PRODUCTS

As of December 2025, the Company has obtained approval for 40 products from the Insurance Regulator of Cambodia. These products are classified into the following main classes:

### These products are classified into the following main classes



#### AVIATION

- Aviation
- Airport Liability



#### AUTO

- Private Car
- Commercial Car
- Motor Cycle



#### MARINE

- Cargo



#### LIABILITY

- Public Liability
- Products Liability
- Professional Indemnity
- Comprehensive General Liability
- Medical Malpractice
- Directors & Officer Liability
- Pollution Legal Liability



#### PROPERTY

- Fire
- Property All Risks
- Fire Consequential Loss
- Growing Tree – Rubber



#### PERSONAL ACCIDENT

- Group Personal Accident
- Personal Accident
- Group Travel Personal Accident
- Travel Personal Accident



#### ENGINEERING

- Contractor's All Risks
- Erection All Risks
- Boiler & Pressure Vessel
- Electronic Equipment
- Machinery Breakdown
- Machinery Breakdown  
Loss of Profit



#### MEDICAL

- Group Hospitalisation & Surgical
- Dara Care + Insurance
- SafetyNet Family Health Project
- SafetyNet Business Health Project
- SafetyNet Private Health Project
- SafetyNet Dynamic Care



#### MISCELLANEOUS

- All Risks
- Burglary
- Money
- Mobile Equipment
- Fidelity Guarantee
- Plate Glass
- Bankers Blanket Bond

The majority of these products are also available in the Cambodian market.

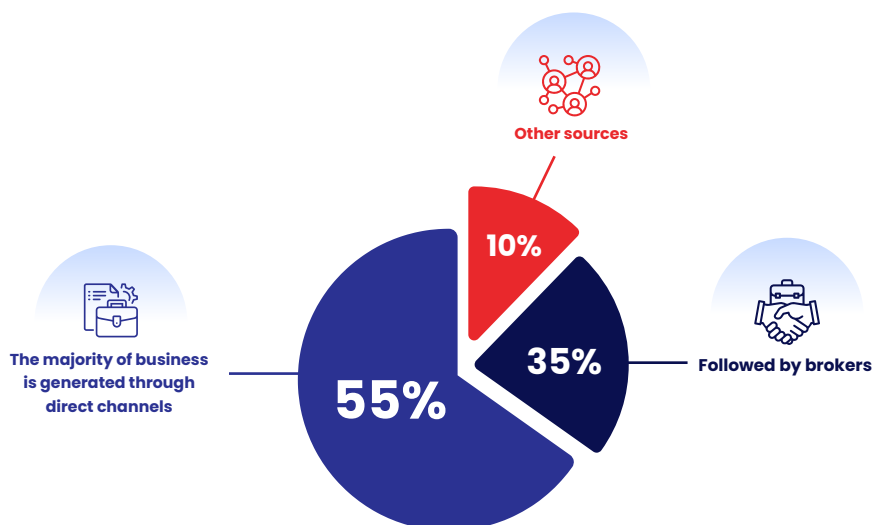
## SALES DISTRIBUTION CHANNEL & PARTNERSHIP

The Company's sales are distributed through a diversified range of channels, including Direct Sales, brokers, agency, bancassurance partnerships, collaborations with other financial institutions, and others channel such as co-insurance arrangements with other insurance companies. This multi-channel approach enables the Company to effectively reach both corporate and individual customers while enhancing market penetration and service accessibility.

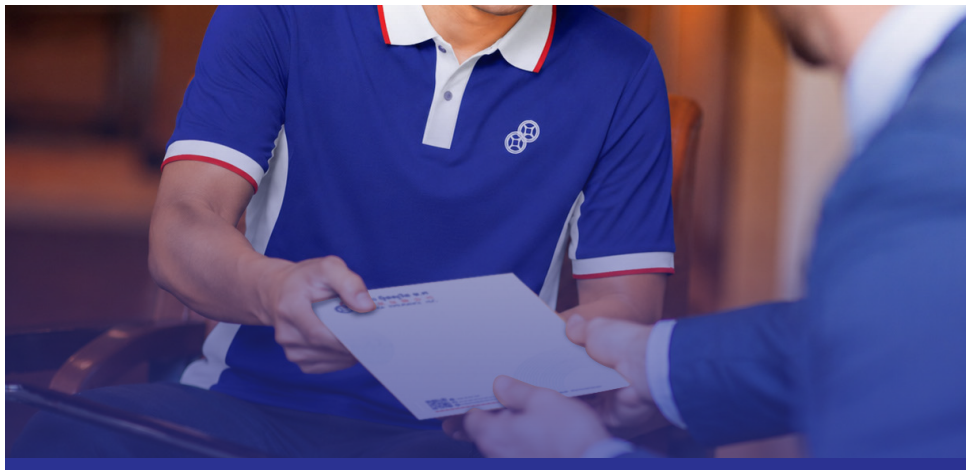
The Company leverages bancassurance opportunities through Canadia Bank across its branch network. In addition to bancassurance business generated via Canadia Bank, the Company also captures business from its in-house channels and the Canadia Group ecosystem. Furthermore, the Company continues to strengthen its collaboration with brokers and agents to expand its distribution reach.

The Gross Premium Income for 2025 is

**USD 6,618,601**



## CUSTOMERS



- ▶ The Company is committed to delivering high-quality customer service and ensuring strong customer protection across its book of business.
  - ▶ We maintain sufficient, well-trained manpower across all sales channels in line with regulatory requirements.
  - ▶ We adopt a customer-centric approach through accessible service channels and efficient claims handling, while ensuring compliance, transparency, and fairness.
  - ▶ The company aim to provide a 24-hour claims service to ensure convenience and timely assistance for our customers.
  - ▶ A formal compliance and customer complaint handling procedure is also in place to ensure timely resolution and continuous improvement of our services.
-

# *III.*

## **CORPORATE GOVERNANCE INFORMATION**

---

- . The Company Structure
- . The Committees
- . Corporate Government Report

## THE COMPANY STRUCTURE

The Company is firmly committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and integrity across all levels of its operations. Its governance framework is well-structured and comprises the Shareholders, the Board of Directors, Audit Committees, the Investment Committee, and Executive Management.

### BOARD OF DIRECTORS

Clear roles and responsibilities have been established for each governing body to ensure effective oversight, accountability, and a robust decision-making process. The Board of Directors provides strategic direction and oversight governance, while the Audit Committees and Investment Committee support specialized areas of supervision and risk management. Executive Management is responsible for the day-to-day operations and the execution of the Company's strategic objectives.

This structured governance framework enables the Company to maintain strong internal controls, promote sound decision-making, and ensure full compliance with applicable laws and regulatory requirements, thereby safeguarding the interests of stakeholders and supporting sustainable business growth.

As at 31 December 2025, the Board is comprised of 9 members including:

## MEMBER OF THE BOARD



**Oknha Lim Lina**  
Chairwoman

### Qualification

- **Diploma** – DES, Collège Ste-Marcelline, Pierrefonds, Quebec, Canada
- **Diploma** – Pure and Applied Sciences, Vanier College, Ville St-Laurent, Quebec, Canada
- **Diploma** – MD, Université Laval, Quebec City, Canada
- **Diploma** – Specialization in Family Medicine, University of Montreal, Canada

### Experience

- Managing Director of Group Hospital Division
- Vice Chairperson of Overseas Cambodian Investment Corporation
- Board of Director at (Sovannaphum Life, Cambodia Airport Investment, CamTech University)
- Chairperson of (Dara Insurance, CIS, Ecole Francaise International de pp)
- CEO of InterCare Hospital & InterCare Health



**Mr. Ou  
Sophanarith**

Non-Executive Director

### Qualification

- **Fellow member** – FCCA and ACCA, United Kingdom
- **Member** – KICPAA, Cambodia
- **BA**, Accounting and Finance, National University of Management

### Experience

- Executive Vice-President (EVP)/Chief Finance Officer (CFO), Canadia Bank Plc.
- Executive Director, Canadia Bank, Lao PRD
- Executive Director, Cana Securities Ltd.
- Executive Director, Sovannaphum Life Assurance Plc.
- Non-Executive Director, Dara Insurance Plc.



**Mrs. Hang  
Chanthou**

Chief Executive Officer/  
Executive Director

### Qualification

- **CIP Associate**, ANZIIIF – Australia & New Zealand Institute of Insurance and Finance.
- **MBA**, Financial and Capital Markets, University of Gloucestershire, UK
- **MBA**, International Business, Pannasastra University, Cambodia
- **BA**, Finance and Banking, National Management University, Cambodia

### Experience

- CEO, Dara Insurance Plc.
- Former Deputy General Director, CVI Insurance Plc.
- Former Assistant to CFO, Canadia Bank Plc.
- Former Assistant to Executive Director, Canadia Bank.



**Mr. Yee  
Con Long**

Non-Executive Director

### Qualification

- **MBA (Finance)** from Charles Sturt University, Australia;
- **Fellow Member** of ACCA, UK;
- **Fellow Member** of MICPA and MIA, Malaysia

### Experience

- Deputy CEO and Director, Cambodia Airport Investment Co., Ltd.
- Independent and Non-Executive Director of Canadia Bank PLC.
- Former Financial Controller, EVP and Executive Director at Canadia Bank
- Formerly held various positions in the Finance and Audit divisions at Shell Malaysia; and Auditor at KPMG Malaysia and Cambodia



**Mr. Tanat  
Jakrawatana**

Non-Executive Director

### Qualification

- **BA**, Economic, Chiang Mai University
- **MBA**, Queensland University of Technology
- **FLMI (LOMA) / CFA Level 1** (certified Financial Analyst)

### Experience

- Executive Vice President, International Business, Muang Thai Life Assurance PCL (MTL)
- Board of Director, Aigen Co., Ltd.
- Former Managing Director and Board Director, Muangthai Broker Co., Ltd.
- Formerly held key positions in Investment research and corporate finance, and Strategic Planning at Muang Thai Life Assurance PCL. (MTL)



**Mr. Leow  
Ming Fong**

Independent Director

### Qualification

- **Fellow members**, Institute of Chartered Accountants, England & Wales
- **Member**, Malaysian Institute of Certified Public Accountants & Malaysian Institute of Accountants

### Experience

- Independent and Non-Executive Director of Canadia Bank Plc. & Cambodia Post Bank, Sovannaphum Life Assurance Plc. and Singapore listed Jawala Corp and Dara Insurance Plc.
- Former Independent Non-Executive Director of Hap Seng Consolidated Berhad
- Former Independent Non-Executive Director of Focus Point Berhad and KSK Group



**Mr. Chow  
Wey Ming**

Independent Director

### Qualification

- **Bachelor of Arts** - Economics (Industrial Organization) University of Lethbridge, Canada

### Experience

- Marketing Development Office Strategy, Tokio Marine Insurance (Malaysia) Berhad (TMIM)
- Former Account Director, TMIM
- Former President Director, Kurnia Insurance Indonesia
- Former Head of Agency, Kurnia Insurance Indonesia
- Former Head of Agency, Kurnia Insurance (M) Berhad



**Ms. Jirayong  
Anuman- Rajadhon**

Independent Director

## Qualification

- **BA**, Business Administration (Finance), Thammasat University
- **MBA**, Business Administration (Finance), Thammasat University
- **Postgraduate Diploma**, Business Administration (Fashion), London College of Fashion, University of the Arts of London

## Experience

- Director & Audit Committee, Eastern Technical Engineering PCL
- Director and Audit Committee, Phatra Leasing PCL
- Director of CPanel PCL



**Mr. Chan  
Lek Wei**

Independent Director

## Qualification

- **Chartered Insurer**, Chartered Insurance Institute, London
- **ACII**, Chartered Insurance Institute, London

## Experience

- Former CEO, Prosur Insurance Plc.
- Former CEO, Dara Insurance Plc.
- Former General Manager, Campu Lonpac Plc.
- Former CEO, Tokojaya Lao Assurance Co., Ltd

## EXECUTIVE MANAGEMENT



**Mrs. Hang Chanthou**

CEO

**Mrs. Hang Chanthou** holds CIP Associate, ANZIIIF – Australia & New Zealand Institute of Insurance and Finance, an MBA in Financial and Capital Markets from the University of Gloucestershire, UK, an MBA in International Business from Pannasastra University of Cambodia, and a BBA in Finance and Banking from the University of National Management, Phnom Penh.

