

Forte
Life Assurance

**Be Bold
Be Difference**

20

Forte Life Assurance (Cambodia) Plc.

ANNUAL REPORT

For the Financial Statement 2025

25

Table of Contents

1-5 | Overview & Leadership

- 1 Forte Life Assurance at a Glance
- 2 Chairman Message
- 3 CEO Message
- 4 Financial Highlights
- 5 About Forte Life Assurance

7-17 | Market Presence & Operations

- 7 Awards & Recognition
- 8 Insurance Products
- 9 Partnerships & Distribution Channels
- 10 Customers
- 11 Branch Network
- 12 Code of Conduct
- 13 Corporate Social Responsibility
- 17 ESG Framework & Commitments

19-30 | Governance & Committee Reports

- 19 Company Structure
- 25 Management Profiles
- 29 Audit Committee Report
- 30 Investment Committee Report
- 31 Corporate Governance Report

32-38 | Financial Disclosures & Risk Management

- 32 Capital & Solvency
- 33 Investment Disclosure
- 34 Insurance Technical Reserves
- 36 Business Operating Results
- 38 Reinsurance
- 39 Risk Management
- 40 Audited Financial Statements

Forte Life Assurance at a Glance

As part of Forte, Cambodia's insurance icon, Forte Life Assurance reached an important milestone in 2025 by achieving its first annual profit since inception.

Forte's journey in life protection began with microinsurance in 2016 and expanded into full life insurance in 2019. Building on one of Cambodia's longest-standing insurance legacies, Forte believes that affordable and accessible life insurance plays a vital role in helping Cambodian families protect their assets, savings, livelihoods, and future—while supporting long-term financial resilience, wealth accumulation, and national progress.

As Cambodia continues to progress, this journey of protection is more than a financial service. It is a dignified commitment to help families build confidence, preserve what they have worked for, and plan for a stronger future.

2025 Key Highlights



Lives Protected
~700,000+



Market Share by
Lives Protected
~50%



Gross Premium
USD 5.3 million



First Ever Profit
USD 125,491



Solvency Ratio
192%

The Company's 2025 performance was supported by growth in protection-based products, strong partnership distribution, improved operating discipline, favorable claim ratio and a healthy solvency position.

Mr. Charles Cheo

Chairman

Forte Life Assurance



Chairman Message

“

Forte is proud to be one of Cambodia’s leading home-grown insurance groups, built on a long-standing commitment to protecting Cambodian families, businesses, and communities. With more than one million lives protected across Forte, including approximately **700,000 lives** protected by Forte Life Assurance, we continue to play an important role in strengthening Cambodia’s financial resilience, supporting the country’s growth journey, and expanding access to meaningful insurance protection.

”

This progress reflects the strength of Forte Group’s integrated platform, the trust of our customers, the support of our partners, and the commitment and professionalism of our employees. Through the combined capabilities of Forte’s general insurance and life insurance businesses, we are well positioned to serve Cambodia’s evolving protection needs and deliver greater value to customers, partners, and communities.

Looking ahead, we will continue to be a trusted growth partner for Cambodia by investing in digital transformation, advancing financial inclusion, protecting families and businesses against financial risks, supporting long-term savings and resilience, contributing to the ESG agenda, and serving the evolving protection needs of Cambodia’s growing middle class.

On behalf of the Board, I would like to thank our customers for their continued trust, our partners for their collaboration, our employees for their commitment, and our shareholders for their continued support. Together, we will continue to build a stronger, more inclusive, and more resilient insurance sector for Cambodia.

A handwritten signature in blue ink, appearing to read 'Charles Cheo'. The signature is fluid and cursive, written over a white background.

Yours faithfully,
Charles Cheo
Chairman

Mr. Prou Sythan

Chief Executive Officer
Forte Life Assurance



CEO Message



Forte Life Assurance enters a new chapter with confidence, resilience, and a clearer path toward sustainable growth. In 2025, the Company reached a historic milestone by recording its first annual profit since inception, while expanding protection for Cambodian families, employees, borrowers, depositors, SMEs, and communities. ”

This achievement reflects the strength of our strategy, the trust of our customers and partners, the synergy across Forte Group, and the professionalism of our people. Since 2023, we have reinforced the Company’s fundamentals through focused distribution, portfolio repositioning, disciplined expense management, better governance, and operational resilience—building a more efficient and future-ready life insurer.

Beyond profitability, 2025 delivered double-digit year-on-year growth in gross premium and lives protected, supported by new partnerships and emerging opportunities. These results position Forte Life for responsible long-term growth and reflect our continued progress as a stronger, more innovative company.