Mrs. Hang Chanthou serves as the Chief Executive Officer of the company, with extensive experience in the general insurance industry. She leads the company with a strong focus on growth, risk management, strategic leadership, and delivering value to clients and stakeholders.

Under Mrs. Hang Chanthou leadership, the company continues to strengthen its market position while maintaining a disciplined approach to risk and regulatory compliance.

She is responsible for providing **strategic leadership and corporate management, overseeing organizational planning and operations**, and ensuring strong corporate governance and effective stakeholder management.



**Ms. Touch Phearin**

Deputy CEO

**Ms. Touch Phearin** holds two bachelor's degrees: one in Economics and Finance from the Royal University of Law and Economics, awarded with a full government scholarship, and another in English Literature from the Institute of Foreign Languages at the Royal University of Phnom Penh.

Ms. Touch Phearin is an experienced insurance professional with a strong background in operational management across international and local insurers. She has expertise in **underwriting, sales and marketing, and claims management**, and is recognized for driving efficiency, ensuring compliance, and delivering high standards of customer service.

She is responsible for overseeing insurance underwriting, claims management, reinsurance management, and overall insurance technical operations to ensure effective and efficient business performance.



### Mrs. Noy Sovannary

Head of Finance &  
Administration

**Mrs. Noy Sovannary** is the Head of Finance & Administration, with overall responsibility for financial management, regulatory compliance, and financial reporting. She has **over 13 years** of extensive experience in finance, accounting, auditing, and corporate governance, and has developed strong expertise in financial reporting, risk management, and operational efficiency. Throughout her career, she has consistently contributed to business growth and the strengthening of financial stability.

She holds two bachelor's degrees: a Bachelor of Accounting from the Royal University of Law and Economics, awarded under a full government scholarship, and a Bachelor of English Communication from Norton University. She is currently pursuing the ACCA qualification to further enhance her professional expertise.

She is responsible for **overseeing financial management, budgeting, reporting, and administrative operations** to ensure efficient financial control and effective support of business activities.

## THE COMMITTEES

The Company has formed an Audit Committee and an Investment Committee in accordance with regulatory requirements to strengthen corporate governance and ensure effective oversight of financial reporting, risk management, and investment activities.

### AUDIT COMMITTEE

The Audit Committee (AC) is appointed by the Board of Directors.

As at 31 December 2025, the AC is comprised of 3 members including:

NAME	POSITION
Mr. Leow Ming Fong	Chairman (Independent Director)
Mr. Chow Wey Ming	Member (Independent Director)
Mr. Ou Sophanarith	Member (Non-Executive Director)

The AC is responsible for providing oversight of financial reporting, internal controls, and audit functions. It reviews the scope and effectiveness of internal and external audits, assesses auditor performance, and makes recommendations to the Board on appointment, remuneration, and removal of external auditors. The AC also reviews and approves the annual internal audit plan, evaluates the adequacy of internal control and risk management systems, and engages with internal auditors, external auditors, and Management as necessary. Through these responsibilities, the AC strengthens corporate governance, enhances audit quality, and ensures effective risk and control oversight.

## INVESTMENT COMMITTEE

The Investment Committee (IC) is appointed by the Board of Directors and comprises at least five (5) members, including non-executive directors, an independent director, the Chief Executive Officer/Chief Finance Officer, an actuarial professional, and an investment officer from the finance team.

As at 31 December 2025, the AC is comprised of 5 members including:

NAME	POSITION
Ms. Jirayong Anuman- Rajadhon	Chairman (Independent Director)
Mr. Chan Lek Wei	Member (Independent Director)
Mrs. Hang Chanthou	Member (Chief Executive Officer/ Executive Director)
Ms. Yavittha Kunchonmanee	Member (Appointed Actuary)
Mrs. Noy Sovannary	Member (Head of Finance & Administration)

The Investment Committee (IC) is responsible for overseeing investment activities by establishing the investment policy and conducting an annual review to ensure that the outcomes align with the company's objectives and overall financial goals.

## CORPORATE GOVERNMENT REPORT

The Company remained compliant with the corporate governance requirements under the Prakas dated 15 January 2024, demonstrating effective Board oversight and sound management practices. As at 31 December 2025, the **Board comprised nine (9) directors**, including four independent directors, meeting all regulatory requirements on composition and independence. All directors satisfied the prescribed qualification and fit-and-proper criteria, and there were no changes to the Board or key management positions during the year. The Company also maintained compliance in key governance areas, including related-party transaction restrictions, timely submission of Board meeting minutes, and the appointment of required key roles.

The Board and its committees continued to operate effectively through regular meetings and structured oversight. Quarterly Board meetings were held, with minutes submitted to the Insurance Regulator of Cambodia (IRC) as required. The Audit Committee, Comprising independent and non-executive directors, regularly reviewed financial reporting, internal audit activities, and audit quality, providing recommendations to the Board. The Company's governance framework remains robust, supporting transparency, accountability, and sustainable business operation.

# *IV.*

## **FINANCIAL CONDITION AND BUSINESS OPERATIONS INFORMATION**

---

- . Capital and Solvency Management
- . Investment Management
- . Technical Reserve Management
- . Business Result
- . Reinsurance
- . Risk Management
- . Sustainability Reporting

## CAPITAL AND SOLVENCY MANAGEMENT

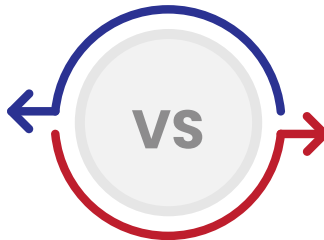
The Company continues to maintain a strong and resilient capital position, reflecting its commitment to financial stability and long-term sustainability. Throughout the year, the Company remained fully compliant with all capital and solvency requirements set by the Insurance Regulator of Cambodia.

With available capital comfortably exceeding the required solvency margin, the Company is well-positioned to honour its obligations to policyholders, manage risks effectively, and support future growth initiatives. Ongoing capital monitoring and stress testing further reinforce the Company's ability to navigate changing market conditions with confidence.

**As of 31 December 2025**

The Company maintained  
the solvency ratio

**195%**



The regulator requirement of

**120%**

according to regulatory  
guideline on solvency margin  
calculation.

## INVESTMENT MANAGEMENT

The Company's investment strategy is designed to support policyholder obligations, preserve capital, and generate stable and sustainable returns over the long term. Investments are managed in line with the Company's risk appetite, liquidity requirements, and regulatory guidelines.

**The primary objectives of the investment strategy are to:**

- Ensure sufficient liquidity to meet claims and operational needs;
- Preserve capital and maintain financial stability;
- Achieve consistent risk-adjusted returns; and
- Support long-term business growth.

The investment portfolio is diversified across approved asset classes, with a strong emphasis on quality and risk control. Key investment risks are actively managed through conservative asset allocation, compliance with regulatory limits, and ongoing portfolio review.



**OVER THE NEXT THREE YEARS,**

The Company plans to continue strengthening its investment portfolio through a prudent and disciplined approach. The key focus areas include:



The three-years investment plan is reviewed periodically to ensure it remains aligned with the Company’s financial position and strategic objectives.

The Company continuously evaluates investment opportunities to enhance portfolio performance while maintaining a strong risk profile. Each investment opportunity is subject to thorough analysis, including assessment of expected returns, risk exposure, liquidity impact, and regulatory compliance.

Only investment opportunities that meet the Company's strategic objectives, risk appetite, and governance standards are considered. This disciplined approach ensures that investment decisions contribute positively to long-term financial strength and sustainability.

## TECHNICAL RESERVE MANAGEMENT

The Company establishes and maintains technical reserves to ensure that sufficient provisions are available to meet all policyholder obligations arising from insurance contracts. Technical reserves are determined in accordance with regulatory requirements and sound actuarial principles, taking into consideration the nature, duration, and risks of the insurance portfolio.

The Company's technical reserve included unearned premium reserve, claims reserve, and mathematical reserve.

The Company's technical reserves increased/decreased during the year primarily due to business growth, changes in claims experience, and portfolio development.

	2025	2024
	(USD)	(USD)
Total Gross Technical Reserve	4,324,045	2,722,760
<b>Year-on-Year Change</b>	<b>1,601,285</b>	

The Company's technical reserves are subject to independent actuarial valuation. The appointed actuary assesses the adequacy of reserves using recognized actuarial methodologies and assumptions appropriate to the Company's insurance business.

---

---

Based on the actuarial assessment, the actuary has confirmed that the technical reserves held by the Company as of 31 December 2025 are adequate and appropriate to meet future policyholder liabilities.

## **BUSINESS RESULT**

The Company delivered a stable business performance during the year, supported by disciplined premium growth, effective cost management, and robust claims controls. Prudent underwriting, operational efficiency, and timely claims settlement continued to strengthen profitability and policyholder confidence.

## **REINSURANCE**

The company has established a prudent reinsurance strategy to effectively manage risk and protect its capital base, ensuring business continuity. We have a well-structured reinsurance program in place, comprising both proportional and non-proportional treaty arrangements, as well as facultative reinsurance for specific or high-risk exposures. This structure enables the company to diversify risk, stabilize underwriting results, and limit potential losses. In addition, we have adopted “The Reinsurance Policies and Guidelines” in compliance with regulatory requirements, ensuring transparency, consistency, and sound risk management practices.

The criteria for the selection of reinsurers include the reinsurer’s financial strength, claims settlement track record, and security rating, in accordance with IRC’s Instruction on Diversification of Reinsurance dated 6 August 2024.

---

---

## RISK MANAGEMENT

The Board of Directors defines the Company's overall risk management direction, while management is responsible for executing the related policies and procedures, including identifying, assessing, monitoring, and controlling risks. The Company faces a range of key risk exposures, such as Operation Risk, Credit Risk, Liquidity Risk, Market Risk and Insurance Risk.



### Operation Risk

The Company manages risks through strong internal controls, clearly defined authority limits across departments, and continuous oversight, ensuring efficient operations and adherence to internal policies and procedures.



### Credit Risk

This risk mainly comes from insurance receivables and deposits placed with financial institutions. The Company manages it by evaluating the creditworthiness and financial stability of customers and counterparties, enforcing credit control measures, and regularly monitoring outstanding amounts. Financial assets are written off when recovery is considered unlikely.



### Liquidity Risk

This refers to the risk of not having enough funds to meet obligations when they become due. The Company manages liquidity risk through regular monitoring of cash flows and by maintaining sufficient cash and cash equivalents to support its operating, investing, and financing needs.



### Market Risk

The Company mitigates this exposure through prudent investment strategies, placing funds in authorized and low-risk financial instruments to safeguard capital while maintaining consistent and stable returns.



### Insurance Risk

The main risks in insurance commonly include underwriting risk and reinsurance risk.

Underwriting Risk is driven by uncertainty in claim patterns, including how often claims occur and how large they may be, as well as changes in external conditions such as the economy, laws, or market environment. The Company manages this through careful underwriting standards, spreading risk across different business segments, setting clear underwriting limits, and routinely reassessing claims reserves.

Reinsurance Risk relates to the possibility that reinsurance partners may be unable to meet their obligations. To control this exposure, the Company works with well-established reinsurers, distributes risk across multiple counterparties, and continuously monitors their financial strength and credit quality.



### Due Diligence Procedure

The Company performs continuous due diligence on customers, intermediaries, and reinsurance partners by assessing their financial strength, credit ratings, and operational performance, ensuring that relationships are maintained only with credible and financially stable counterparties.

During the year, there were no material changes to the Company's risk management policies and procedure.

# SUSTAINABILITY REPORTING

## Corporate Governance Sustainability

The Company maintains strong Corporate Governance in line with requirements set by the Insurance Regulator of Cambodia. Its nine (9) member Board includes four (4) independent directors, supporting transparent decision-making and effective oversight, with all Board appointments approved by the regulator. An Independent Audit Committee oversees financial reporting, internal audits, and regulatory compliance, while regular Board and committee meetings ensure proper governance and timely regulatory reporting.

## Social Impact

The Company upholds high standards of integrity, accountability, and regulatory compliance in its operations and decision-making processes. Through effective governance and internal oversight, the Company safeguards the interests of policyholders and maintains strong relationships with stakeholders.

To support sustainable growth, the Company places importance on appointing qualified and reputable directors and management personnel, fostering responsible leadership and continuous professional development within the organization.

## Environmental Impact

Although the Company's operations have minimal direct impact on the environment, it remains committed to sustainable and responsible business practices through effective governance, compliance, and risk management. Environmental aspects are considered indirectly through prudent underwriting practices and long-term operational sustainability.

During the year, no material changes were made to the corporate governance structure, and the Company continues to enhance its governance framework to support sustainable business growth and stability.



## Corporate Social Responsibility “CSR”

During the year, the Company involves various CSR activities to give back to the community.

### A. Health Care Support



Dara Insurance is deeply committed to supporting children’s well-being through its annual donations to the “**Kantha Bopha Children’s Hospital**” as part of the Insurance Day 2025 Event.

### B. Humanitarian Aid



During the **border conflict between Cambodia-Thailand**, we provided financial assistance and essential supplies through “**Insurance Regulator of Cambodia**” to support displaced persons. This contribution helped ease their living conditions while away from home and provided relief during the period of hardship.

**C. Environmental Education & Awareness**



We participated in the **“Green Oasis”** program to support trees planting initiatives and contribute greener and more sustainable environment for the future.



# FINANCIAL STATEMENT

---

The Company's audited financial statements for the year ended 31 December 2025 are enclosed below.

**DARA INSURANCE PLC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**DARA INSURANCE PLC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>Contents</b>	<b>Pages</b>
Corporate information	1
Report of the Directors	2 – 4
Statement by the Directors	5
Independent auditor's report	6 – 10
Financial statements:	
Statement of financial position	11
Statement of profit or loss and other comprehensive income	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 – 53

## Corporate Information

Company name	Dara Insurance Plc.	
Registration number	00034686	
Registered office	7 <sup>th</sup> - 8 <sup>th</sup> Floor No. 263, Corner Street 110 (Preah Ang Doung) and Street 61 (Basac), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh	
Shareholders	Mrs. Lim Lina Mrs. Lim Sophany Muang Thai Life Assurance Public Company Limited Mrs. Hang Chanthou Mr. Ou Sophanarith	
Board of Directors	Mrs. Lim Lina Mr. Ou Sophanarith Mrs. Hang Chanthou Mr. Yee Con Long Mr. Tanat Jakrawatana Mr. Chow Wey Ming Mr. Leow Ming Fong Ms. Jirayong Anuman-Rajadhon Mr. Chan Lek Wei	Chairwoman Director Director Director Director Independent Director Independent Director Independent Director Independent Director
Management Team	Mrs. Hang Chanthou Mrs. Touch Phearin	Chief Executive Officer Deputy Chief Executive Officer
Principal bankers	Canadia Bank Plc. Cambodia Post Bank Plc. Chief (Cambodia) Commercial Bank Plc. Taiwan Corporative Bank Plc. RHB Bank (Cambodia) Plc. J Trust Royal Bank Plc. Hong Leong Bank (Cambodia) Plc Foreign Trade Bank of Cambodia Wing Bank (Cambodia) Plc. Asia Pacific Development Bank Plc. Kasikorn Bank Phnom Penh Branch Cathay United Bank (Cambodia) Corp,Ltd	
Auditors	PricewaterhouseCoopers (Cambodia) Ltd.	



**Directors' interest**

The Director who held office at the end of the financial year and their interests in the shares of the Company are as follows:

	2025		2024	
	Amount US\$	Holding %	Amount US\$	Holding %
Mrs. Lim Lina	3,200,000	40	3,200,000	40
Mrs. Hang Chanthou	240,000	3	240,000	3
Mr. Ou Sophanarith	160,000	2	160,000	2
	<b>3,600,000</b>	<b>45</b>	<b>3,600,000</b>	<b>45</b>

**Directors' benefits**

During and at the end of the financial 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 corporate body.

No Director of the Company has received or become entitled to receive any benefit (other than a benefit disclosed in 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.

**Directors' responsibility in respect of the financial statements**

The Directors are responsible for ascertaining that the financial statements are properly drawn up so as to prepare, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended.

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

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards (CIFRS) as adopted by the Accounting and Auditing Regulator (ACAR) for insurance companies in Cambodia or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for credit loss and satisfied that all known bad debts had been written off and that adequate allowance had been made for credit loss;
- (iv) ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company had been written down to an amount which they might be expected to realise;
- (v) assess 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; and
- (vi) oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls.

**Directors' responsibility in respect of the financial statements (continued)**

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the allowance for credit loss in the financial statements of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; and
- (iii) which has arisen which render adherence to the existing method of valuation of assets and liabilities of the Company misleading or inappropriate.

No contingent or other liability is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability to meet its obligations as and when they fall due.

At the date of this report, there does not exist:

- any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- any contingent liability in respect of the Company that has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

In opinion of the Directors:

- (a) the results of the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the current financial year in which this report is made.

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




Mrs. Hang Chanthou  
 Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

**20 MAR 2026**

**Statement by the Directors**

I, the undersigned on behalf of the Board of Directors of Dara Insurance Plc. (the Company), do hereby state that, in my opinion, the accompanying financial statements which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising material accounting policy information and other explanatory information are prepared, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS) as adopted by the Accounting and Auditing Regulator (ACAR) for insurance companies in Cambodia.

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

  
  
Mrs. Hang Chanthou  
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

20 MAR 2026



## Independent auditor's report

To the shareholders of Dara Insurance Plc.

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dara Insurance Plc. (the Company) as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS).

### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

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

PricewaterhouseCoopers (Cambodia) Ltd.  
P.O. Box 1147, 58C Sihanouk Blvd, Sangkat Tonle Bassac,  
Khan Chamkarmon, Phnom Penh 120101  
T: +855 (0)23/69 860 606



## Independence

We are independent of the Company in accordance with the ethical requirements of the Code of Ethics for Certified Public Accountants and Auditors of Cambodia (CPAA Code), together with the independence rules of the Insurance Regulator of Cambodia (IRC) that are relevant to audits of the financial statements of public interest entities in Cambodia. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the CPAA Code and the IRC.

## Other information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises Corporate Information, Report of the Directors and Statement by the Directors but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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.

For PricewaterhouseCoopers (Cambodia) Ltd.

Handwritten signature: H.S.M.  
Official blue circular stamp of PricewaterhouseCoopers (Cambodia) Ltd. containing Khmer text and the company name in English.

By Hangsophath Molyzana  
Partner

Phnom Penh, Kingdom of Cambodia  
25 March 2026

**DARA INSURANCE PLC.**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Statutory deposit	4	700,000	2,809,100	700,000	2,817,500
Property and equipment	5	100,720	404,189	96,480	388,332
Intangible assets	6	93,886	376,765	91,097	366,665
Right-of-use assets	7(a)	494,430	1,984,148	492,939	1,984,079
Reinsurance assets	12	3,829,284	15,366,917	2,248,207	9,049,033
Insurance and other receivables	8	2,303,344	9,243,319	883,914	3,557,754
Other investment	9	8,044,338	32,281,928	7,526,664	30,294,823
Cash and cash equivalents	10	1,865,306	7,485,473	902,649	3,633,162
<b>TOTAL ASSETS</b>		<b>17,431,308</b>	<b>69,951,839</b>	<b>12,941,950</b>	<b>52,091,348</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	11	8,000,000	32,000,000	8,000,000	32,000,000
Retained earnings		657,244	2,687,552	398,358	1,649,160
Currency translation reserves		-	53,968	-	154,231
<b>Total equity</b>		<b>8,657,244</b>	<b>34,741,520</b>	<b>8,398,358</b>	<b>33,803,391</b>
<b>Liabilities</b>					
Insurance contract liabilities	12	4,324,045	17,352,393	2,722,760	10,959,108
Insurance and other payables	13	3,817,191	15,318,387	1,241,188	4,995,782
Lease liabilities	7(b)	561,040	2,251,454	540,434	2,175,247
Income tax liabilities	15(b)	71,788	288,085	39,210	157,820
<b>Total liabilities</b>		<b>8,774,064</b>	<b>35,210,319</b>	<b>4,543,592</b>	<b>18,287,957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,431,308</b>	<b>69,951,839</b>	<b>12,941,950</b>	<b>52,091,348</b>

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

**DARA INSURANCE PLC.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Gross premium income		6,618,601	26,547,209	4,035,931	16,430,275
Gross reinsurance premium ceded		(5,791,543)	(23,229,879)	(3,258,522)	(13,265,443)
Net premium income		827,058	3,317,330	777,409	3,164,832
Change in unearned premium reserve/mathematical reserve	12	(1,552,479)	(6,226,993)	283,531	1,154,255
Reinsurance shares on change in unearned premium reserve/mathematical reserve	12	1,537,747	6,167,903	(309,367)	(1,259,433)
<b>Net earned premium income</b>		812,326	3,258,240	751,573	3,059,654
Reinsurance commission income		900,859	3,613,345	856,204	3,485,606
Other insurance incomes		6,089	24,423	1,208	4,918
<b>Total revenues from insurance businesses</b>		1,719,274	6,896,008	1,608,985	6,550,178
Interest income		475,755	1,908,253	484,512	1,972,448
Other income		4,334	17,384	59,594	242,607
<b>Total operating income</b>		2,199,363	8,821,645	2,153,091	8,765,233
Gross claims paid		(1,535,020)	(6,156,965)	(574,859)	(2,340,251)
Reinsurers' share of claims paid		1,379,869	5,534,655	467,041	1,901,324
Gross change in insurance contract liabilities	12	(48,806)	(195,761)	(10,129)	(41,235)
Change in insurance contract liabilities ceded to reinsurers	12	43,330	173,797	6,938	28,245
<b>Net claims incurred</b>		(160,627)	(644,274)	(111,009)	(451,917)
Commission expense		(175,559)	(704,167)	(115,975)	(472,134)
Insurance related service expenses		(102,893)	(412,704)	(117,466)	(478,204)
Other operating expenses	14	(1,409,742)	(5,654,475)	(1,292,178)	(5,260,457)
Finance cost	7(b)	(48,778)	(195,649)	(50,304)	(204,788)
<b>Underwriting and other expenses</b>		(1,736,972)	(6,966,995)	(1,575,923)	(6,415,583)
<b>Profit before income tax</b>		301,764	1,210,376	466,159	1,897,733
Income tax expense	15(c)	(42,878)	(171,984)	(50,788)	(206,758)
<b>Net profit for the year</b>		258,886	1,038,392	415,371	1,690,975
<b>Other comprehensive income</b> <i>Item that will not be reclassified to profit or loss:</i>					
Currency translation differences		-	(100,263)	-	(498,086)
<b>Total comprehensive income for the year</b>		258,886	938,129	415,371	1,192,889
<b>Profit attributable to owners of the Company</b>		258,886	1,038,392	415,371	1,690,975
<b>Total comprehensive income attributable to owners of the Company</b>		258,886	938,129	415,371	1,192,889