Our purpose remains deeply human. Every policy represents more than financial protection. It represents assurance, hope, dignity, and the confidence for Cambodian families to plan for the future. We are

grateful to our customers, partners, and employees for their trust, collaboration, and commitment throughout the year.

As Cambodia continues to grow, Forte Life remains committed to expanding meaningful insurance protection and contributing to the country’s long-term financial security. Looking ahead, we will continue building Forte Life into a household name in insurance and a national icon of trust, protection, and progress—serving customers with care, supporting partners with value, empowering our people with purpose, and helping Cambodian families protect their future with confidence.

Yours faithfully,
Prou Sythan
Chief Executive Officer

Financial Highlights

The 2025 financial results reflect a stronger and more disciplined operating platform, supported by prudent underwriting, an expanding customer base, a more diversified business portfolio, improved retention management, smarter expense control, and continued investment in distribution capabilities and digital infrastructure.

Key Performance Indicator	2023 (USD)	2024 (USD)	2025 (USD)
Gross Premiums	5,413,938	4,725,240	5,313,510
Net Premiums	4,025,049	3,692,622	5,010,740
Net Claims	1,711,882	1,531,732	2,278,888
Investment and Other Incomes	494,266	541,573	441,470
Profit/(Loss) Before Income Tax	(1,182,850)	1,225	183,613
Net Profit/(Loss) for the Year	(1,241,839)	(50,926)	125,491
Total Assets	13,606,569	13,119,755	12,296,676
Shareholders' Equity	7,209,340	7,158,414	7,283,905
Loss Ratio	43.5%	36.3%	49.4%
Expense Ratio	67%	52.1%	39.7%
Combined Ratio	142.6%	112.8%	105.5%
Return on Equity (ROE)	-17.2%	-0.7%	1.7%
Return on Assets (ROA)	-9.1%	-0.3%	1.0%

The Company recorded steady improvement in term of bottom line three years consecutively from 2023. In 2025, it's the first year of its operation the Company turned profitable with amount of **USD 125,491**. Gross premiums increased by **12%** compared to prior year 2024.

Profit before tax demonstrated resilience despite market challenges. The combined ratio improved to **105.5%** from **112.8%** and remained within acceptable thresholds, indicating continued underwriting discipline, claims management and expense optimization.

The Company still maintained a healthy financial position, with total assets **USD 12.3 million** and shareholders' equity **USD 7.3 million** as at 31 December 2025.

ROE and ROA improved to **1.7%** from **-0.7%** and to **1.0%** from **-0.3%** respectively, indicating the Company is starting to generate profit from its shareholders' fund and the assets.



About Forte Life Assurance

Forte Life Assurance (Cambodia) Plc. (“Forte Life”) is a specialized life insurance subsidiary of Forte, one of Cambodia’s leading insurance groups. Forte began its life protection journey through microinsurance in 2016 and established Forte Life as a dedicated life insurance company in 2019.

In 2025, Forte Life is one of Cambodia’s leading life insurers by number of lives protected, covering approximately **700,000 people** across the Kingdom. Through practical and accessible products, the Company helps Cambodian families, employees, borrowers, depositors, and communities protect their progress and plan for the future with greater confidence. Forte Life’s market position is supported by one of the largest shares of insured lives, meaningful claim benefit payouts, and significant sum assured, reflecting its contribution to Cambodia’s financial protection landscape. The Company’s focus remains clear: to deliver relevant protection that strengthens household resilience and supports the country’s broader financial development.

In 2025, following strategic adjustments to its distribution model and portfolio mix, Forte Life achieved its first annual profit after tax since inception while maintaining growth in premiums and lives protected. This milestone reflects stronger governance, improved operational resilience, disciplined execution, and a more sustainable operating model.

Beyond its business performance, Forte Life contributes actively to the development of insurance,

savings, retirement, and the broader financial sector in Cambodia and the region. Through industry dialogue, regulatory engagement, public education, regional forums, and thought leadership, the Company supports financial inclusion, private protection, long-term savings, retirement readiness, and greater financial resilience.

Forte Life’s Cambodia 2035 vision is to expand meaningful insurance protection, support customers in their journey towards greater financial dignity, close the financial awareness gap, and strengthen financial resilience across the Kingdom. To Forte Life, every policy represents more than protection. It represents hope, dignity, resilience, and the confidence for Cambodian families to build a stronger future.

The Company reaches customers through the trust and reach of its bancassurance partners and broader distribution network, including banks, microfinance and leasing institutions, corporate clients, brokers, affinity groups, and strategic partners. This model enables