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

**DARA INSURANCE PLC.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Attributable to owners of the Company							
	Share capital		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>For the year ended 31 December 2025</b>								
Balance as at 1 January 2025	8,000,000	32,000,000	398,358	1,649,160	-	154,231	8,398,358	33,803,391
<i>Comprehensive income:</i>								
Net profit for the year	-	-	258,886	1,038,392	-	-	258,886	1,038,392
<i>Other comprehensive income:</i>								
Currency translation differences	-	-	-	-	-	(100,263)	-	(100,263)
Total comprehensive income for the year	-	-	258,886	1,038,392	-	(100,263)	258,886	938,129
Balance as at 31 December 2025	<u>8,000,000</u>	<u>32,000,000</u>	<u>657,244</u>	<u>2,687,552</u>	<u>-</u>	<u>53,968</u>	<u>8,657,244</u>	<u>34,741,520</u>
<b>For the year ended 31 December 2024</b>								
Balance as at 1 January 2024	8,000,000	32,000,000	(17,013)	(41,815)	-	652,317	7,982,987	32,610,502
<i>Comprehensive income:</i>								
Net profit for the year	-	-	415,371	1,690,975	-	-	415,371	1,690,975
<i>Other comprehensive income:</i>								
Currency translation differences	-	-	-	-	-	(498,086)	-	(498,086)
Total comprehensive income for the year	-	-	415,371	1,690,975	-	(498,086)	415,371	1,192,889
Balance as at 31 December 2024	<u>8,000,000</u>	<u>32,000,000</u>	<u>398,358</u>	<u>1,649,160</u>	<u>-</u>	<u>154,231</u>	<u>8,398,358</u>	<u>33,803,391</u>

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

**DARA INSURANCE PLC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>					
Net profit for the year		258,886	1,038,392	415,371	1,690,975
<i>Adjustments for:</i>					
Depreciation and amortisation	14	114,044	457,430	116,798	475,485
Interest income		(475,755)	(1,908,253)	(484,512)	(1,972,448)
Interest expense – lease	7(b)	48,778	195,649	50,304	204,788
Income tax expense	15(c)	42,878	171,984	50,788	206,758
Operating (loss)/profit before changes in working capital		(11,169)	(44,798)	148,749	605,558
<i>Changes in working capital:</i>					
Insurance and other receivables		(1,419,430)	(5,693,334)	(205,043)	(834,730)
Reinsurance assets		(1,581,077)	(6,341,700)	302,429	1,231,188
Insurance contract liabilities		1,601,285	6,422,754	(273,402)	(1,113,020)
Insurance and other payables		2,576,003	10,332,348	268,631	1,093,597
Cash generated from operations		1,165,612	4,675,270	241,364	982,593
Income tax paid	15(b)	(299,222)	(1,200,179)	(185,302)	(754,364)
Income tax recovered from reinsurers	15(c)	288,922	1,158,866	162,928	663,278
Interest paid		(48,778)	(195,649)	(50,304)	(204,788)
Net cash generated from operating activities		1,106,534	4,438,308	168,686	686,719
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	5	(34,270)	(137,457)	(36,383)	(148,115)
Purchase of intangible assets	6	(25,000)	(100,275)	-	-
Term deposit with banks		112,415	450,897	481,169	1,958,839
Investment in corporate bond		(1,000,000)	(4,011,000)	-	-
Interest received		845,667	3,391,970	112,223	456,860
Net cash (used in)/generated from investing activities		(101,188)	(405,865)	557,009	2,267,584
<b>Cash flows from financing activities</b>					
Repayment of lease liabilities	7(b)	(42,689)	(171,226)	(33,696)	(137,176)
Net cash used in financing activities		(42,689)	(171,226)	(33,696)	(137,176)
Net increase in cash and cash equivalents		962,657	3,861,217	691,999	2,817,127
Cash and cash equivalents at the beginning of the year		902,649	3,633,162	210,650	860,505
Currency translation differences		-	(8,906)	-	(44,470)
<b>Cash and cash equivalents at the end of the year</b>	10	<u>1,865,306</u>	<u>7,485,473</u>	<u>902,649</u>	<u>3,633,162</u>

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

## **DARA INSURANCE PLC.**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **1. REPORTING ENTITY**

Dara Insurance Plc. (the Company) was incorporated as a public limited company in Cambodia under Registration No.00034686 issued by the Ministry of Commerce on 10 July 2018.

The Company commenced its commercial operations on 1 March 2019 under the licenses granted by the Ministry of Economy and Finance which is valid for 5 years from 24 December 2018 to 23 December 2023. On 23 November 2023, the Company obtained the permanent license from Insurance Regulator of Cambodia.

The principal activity of the Company is to provide general insurance services in the Kingdom of Cambodia.

The registered address of the Company is at 7<sup>th</sup>- 8<sup>th</sup> Floor No. 263, Corner Street 110 (Preah Ang Doung) and Street 61 (Basac), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

The financial statements of the Company were authorised for issue by the Board of Directors on 20 March 2026.

#### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

###### **(a) Statement of compliance**

The financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS) as adopted by the Accounting and Auditing Regulator (ACAR) for insurance companies in Cambodia.

###### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost, unless otherwise stated.

###### **(c) 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 Dollars (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.

These financial statements are presented in US\$, which is the Company's functional currency.

All amounts have been rounded to the nearest dollars, unless otherwise indicated.

###### **(d) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant estimate includes insurance contract liabilities. The determination of insurance contract liabilities 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 contract liabilities which reflect best estimate assumptions (Note 3).

## **DARA INSURANCE PLC.**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

### **2.1 Basis of preparation (continued)**

#### **(d) Use of estimates and judgements (continued)**

##### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – insurance contract liabilities: the determination of insurance contract liabilities 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 contract liabilities which reflect best estimate assumptions.
- Note 7(b) – lease term: whether the Company is reasonably certain to exercise extension options.

##### **Measurement of fair values**

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 team 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 management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CIFRS, 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 categorised 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 might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 recognises 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 19 – financial instruments.

## DARA INSURANCE PLC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### (d) Use of estimates and judgements (continued)

##### Valuation of insurance contract liabilities

Estimates have to be made at the reporting date for the expected ultimate cost of both claims reported and claims IBNR. It can take a significant period of time before the ultimate claim cost can be established with certainty and for some types of policies, IBNR claims form the majority of the claims provision.

The Management estimates the cost of claims reported and claims IBNR using past industry claims settlement trends to predict future claims settlement trends. At each reporting date, prior year claims estimates are assessed for adequacy and any changes made are charged to provision. Insurance claims liabilities are not discounted for the time value of money.

### 2.2 Foreign currency transactions

#### i) *Functional and presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The functional currency is the United States dollars (US\$) because of the significant influence of the US\$ on its operations. The financial statements are presented in US\$ which is the Company's functional and presentation currency.

#### ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss, within interest expense. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within 'other gains/(losses) – net'.

#### iii) *Presentation in Khmer Riel*

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel (KHR). The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the average exchange rates for the year. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date. Shareholders' capital and reserves are translated at the rate at the date of transaction. All resulting exchange differences are recognised in the other comprehensive income.

The company has used the official rate of exchange published by the National Bank of Cambodia, and as at the reporting date, the yearly average rate was US\$ 1 to Riel 4,011 (2024: US\$ 1 to Riel 4,071) and the closing rate was US\$1 to Riel 4,013 (2024: US\$ 1 to Riel 4,025).

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.3 New standards that are effective, but were deferred in implementation**

The Company has deferred in implementation of CIFRS 17 and CIFRS 9 following the Notification 0012/23 ACAR/S.Ch.N. issued by the Accounting and Auditing Regulator (ACAR), dated 24 March 2023.

Subsequently, ACAR issued the Notification 063/24 ACAR/S.Ch.N., dated 23 December 2024, regarding the deferral on implementation of CIFRS 17 and CIFRS 9 until 31 December 2027.

**(i) CIFRS 17 Insurance Contract**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (equivalents to CIFRS 17 Insurance Contracts), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts (equivalents to CIFRS 4 Insurance Contracts).

In contrast to the requirements in CIFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, CIFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts;

## DARA INSURANCE PLC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 2.3 New standards that are effective, but were deferred in implementation (continued)

#### (i) CIFRS 17 Insurance Contract (continued)

On 24 March 2023, Accounting and Auditing Regulator (ACAR) issued Notifications No. 0012/23 on the delay of the implementation of CIFRS 17 and CIFRS 9 as follows:

- Delay the implementation of CIFRS 17 and CIFRS 9 for all insurance companies in Cambodia until 31 December 2024.
- Require all insurance companies to submit the implementation roadmap by the end of September 2023 and quarterly report followed by the semi-annually presentation which is started from 30 September 2023.

On 23 December 2024, ACAR issued Notification No. 063/24 on the further delay of the implementation of CIFRS17 and CIFRS9 as follows:

- Further delay the implementation of CIFRS17 and CIFRS9 for all insurance companies until 1 January 2028.
- All insurance companies received this delay notification shall provide to ACAR for Semi-annual Report starting from 1 January 2025 and shall submit the semi-annual report by 15 days from end of each semi-annual.
- During the delay period all the insurance companies shall continue to implement applicable related CIFRS.

The Company chooses to comply with the notification and is developing the implementation plan to adopt these standards.

CIFRS 17 is effective for annual reporting periods beginning on or after 1 January 2028, with comparative figures required. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the Company is required to choose either a modified retrospective approach or a fair value approach.

#### (ii) CIFRS 9 Financial Instruments

CIFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced the previous guidance in CIAS 39 Financial Instruments: Recognition and Measurement. The standard is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted and transitional rules apply. However, the Company whose activities are predominantly connected with insurance activities can be elected to defer the effective date of CIFRS 9 until the earlier effective date of CIFRS 17.

CIFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. CIFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing CIAS 39 categories of held to maturity, loans and receivables and available for sale.

CIFRS 9 replaces the 'incurred loss' model in CIAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI except for investments in equity instruments, and to contract assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

**2.3 New standards that are effective, but were deferred in implementation (continued)**

**(ii) CIFRS 9 Financial Instruments (continued)**

Under CIFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ELC measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade and other receivables without a significant financial component.

The Company is eligible for and elects to apply the option to defer the effective date of CIFRS 9 and implements it together with CIFRS 17 starting from the effective date 1 January 2028.

**2.4 New and amended standards adopted by the Company**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

- Lack of exchangeability – Amendments to CIAS 21

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

**2.5 New standards and interpretations not yet adopted by the Company**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Company.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The standards and amendments above are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions except:

- CIFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

CIFRS 18 will replace CIAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though CIFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.5 New standards and interpretations not yet adopted by the Company** (continued)

Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with CIFRS 18.

**2.6 Insurance contracts**

**(i) 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 year.

**(ii) Recognition and measurement**

**Premium income**

Premiums from insurance is recognised as income when insurance policy is effective and recognised in proportion to the insurance coverage period. Premium from coinsurance policy is recognised based on the Company's proportionate share of the premium.

The Company reinsures part of its total accepted risk with other insurance and reinsurance companies. Premiums paid or share in premium on prospective reinsurance contracts are recognised over the period of the reinsurance contracts based on the coverage provided.

Net premium income in the statement of profit or loss represents gross premiums, reinsurance premiums and increase/(decrease) in unearned premiums. Reinsurance premium is presented as deduction from gross premiums.

**Reinsurance assets**

Reinsurance assets include balance expected to be recovered from reinsurance companies for ceded estimated reinsurance claims and ceded unearned premium. Amount recoverable from reinsurers are estimated in a manner consistent with the approach used to determining liability associated with the reinsured policy.

Reinsurance assets are stated at the outstanding balance of amount due from reinsurers and reinsurer's share of insurance contract liabilities less allowance for impairment loss if any. The Company assess the impairment loss for the estimated losses that may be incurred due to inability to make collection, taking into account on collection experience, future expectations of reinsurers payments, and the status of receivables from reinsurers as at the end of the reporting period.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.6 Insurance contracts** (continued)

**(ii) Recognition and measurement** (continued)

**Insurance contract liabilities**

A liability for contractual benefits that are obligation listed in the insurance contract. Insurance contract liabilities include 1) short-term insurance contract liabilities and (2) long-term insurance contract liabilities which are established in accordance with generally accepted actuarial principle.

*(1) Short-term insurance contract liabilities*

*Outstanding claims*

The Company is required to establish reserves for payment of claim that may arise, which represent the expected ultimate cost to settle claims occurring prior to, but still outstanding as of the statement of financial position date.

*Unearned premium reserve*

The unearned premium is part of the premiums relating to the unexpired terms of coverage protection. Unearned premium is the premium corresponding to the time period remaining on an insurance policy. These are proportionate to the unexpired portion of the insurance and appear as a liability on the insurer's statement of financial position since they would be paid back upon cancellation of the policy.

Unearned premiums for short term contracts are determined for each kind of business and is calculated in proportion to the number of days until the policy expires (proportional daily). Increase/ decrease in unearned premiums represents the difference between the balance of unearned premiums for the current and prior periods.

The methodology that is used to calculate the reserve for unearned premium is daily basis 1/365 method.

The portion of reinsurance asset of unearned premiums are recognised simultaneously when the unearned premiums arisen. The reinsurance asset portion of unearned premiums is measured in accordance with the reinsurance contracts, consistency of with the unearned method.

*Provision for incurred but not reported claims (IBNR)*

Provision for incurred but not reported claims (IBNR) are established in accordance with generally accepted actuarial principle.

**(a) Liability adequacy test**

At the reporting date, the Company assesses whether recognised insurance liability is adequate, using current estimates of future cash flows under the contract of insurance. If the assessment shows that the carrying amount of insurance liabilities net of related deferred acquisition costs is insufficient compared to the estimated future cash flows, the entire deficiency is recognised in profit or loss for the period.

**(b) Acquisition costs**

Acquisition costs represent costs incurred to obtain premium income, such as commission paid to insurance brokers, agencies and other insurance companies. This acquisition cost is deferred and amortised over the period of the insurance policy, based on the unearned premium methods.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.6 Insurance contracts** (continued)

**(ii) Recognition and measurement** (continued)

*(1) Short-term insurance contract liabilities (continued)*

*Provision for incurred but not reported claims (IBNR) (continued)*

**(c) Claims expenses**

Claims expenses consist of settled claims, claims in process, including claims incurred but not reported (IBNR) and claim settlement expenses. Claims are recognised as expenses when the obligation to settle the claims is incurred. The portion of claims recovered from reinsurers are recorded and recognised as a deduction from claims expense in the same period when the claims expense is recognised.

Claims in process (estimated own retention claims) are computed based on the Company's own retention share of the claims in process at the statement of financial position date including claims incurred but not yet reported. The changes in estimated own retention claims are recognised in the statement of comprehensive income at the time of change. The increase or decrease in estimated own retention claims represents the difference between the estimated own retention claims for the current year and the prior year.

Presentation of claim expenses in the statements of profit or loss represent gross claims, reinsurance claims and increase/decrease in estimated own retention claims. Reinsurance claims are presented as deduction from gross claims.

A provision for estimated gross claims is made for the full estimated costs of claims to be paid in respect of claims notified to the Company until the date of the reporting period. Reinsurance recoveries of the provision for estimated gross claims is recorded as estimated reinsurance claims in reinsurance assets.

Changes in the amount of estimated total claim liabilities as a result of further review, and differences between estimated claims and claims paid are recognised in the statements of profit or loss in the period of changes occur.

**Reinsurance commission**

Commissions earned from reinsurance contracts is recognised as revenue over the period of the contracts using the 1/365 method. The portion of the commissions and relates to the unexpired periods of the policies at reporting date is accounted for as deferred reinsurance commission.

The commission due from reinsurers is recognised as reinsurance receivable in the same reporting period and is presented under insurance and other receivables.

*(2) Long-term insurance contract liabilities*

*Mathematical reserve*

Mathematical reserve is calculated using Gross Premium Valuation (GPV) method. GPV techniques are calculated using actuarial method based on the current assumptions which reflect the best estimates at that time.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.7 Financial instruments**

The Company classifies non-derivative financial assets into loans and receivables category.

The Company classifies non-derivative financial liabilities into other financial liabilities category.

**(i) Non-derivative financial assets and financial liabilities – recognition and derecognition**

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount 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.

**(ii) Non-derivative financial assets and financial liabilities – measurement**

**Insurance and other receivables**

Insurance and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the transaction date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**Other investment**

Other investment represents term deposit with financial institutions in Cambodia and investment in corporate bond which maturity more than 3 months. Interest on placement with banks and from the bond is recognised using the effective interest method.

**Other financial liabilities**

Other financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

**2.8 Property and equipment**

**(i) Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gains or losses on disposal of an item of property and equipment are recognised in profit or loss.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

**(iii) Depreciation**

Depreciation is calculated to write off the cost of property and equipment less the estimate residual value using a straight-line method over the estimated useful lives, and is generally recognised in profit or loss as follows:

Leasehold improvements	5 years of the life of lease if shorter
Furniture and fittings	5 years
Computers	5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**2.9 Intangible assets**

Intangible assets which comprised of computer software are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful life of 10 years.

Subsequence expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

**2.10 Impairment**

**(i) Non-derivative financial assets**

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets is impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

*Financial assets measure at amortised cost*

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes a judgement if any current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the impairment loss subsequently decrease and the decrease can be related to objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

**(ii) Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.10 Impairment** (continued)

**(ii) Non-financial assets** (continued)

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGUs.

An impairment loss is recognised if the carrying amount of an asset or CGUs exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses are allocated to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

**2.11 Employee benefits**

*Short-term employee benefits*

Short-term employee benefits obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Company.

*Other short-term employment benefits - seniority payment obligations*

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/prakas, each entity is required to pay each employee with unspecified duration employment contract the annual service which is effective January 2019, 15 days of their average monthly salary and benefits each year payable every six months on 30 June and 31 December (7.5 days each payment).

The annual service pay is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of the Company.

*Pension fund scheme*

The Company pays monthly contributions for the compulsory pension scheme to National Social Security Fund (NSSF), a publicly administered social security scheme for pension in Cambodia. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses in the statement of profit or loss and other comprehensive income when they are due.

**2.12 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 SHV dated 9 December 2002, and Article 15 of the Prakas No. 061 on Solvency Margin for Insurance Company of the Non-Bank Financial Service Authority of the Ministry of Economy and Finance dated 14 December 2022.

The deposit bears no interest and is refundable only when the Company ceases its operations in Cambodia.

Statutory deposit is stated at cost.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

**2.13 Share capital**

Share capitals are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**2.14 Provisions**

Provisions are recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**2.15 Leases**

**Lease in which the company is a lessee**

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

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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.15 Leases** (continued)

**Lease in which the company is a lessee** (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise lease payment in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise right of use assets and lease liabilities for leases of low value assets and short-term leases, including car rental. The Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**2.16 Interest income**

Interest on term deposits with bank and from investment in corporate bond is recognised in to profit and loss using effective interest method.

**2.17 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.17 Income tax** (continued)

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**2.18 Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities (see Note 2.6).

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES** (continued)

**2.19 Rounding of amounts**

All amounts in US\$ disclosed in the financial statements and notes are in whole US\$ currency unit. All amounts in KHR in the financial statements and notes have been rounded off to the nearest thousand KHR currency unit unless otherwise stated.

**3. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that may cause material adjustments to the carrying amounts of assets and liabilities are discussed below.

*Insurance contract liabilities*

The Company's overall insurance contract liabilities include short-term and long-term liabilities.

The short-term insurance liabilities, covering policies with a term of one year or less, consist of three components:

- Unearned Premium Reserve (UPR): Calculated using the 1/365th method, recognizing premiums evenly over the contract term.
- Outstanding Claims Reserve (RBNS): Covers claims incurred but not yet settled.
- Incurred But Not Reported (IBNR) Reserve: Typically calculated using the chain ladder method, requiring at least 12 quarters of claims data. If data is insufficient, alternative methods are applied, ensuring the IBNR is no less than 5% of Gross Written Premium.

For long-term insurance liabilities (over one year), the liability is calculated using the gross premium valuation method. This involves determining the present value of future benefits and expenses, minus the present value of future premiums. The method uses best-estimate assumptions, adjusted for adverse deviation.

The judgments made in valuing these liabilities impact both the insurance contract benefits in the profit or loss statement and the insurance contract liabilities in the financial position.

**4. 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 SHV dated 9 December 2002, and Article 15 of the Prakas No. 061 on Solvency Margin for Insurance Company of the Non-Bank Financial Service Authority of the Ministry of Economy and Finance dated 14 December 2022.

The deposit of US\$700,000 (2024: US\$700,000) bears no interest and is refundable only when the Company ceases its operations in Cambodia.

DARA INSURANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

5. PROPERTY AND EQUIPMENT

	Leasehold improvements US\$	Furniture and fittings US\$	Computers US\$	Motor vehicles US\$	Total	
					US\$	KHR'000
<b>2025</b>						
<b>Cost</b>						
At 1 January 2025	37,174	66,257	227,935	101,248	432,614	1,410,769
Additions	1,140	1,913	31,217	-	34,270	137,457
Write-offs	-	(89)	(1,409)	-	(1,498)	(6,008)
Currency translation differences	-	-	-	-	-	325,376
At 31 December 2025	<u>38,314</u>	<u>68,081</u>	<u>257,743</u>	<u>101,248</u>	<u>465,386</u>	<u>1,867,594</u>
<b>Less: Accumulated depreciation</b>						
At 1 January 2025	8,026	38,340	188,520	101,248	336,134	1,352,939
Depreciation for the year	7,577	7,655	14,798	-	30,030	120,450
Write-offs	-	(89)	(1,409)	-	(1,498)	(6,008)
Currency translation differences	-	-	-	-	-	(3,976)
At 31 December 2025	<u>15,603</u>	<u>45,906</u>	<u>201,909</u>	<u>101,248</u>	<u>364,666</u>	<u>1,463,405</u>
<b>Carrying amounts</b>						
At 31 December 2025	<u>22,711</u>	<u>22,175</u>	<u>55,834</u>	<u>-</u>	<u>100,720</u>	<u>404,189</u>

DARA INSURANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

5. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvements US\$	Furniture and fittings US\$	Computers US\$	Motor vehicles US\$	Total	
					US\$	KHR'000
<b>2024</b>						
<b>Cost</b>						
At 1 January 2024	32,856	61,209	202,132	107,053	403,250	1,410,769
Additions	4,318	5,919	26,146	-	36,383	148,115
Write-offs	-	(871)	(343)	(5,805)	(7,019)	(28,574)
Currency translation differences	-	-	-	-	-	210,961
At 31 December 2024	<u>37,174</u>	<u>66,257</u>	<u>227,935</u>	<u>101,248</u>	<u>432,614</u>	<u>1,741,271</u>
<b>Less: Accumulated depreciation</b>						
At 1 January 2024	621	31,590	168,877	101,111	302,199	1,234,483
Depreciation for the year	7,405	7,621	19,986	5,942	40,954	166,724
Write-offs	-	(871)	(343)	(5,805)	(7,019)	(28,574)
Currency translation differences	-	-	-	-	-	(19,694)
At 31 December 2024	<u>8,026</u>	<u>38,340</u>	<u>188,520</u>	<u>101,248</u>	<u>336,134</u>	<u>1,352,939</u>
<b>Carrying amounts</b>						
At 31 December 2024	<u>29,148</u>	<u>27,917</u>	<u>39,415</u>	<u>-</u>	<u>96,480</u>	<u>388,332</u>

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**6. INTANGIBLE ASSETS**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<b>Cost</b>				
At 1 January	210,269	846,333	210,269	856,636
Additions	25,000	100,275	-	-
Currency translation differences	-	(2,474)	-	(10,303)
At 31 December	235,269	944,134	210,269	846,333
<b>Less: Accumulated amortisation</b>				
At 1 January	119,172	479,668	98,099	228,421
Amortisation for the year	22,211	89,088	21,073	85,788
Currency translation differences	-	(1,387)	-	165,459
At 31 December	141,383	567,369	119,172	479,668
<b>Carrying amounts</b>				
At 31 December	93,886	376,765	91,097	366,665

**7. LEASE**

The Company entered into the lease contract with Canada Bank Plc., for the lease of the office space effective from 1 January 2024 to 31 December 2033 with the free of charge period for office renovation from 1 October 2023 to 31 December 2023. During the year, the Company entered into the new lease contract with Cambodia Airport Investment Co., Ltd. for space rental at Techo International Airport for period from 9 September 2025 to 8 September 2027 with the expecting renewal by the management for another one year from 9 September 2027 to 8 September 2028.

**(a) Right-of-use assets**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<b>Cost</b>				
At 1 January	561,403	2,259,647	561,403	2,293,331
Additions	63,294	253,872	-	-
Currency translation differences	-	(6,610)	-	(33,684)
At 31 December	624,697	2,506,909	561,403	2,259,647
<b>Less: Accumulated amortisation</b>				
At 1 January	(68,464)	(275,568)	(13,693)	(55,936)
Amortisation for the year	(61,803)	(247,892)	(54,771)	(222,973)
Currency translation differences	-	699	-	3,341
At 31 December	(130,267)	(522,761)	(68,464)	(275,568)
<b>Carrying amounts</b>				
At 31 December	494,430	1,984,148	492,939	1,984,079

**(b) Lease liabilities**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Non-current	500,595	2,008,888	503,577	2,026,898
Current	60,445	242,566	36,857	148,349
	561,040	2,251,454	540,434	2,175,247

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**7. LEASE (continued)**

**(b) Lease liabilities (continued)**

The followings are the transactions related to leases:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>(i) Amounts recognised in profit or loss</i>				
Interest expense on lease liabilities	48,778	195,649	50,304	204,788
Short-term leases or lease of low-value assets	2,105	8,443	2,650	10,788
	<u>50,883</u>	<u>204,092</u>	<u>52,954</u>	<u>215,576</u>
<i>(ii) Amounts recognised in statement of cash flows</i>				
Cash payments for the principal portion of the lease liabilities	42,689	171,226	33,696	137,176
Cash payments for the interest portion of the lease liabilities	48,778	195,649	50,304	204,788
	<u>91,467</u>	<u>366,875</u>	<u>84,000</u>	<u>341,964</u>
<i>(iii) Maturity analysis – contractual undiscounted cash flows</i>				
Less than one year	108,000	433,404	84,000	338,100
One to ten years	670,000	2,688,710	714,000	2,873,850
Total undiscounted cash flows	<u>778,000</u>	<u>3,122,114</u>	<u>798,000</u>	<u>3,211,950</u>

**8. INSURANCE AND OTHER RECEIVABLES**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<b>Insurance receivables:</b>				
Gross premium receivables	868,917	3,486,964	125,445	504,916
Gross premium receivables from related parties (Note 16(b))	363,566	1,458,990	372,093	1,497,674
Reinsurance receivables	753,091	3,022,154	221,442	891,304
Deferred commission expenses	239,387	960,660	77,361	311,378
	<u>2,224,961</u>	<u>8,928,768</u>	<u>796,341</u>	<u>3,205,272</u>
<b>Other receivables:</b>				
Prepaid expenses	43,974	176,468	18,023	72,543
Deposit	33,910	136,081	39,270	158,062
Advance payment	499	2,002	30,280	121,877
	<u>78,383</u>	<u>314,551</u>	<u>87,573</u>	<u>352,482</u>
	<u>2,303,344</u>	<u>9,243,319</u>	<u>883,914</u>	<u>3,557,754</u>

**DARA INSURANCE PLC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025****9. OTHER INVESTMENT**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Placement with banks with original maturity more than 3 months but less than 1 year	774,148	3,106,656	799,854	3,219,412
Placement with banks with original maturity more than 1 year	6,227,250	24,989,954	6,726,810	27,075,411
Investment in corporate bond (i)	1,042,940	4,185,318	-	-
	<u>8,044,338</u>	<u>32,281,928</u>	<u>7,526,664</u>	<u>30,294,823</u>

Placement with local banks earned interest at rates ranging from 4.25% to 7.25% per annum (2024: 4.75% to 8.00%).

(i) Investment in corporate bond is classified as other investment. As at the reporting date, the Company has invested in the guaranteed corporate bond of Cambodia Airport Investment Co., Ltd. The corporate bond has the maturity term of 3 years with a maturity date on 24 April 2028 and earned the interest at 6.25% per annum.

**10. CASH AND CASH EQUIVALENTS**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	1,755	7,043	4,124	16,599
Cash in banks	1,863,551	7,478,430	898,525	3,616,563
	<u>1,865,306</u>	<u>7,485,473</u>	<u>902,649</u>	<u>3,633,162</u>

Cash in banks represents fixed deposits held with financial institution in Cambodia with the maturity less than or equal to 3 months which earn interest rate ranging from 3.55% to 4.75% (2024: 4.25% to 5.75%) and saving and current accounts held with financial institution in Cambodia which earns interest ranging from 0% to 1.00% per annum (2024: 0% to 1.05% per annum).

**11. SHARE CAPITAL**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Registered, issued and paid up 8,000,000 shares of US\$1 each	<u>8,000,000</u>	<u>32,000,000</u>	<u>8,000,000</u>	<u>32,000,000</u>

**DARA INSURANCE PLC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025****11. SHARE CAPITAL** (continued)

The Company's shareholders and their respective interests were as follows:

	<b>Registered, issued, and fully paid</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Number of shares</b>	<b>US\$</b>	<b>%</b>	<b>Number of shares</b>	<b>US\$</b>	<b>%</b>
Mrs. Lim Lina	3,200,000	3,200,000	40	3,200,000	3,200,000	40
Mrs. Lim Sophany	2,400,000	2,400,000	30	2,400,000	2,400,000	30
Muang Thai Life Assurance Public Company Limited (MTL)	2,000,000	2,000,000	25	2,000,000	2,000,000	25
Mrs. Hang Chanthou	240,000	240,000	3	240,000	240,000	3
Mr. Ou Sophanarith	160,000	160,000	2	160,000	160,000	2
	<b>8,000,000</b>	<b>8,000,000</b>	<b>100</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>100</b>

There were no changes in share capital and shareholder structure during the year.

DARA INSURANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

12. REINSURANCE ASSETS/INSURANCE CONTRACT LIABILITIES

	Gross		Reinsurance		Net	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>31 December 2025</b>						
<b>Short -term reinsurance assets/insurance contract liabilities</b>						
Unearned premium reserve	3,747,874	15,040,219	(3,338,864)	(13,398,861)	409,010	1,641,358
Outstanding claims	21,181	84,999	(13,431)	(53,899)	7,750	31,100
IBNR	453,096	1,818,274	(375,623)	(1,507,375)	77,473	310,899
	<u>4,222,151</u>	<u>16,943,492</u>	<u>(3,727,918)</u>	<u>(14,960,135)</u>	<u>494,233</u>	<u>1,983,357</u>
<b>Long -term reinsurance assets/insurance contract liabilities</b>						
Mathematical reserve	101,894	408,901	(101,366)	(406,782)	528	2,119
	<u>4,324,045</u>	<u>17,352,393</u>	<u>(3,829,284)</u>	<u>(15,366,917)</u>	<u>494,761</u>	<u>1,985,476</u>
<b>31 December 2024</b>						
<b>Short -term reinsurance assets/insurance contract liabilities</b>						
Unearned premium reserve	2,125,313	8,554,384	(1,731,728)	(6,970,205)	393,585	1,584,179
Outstanding claims	114,632	461,394	(98,468)	(396,334)	16,164	65,060
IBNR	310,839	1,251,127	(247,256)	(995,205)	63,583	255,922
	<u>2,550,784</u>	<u>10,266,905</u>	<u>(2,077,452)</u>	<u>(8,361,744)</u>	<u>473,332</u>	<u>1,905,161</u>
<b>Long -term reinsurance assets/insurance contract liabilities</b>						
Mathematical reserve	171,976	692,203	(170,755)	(687,289)	1,221	4,914
	<u>2,722,760</u>	<u>10,959,108</u>	<u>(2,248,207)</u>	<u>(9,049,033)</u>	<u>474,553</u>	<u>1,910,075</u>

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**12. REINSURANCE ASSETS/INSURANCE CONTRACT LIABILITIES** (continued)

The movement in insurance contract liabilities is detailed as follow:

	Gross		Reinsurance		Net	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>2025</b>						
At 1 January	2,722,760	10,959,108	(2,248,207)	(9,049,033)	474,553	1,910,075
Charge during the year:						
Unearned premium reserve/ mathematical reserve	1,552,479	6,226,993	(1,537,747)	(6,167,903)	14,732	59,090
Other insurance contract liabilities	48,806	195,761	(43,330)	(173,797)	5,476	21,964
Currency translation differences	-	(29,469)	-	23,816	-	(5,653)
At 31 December	<u>4,324,045</u>	<u>17,352,393</u>	<u>(3,829,284)</u>	<u>(15,366,917)</u>	<u>494,761</u>	<u>1,985,476</u>
<b>2024</b>						
At 1 January	2,996,162	12,239,321	(2,550,636)	(10,419,348)	445,526	1,819,973
Charge during the year:						
Unearned premium reserve/mathematical reserve	(283,531)	(1,154,255)	309,367	1,259,433	25,836	105,178
Other insurance contract liabilities	10,129	41,235	(6,938)	(28,245)	3,191	12,990
Currency translation differences	-	(167,193)	-	139,127	-	(28,066)
At 31 December	<u>2,722,760</u>	<u>10,959,108</u>	<u>(2,248,207)</u>	<u>(9,049,033)</u>	<u>474,553</u>	<u>1,910,075</u>

**12. REINSURANCE ASSETS/INSURANCE CONTRACT LIABILITIES (continued)**

**Insurance contract liabilities**

Insurance contract liabilities represent the future total liability for the general insurance policies in force on the reporting date which is set to ensure that the Company can meet future obligation from insurance policies. Insurance contract liabilities is composed of short-term and long-term insurance contract liabilities.

*Short-term insurance contract liabilities*

Unearned Premium Reserve (UPR) is calculated based on a pro-rata basis of premium based on the remaining period of coverage of each policy.

Claims reserves compose of reserve for claims reported but not settled (RBNS) and reserve for claims incurred but not yet reported (IBNR). RBNS is calculated based on expected ultimate cost to settle the incurred claims for each insurance contract in accordance with the application for the insured claim. IBNR is calculated using ultimate claim ratio method or 5% of gross written premium of the operation year; whichever is greater due to the result of Loss Development Factor or 'Triangle' show that there is no development trend to be projected for ultimate claim.

According to Prakas on procedures and measurement of technical reserve issued by IRC dated 23 December 2022, the insurance company shall calculate reserve claims incurred but not yet reported using the Triangle Method based on quarterly claims data at least 12 quarters. In case the Company has the data less than 3 years, the Company can use other actuary method to estimate the IBNR but the reserve amount cannot be less than 5% of gross premium of the last operation year for the similar group of insurance products with the similar claims pattern. Regarding the result of triangle method using data available by the Company, there is no development trend to be projected for ultimate claim. Thus, the Company is using actuarial internal approach for IBNR projection which is ultimate claim ratio or 5% of Gross Written Premium (GWP) of the last operation, whichever is greater.

*Long-term insurance contract liabilities*

Mathematical reserve is calculated using Gross Premium Valuation (GPV) method. GPV techniques are calculated using actuarial method based on the current assumptions which reflect the best estimates at that time.

**Assumptions in setting insurance contract liabilities**

The principle assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. The Company uses the following claim/expense ratio to estimate insurance contract liabilities:

*Expense ratio*

Expense ratio is the proportion between administrative expenses in current period and earned premium at the end of the period and is estimated based on the Company's past experience.

*Ultimate claim ratio*

The Company estimated IBNR using the Expected Claim Technique approach rather than Chain Ladder method due to insufficient data information.

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**12. REINSURANCE ASSETS/INSURANCE CONTRACT LIABILITIES (continued)**

**Assumptions in setting insurance contract liabilities (continued)**

*Liability adequacy test (LAT)*

LAT is performed at each reporting date to assess the adequacy of reserve in the Company. As at 31 December 2025, the result of the LAT shown that the insurance contract liabilities recorded in the financial statements are adequate.

**Sensitivity testing short-term insurance contract liabilities**

*Sensitivity test on claim ratio*

	Change in Assumption	2025		2024	
		UPR US\$	URR US\$	UPR US\$	URR US\$
Ultimate claim ratio	+10%	3,747,874	1,658,963	2,125,313	581,840
Ultimate claim ratio	-10%	3,747,874	1,370,962	2,125,313	487,644

*Sensitivity test on ultimate claim ratio*

	Change in Assumption	2025	2024
		IBNR US\$	IBNR US\$
Ultimate claim ratio	+10%	557,159	339,484
Ultimate claim ratio	-10%	414,928	282,194

**Sensitivity testing long-term insurance contract liabilities**

*Sensitivity test on claim ratio*

	Change in Assumption	2025	2024
		GPV US\$	GPV US\$
Ultimate claim ratio	+10%	103,440	174,648
Ultimate claim ratio	-10%	100,348	169,304

*Sensitivity test on discount rate*

	Change in Assumption	2025	2024
		GPV US\$	GPV US\$
Discount rate	+50 bps	101,215	170,888
Discount rate	-50 bps	102,583	173,082

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**13. INSURANCE AND OTHER PAYABLES**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<b>Insurance payables:</b>				
Reinsurance payables	2,770,707	11,118,846	750,004	3,018,766
Deferred reinsurance commission	596,179	2,392,466	362,641	1,459,630
Payable to co-insurer	199,378	800,104	23,195	93,360
	<u>3,566,264</u>	<u>14,311,416</u>	<u>1,135,840</u>	<u>4,571,756</u>
<b>Other payables:</b>				
Amount due to related parties (Note 16(b))	5,271	21,153	7,009	28,211
Other payables	154,329	619,322	83,448	335,878
Advance from customers	76,664	307,653	4,197	16,894
Withholding tax and other taxes	14,663	58,843	10,694	43,043
	<u>250,927</u>	<u>1,006,971</u>	<u>105,348</u>	<u>424,026</u>
	<u>3,817,191</u>	<u>15,318,387</u>	<u>1,241,188</u>	<u>4,995,782</u>

**14. OTHER OPERATING EXPENSES**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Personnel related cost	892,785	3,580,961	785,581	3,198,100
Depreciation and amortisation	114,044	457,430	116,798	475,485
Professional fees (*)	69,618	279,238	101,847	414,619
Repairs and maintenance	70,347	282,162	68,260	277,886
Market and advertising	82,468	330,779	66,691	271,499
Other taxes	68,370	274,232	59,871	243,735
Administrative expenses	22,851	91,655	26,416	107,540
Rental expense	2,105	8,443	2,650	10,788
Other expenses	87,154	349,575	64,064	260,805
	<u>1,409,742</u>	<u>5,654,475</u>	<u>1,292,178</u>	<u>5,260,457</u>

(\*) Fees paid or payable to PricewaterhouseCoopers (Cambodia) Ltd.

The following fees were paid or are payable to PricewaterhouseCoopers (Cambodia) Ltd.:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	28,600	114,715	27,500	111,953

As of 31 December 2025, the Company had 47 employees excluding directors (2024: 40 employees). There were totally 9 directors (2024: 9 directors), and one of them was in the fulltime employment of the Company.

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**15. TAXATION**

**(a) Applicable tax rates**

On 30 April 2018, the MEF issued Prakas No. 490 MEF on Tax on Income of Insurance Companies, which stipulated that:

1. General insurance activities are subject to tax on income at a rate of 5% of the gross premiums received in the tax year. The 5% tax on premiums ceded to reinsurers is to be recovered from the reinsurers, with this amount already paid to the General Department of Taxation (GDT) on their behalf.
2. Interest income earned from the bank deposits that the taxes have already been withheld and paid, is not subject to tax on income.
3. Commission fees and ceded claims from reinsurance companies are not subject to tax on income, in accordance with the new Article 20 (1) of the Law on Taxation.
4. Income from activities other than those stated in points 1, 2, and 3 above is subject to tax on income in accordance with the new Article 20 (1) and new Article 28 of the Law on Taxation, with only those expenses that are directly related to income-generating activities being deductible.

**(b) Income tax liabilities**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	39,210	157,820	10,797	44,106
Income tax expense	331,800	1,330,850	213,715	870,034
Income tax paid	(299,222)	(1,200,179)	(185,302)	(754,364)
Currency translation differences	-	(406)	-	(1,956)
At 31 December	<u>71,788</u>	<u>288,085</u>	<u>39,210</u>	<u>157,820</u>

**(c) Income tax expense**

The reconciliation of income tax computed at the statutory tax rate to the income tax expense in profit or loss is as follow:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Gross premium income	6,618,601	26,547,209	4,035,931	16,430,275
Tax at 5% of gross premium income	330,930	1,327,360	201,797	821,514
Tax recovery from reinsurers	(288,922)	(1,158,866)	(162,928)	(663,278)
	42,008	168,494	38,869	158,236
Tax at 20% of other income from non-insurance activities	870	3,490	11,919	48,522
Income tax expense – net	<u>42,878</u>	<u>171,984</u>	<u>50,788</u>	<u>206,758</u>

- (\*) Tax recoveries from reinsurers represents tax at 5% on gross premiums reimbursed from reinsurers in relation to outward reinsurance of risks.

**DARA INSURANCE PLC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025****15. INCOME TAX EXPENSE** (continued)**(d) Other tax matters**

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.

**16. RELATED PARTY TRANSACTIONS AND BALANCES****(a) Identify of related parties**

For the purpose of these financial statements, parties are considered to be related the Company if the party has ability, directly or indirectly, to exercise significant influence over the party in making financial and operating decisions.

The Company has related party relationship with substantial shareholders, related parties, associates and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain senior management members of the Company.

**(b) Balances with related parties**

	<b>2025</b>		<b>2024</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<i>Premium receivables</i>				
Affiliate companies	<u>363,566</u>	<u>1,458,990</u>	<u>372,093</u>	<u>1,497,674</u>
<i>Deferred expenses</i>				
Affiliate companies	<u>24,011</u>	<u>96,356</u>	<u>31,039</u>	<u>124,932</u>
Other deposits				
Affiliate companies	<u>30,810</u>	<u>123,641</u>	<u>2,070</u>	<u>8,332</u>
<i>Commission Payable</i>				
Affiliate companies	<u>5,271</u>	<u>21,153</u>	<u>7,009</u>	<u>28,211</u>
<i>Investment in corporate bond</i>				
Affiliate companies	<u>1,042,940</u>	<u>4,185,318</u>	<u>-</u>	<u>-</u>

The payables and receivables from related parties are unsecured, interest free, and repayable on demand.

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**16. RELATED PARTY TRANSACTIONS (continued)**

**(b) Balances with related parties (continued)**

**Lease**

The Company leases office space and space rental from related parties of the Company, see Note 7 for details.

**(c) Transactions with related parties**

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Insurance premium</i>				
Affiliate companies	<u>3,135,819</u>	<u>12,577,770</u>	<u>2,458,415</u>	<u>10,008,207</u>
<i>Claim paid</i>				
Affiliate companies	<u>800,000</u>	<u>3,208,800</u>	<u>100</u>	<u>407</u>
<i>Commission expense</i>				
Affiliate companies	<u>53,948</u>	<u>216,385</u>	<u>64,435</u>	<u>262,315</u>
<i>Investment in corporate bond</i>				
Affiliate companies	<u>1,000,000</u>	<u>4,011,000</u>	<u>-</u>	<u>-</u>
<i>Interest Income</i>				
Affiliate companies	<u>42,940</u>	<u>174,318</u>	<u>-</u>	<u>-</u>
<i>Payment of lease</i>				
Affiliate companies	<u>100,989</u>	<u>405,268</u>	<u>92,400</u>	<u>380,411</u>
<i>Remuneration of Directors and key management</i>				
	<u>189,603</u>	<u>760,498</u>	<u>169,718</u>	<u>690,922</u>

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**17. UNDERWRITING RESULTS BY SEGMENT**

**Segment information for the year ended 31 December 2025**

	Motor US\$	Fire US\$	Engineering US\$	Aviation and Marine US\$	Miscellaneous US\$	Medical US\$	Personal accident US\$	Total US\$	KHR'000
<b>Underwriting income</b>									
Gross premium income	262,840	1,587,697	447,820	653,693	944,329	2,517,924	204,298	6,618,601	26,547,209
Gross reinsurance premium	(155,763)	(1,290,260)	(408,505)	(623,291)	(727,682)	(2,453,149)	(132,893)	(5,791,543)	(23,229,879)
<b>Net premium income</b>	<b>107,077</b>	<b>297,437</b>	<b>39,315</b>	<b>30,402</b>	<b>216,647</b>	<b>64,775</b>	<b>71,405</b>	<b>827,058</b>	<b>3,317,330</b>
Change in unearned premium reserve/mathematical reserve	16,855	(523,325)	521,898	(178,357)	(29,366)	(1,365,527)	5,343	(1,552,479)	(6,226,993)
Reinsurance shares on change in unearned premium reserve/mathematical reserve	(9,605)	521,600	(486,681)	173,314	14,225	1,328,350	(3,456)	1,537,747	6,167,903
Net earned premium income	114,327	295,712	74,532	25,359	201,506	27,598	73,292	812,326	3,258,240
Reinsurance commission	46,005	168,429	139,531	49,694	166,052	139,344	37,989	747,044	2,996,393
Profit commission	19,986	54,481	8,695	597	58,338	2,049	9,669	153,815	616,952
Other insurance incomes	-	6,089	-	-	-	-	-	6,089	24,423
<b>Total revenues from insurance businesses</b>	<b>180,318</b>	<b>524,711</b>	<b>222,758</b>	<b>75,650</b>	<b>425,896</b>	<b>168,991</b>	<b>120,950</b>	<b>1,719,274</b>	<b>6,896,008</b>
<b>Underwriting expenses</b>									
Gross claims paid	(44,121)	(18,875)	(7,339)	-	(803,640)	(619,175)	(41,870)	(1,535,020)	(6,156,965)
Reinsurers' share of claims paid	26,142	11,325	4,697	-	703,212	607,277	27,216	1,379,869	5,534,655
Net claims paid	(17,979)	(7,550)	(2,642)	-	(100,428)	(11,898)	(14,654)	(155,151)	(622,310)
Gross change in insurance contract liabilities	9,163	(73,965)	33,123	(18,728)	91,866	(93,607)	3,342	(48,806)	(195,761)
Change in insurance contract liabilities to reinsurer	(5,633)	58,968	(30,032)	17,543	(83,512)	88,445	(2,449)	43,330	173,797
Net claim incurred	(14,449)	(22,547)	449	(1,185)	(92,074)	(17,060)	(13,761)	(160,627)	(644,274)
Commission expense	(31,590)	(53,550)	(5,310)	(2,121)	(9,325)	(70,606)	(3,057)	(175,559)	(704,167)
Insurance related service expenses	(14,239)	(37,813)	(6,245)	(1,109)	(27,296)	(7,051)	(9,140)	(102,893)	(412,704)
<b>Total underwriting expenses</b>	<b>(60,278)</b>	<b>(113,910)</b>	<b>(11,106)</b>	<b>(4,415)</b>	<b>(128,695)</b>	<b>(94,717)</b>	<b>(25,958)</b>	<b>(439,079)</b>	<b>(1,761,145)</b>
<b>Underwriting profit</b>	<b>120,040</b>	<b>410,801</b>	<b>211,652</b>	<b>71,235</b>	<b>297,201</b>	<b>74,274</b>	<b>94,992</b>	<b>1,280,195</b>	<b>5,134,863</b>

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**17. UNDERWRITING RESULTS BY SEGMENT (continued)**

**Segment information for the year ended 31 December 2024**

	Motor US\$	Fire US\$	Engineering US\$	Aviation and Marine US\$	Miscellaneous US\$	Medical US\$	Personal accident US\$	Total	
								US\$	KHR'000
<b>Underwriting income</b>									
Gross premium income	298,417	764,972	814,259	279,142	840,723	840,917	197,501	4,035,931	16,430,275
Gross reinsurance premium	(175,602)	(484,021)	(733,340)	(272,420)	(644,578)	(820,673)	(127,888)	(3,258,522)	(13,265,443)
<b>Net premium income</b>	<u>122,815</u>	<u>280,951</u>	<u>80,919</u>	<u>6,722</u>	<u>196,145</u>	<u>20,244</u>	<u>69,613</u>	<u>777,409</u>	<u>3,164,832</u>
Change in unearned premium reserve/mathematical reserve	77	(71,392)	523,273	30,844	1,469	(168,302)	(32,438)	283,531	1,154,255
Reinsurance shares on change in unearned premium reserve/mathematical reserve	(1,615)	18,548	(528,200)	(31,624)	(23,537)	235,546	21,515	(309,367)	(1,259,433)
Net earned premium income	<u>121,277</u>	<u>228,107</u>	<u>75,992</u>	<u>5,942</u>	<u>174,077</u>	<u>87,488</u>	<u>58,690</u>	<u>751,573</u>	<u>3,059,654</u>
Reinsurance commission	49,037	122,357	216,429	39,418	156,645	67,701	29,418	681,005	2,772,371
Profit commission	12,721	64,192	22,463	335	64,314	(90)	11,264	175,199	713,235
Other insurance incomes	-	1,208	-	-	-	-	-	1,208	4,918
<b>Total revenues from insurance businesses</b>	<u>183,035</u>	<u>415,864</u>	<u>314,884</u>	<u>45,695</u>	<u>395,036</u>	<u>155,099</u>	<u>99,372</u>	<u>1,608,985</u>	<u>6,550,178</u>
<b>Underwriting expenses</b>									
Gross claims paid	(40,239)	-	-	-	(14,393)	(502,641)	(17,586)	(574,859)	(2,340,251)
Reinsurers' share of claims paid	23,853	-	-	-	12,951	419,113	11,124	467,041	1,901,324
Net claims paid	<u>(16,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,442)</u>	<u>(83,528)</u>	<u>(6,462)</u>	<u>(107,818)</u>	<u>(438,927)</u>
Gross change in insurance contract liabilities	(26,328)	(4,509)	(8,041)	24,619	(88,745)	76,892	15,983	(10,129)	(41,235)
Change in insurance contract liabilities to reinsurer	15,466	(4,187)	6,461	(24,920)	78,605	(54,483)	(10,004)	6,938	28,245
Net claim incurred	<u>(27,248)</u>	<u>(8,696)</u>	<u>(1,580)</u>	<u>(301)</u>	<u>(11,582)</u>	<u>(61,119)</u>	<u>(483)</u>	<u>(111,009)</u>	<u>(451,917)</u>
Commission expense	(33,522)	(38,803)	(1,873)	(1,577)	(1,726)	(37,609)	(865)	(115,975)	(472,134)
Insurance related service expenses	(18,758)	(40,496)	(12,078)	(542)	(29,158)	(6,494)	(9,940)	(117,466)	(478,204)
<b>Total underwriting expenses</b>	<u>(79,528)</u>	<u>(87,995)</u>	<u>(15,531)</u>	<u>(2,420)</u>	<u>(42,466)</u>	<u>(105,222)</u>	<u>(11,288)</u>	<u>(344,450)</u>	<u>(1,402,255)</u>
<b>Underwriting profit</b>	<u>103,507</u>	<u>327,869</u>	<u>299,353</u>	<u>43,275</u>	<u>352,570</u>	<u>49,877</u>	<u>88,084</u>	<u>1,264,535</u>	<u>5,147,923</u>

## **DARA INSURANCE PLC.**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **18. CAPITAL MANAGEMENT**

The primary objectives of the Company's capital management are to ensure that it has appropriate financial resources to continue its business as a going concern and to maintain capital requirement in accordance with Prakas on Solvency margin of insurance companies issued by Insurance Regulator of Cambodia dated 14 December 2022.

All insurers are required to maintain the Solvency margin of at least minimum level of 120% as required by Insurance Regulator of Cambodia.

It is the Company's policy to hold adequate and appropriate capital levels according to Prakas on Solvency margin.

#### **Solvency Margin**

According to Article 3 of the Prakas on Solvency margin of insurance companies issued by IRC dated 14 December 2022, the minimum share capital for general insurance company is required at 5 million SDR (equivalent to US\$7million) accordance with the exchange rate on the license date.

This minimum share capital shall be determined as follows:

1. 10% of minimum share capital is statutory deposit in the bank account of IRC;
2. 50% of minimum share capital is cash on demand maintained in local banks by not exceeding 30% of total cash in each bank; and
3. 40% minimum share capital is fixed assets used by the company and must seek prior approval from IRC or is cash.

The article 3 of the Prakas stated that the Company must maintain solvency margin not less than 120% during the business operation.

According to Article 5 of the above Prakas, net assets of the insurance companies are calculated by taking the total assets of the company minus the total liabilities of the company and subtracting some of the following assets:

- Account receivable over 180 days;
- Advance and prepayment;
- Loans to stakeholders;
- Deferred cost;
- Evaluation surplus;
- Intangible assets as defined in the CIAS 38 and the CIFRS 3; and
- Encumbered assets.

The Company has been complied with this regulation since the issuance of the regulation.

**DARA INSURANCE PLC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025****18. CAPITAL MANAGEMENT (continued)****Solvency Margin (continued)**

The Company solvency margin status is as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Total assets	17,431,308	69,951,839	12,941,950	52,091,348
Total inadmissible assets	(1,827,806)	(7,334,985)	(1,384,672)	(5,573,305)
Total liabilities	(8,774,064)	(35,210,319)	(4,543,592)	(18,287,957)
Net assets	<u>6,829,438</u>	<u>27,406,535</u>	<u>7,013,686</u>	<u>28,230,086</u>
Required solvency for General Insurance	<u>3,500,000</u>	<u>14,045,500</u>	<u>3,500,000</u>	<u>14,087,500</u>
Solvency Margin as at 31 December (%)	<u>195%</u>	<u>195%</u>	<u>200%</u>	<u>200%</u>

**19. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT****(a) Accounting classification and fair values**

The Company does not have any financial instruments measured at fair value. For financial instruments not measured at fair value, the Company has not disclosed the fair value information for the financial assets and financial liabilities because their carrying amounts are a reasonable approximation of the fair value.

**(b) Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

**DARA INSURANCE PLC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025****19. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)****(b) Financial risk management (continued)****(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount			
	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Insurance receivables	2,224,961	8,928,768	796,341	27,075,411
Other receivables	34,409	138,083	69,550	279,939
Other investment	8,044,338	32,281,928	7,526,664	30,294,823
Cash at banks	1,863,551	7,478,430	898,525	3,616,563
	<u>12,167,259</u>	<u>48,827,209</u>	<u>9,291,080</u>	<u>61,266,736</u>

**Insurance and other receivables**

As of 31 December 2025, there were no allowance for impairment losses of premium receivable recognised as the management in a view that there are no losses indication as at the reporting date.

**Cash in banks and accrual interest receivable**

Cash is deposited with various licensed commercial banks incorporated in Cambodia. Management does not foresee any significant credit risk from cash in banks and does not expect that the banks may default and cause losses to the Company.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

**DARA INSURANCE PLC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**19. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**

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

**(ii) Liquidity risk (continued)**

**Exposure to liquidity risk**

The following are the remaining contractual maturities of the non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	<b>Carrying Amount US\$</b>	<b>Contractual cash flow US\$</b>	<b>less than 6 months US\$</b>	<b>6 to 12 months US\$</b>	<b>More than 1 year US\$</b>
<b>2025</b>					
Lease liabilities	561,040	778,000	45,000	63,000	670,000
Insurance contract liabilities	4,324,045	4,324,045	824,389	3,397,762	101,894
Insurance payables	3,566,264	3,566,264	3,566,264	-	-
Other payables	236,264	236,264	236,264	-	-
	<u>8,687,613</u>	<u>8,904,573</u>	<u>4,671,917</u>	<u>3,460,762</u>	<u>771,894</u>
In KHR'000 equivalents	<u>34,863,391</u>	<u>35,734,051</u>	<u>18,748,403</u>	<u>13,888,038</u>	<u>3,097,611</u>
<b>2024</b>					
Lease liabilities	540,434	798,000	35,000	49,000	714,000
Insurance contract liabilities	2,722,760	2,722,760	1,198,851	1,400,464	123,445
Insurance payables	1,135,840	1,135,840	878,039	227,254	30,547
Other payables	94,654	94,654	94,654	-	-
	<u>4,493,688</u>	<u>4,751,254</u>	<u>2,206,544</u>	<u>1,676,718</u>	<u>867,992</u>
In KHR'000 equivalents	<u>18,087,094</u>	<u>19,123,797</u>	<u>8,881,340</u>	<u>6,748,790</u>	<u>3,493,668</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

The Company does not have significant exposure to foreign currency risk as most transactions of the Company are carried out in US\$, the functional currency of the Company.

**Interest rate risk**

*Exposure to interest rate risk*

Interest-bearing financial assets include cash in banks, placement with banks with maturities of less than 3 months and other investment. The interest rates and deposit terms are disclosed in Note 9. Interest-bearing financial liabilities included lease which is disclosed in Note 7(b).

**19. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**

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

**(iii) Market risk (continued)**

**Interest rate risk (continued)**

*Fair value sensitivity analysis for fixed-rate instruments*

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(c) 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:

**(i) 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 behaviour. On the assumption that policyholders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. The Company has factored the impact of policyholders' behaviour into the assumptions used to measure insurance contract liabilities.

**(ii) Management of insurance risk – underwriting 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 2 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.

**19. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)**

**(c) Insurance risk (continued)**

**(ii) Management of insurance risk – underwriting and reinsurance strategy (continued)**

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.

# Most

— Trusted Partner

## FOR MORE INFORMATION

 +855 23 901 353

   Dara Insurance

 [enquiries@darainsurance.com.kh](mailto:enquiries@darainsurance.com.kh)

### **Cambodia Post Bank Building**

7th-8th Floor of Building No.263,  
Corner of Street 110 (Preah Ang Dourng)  
and Street 61 (Basac) Sangkat Wat Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia.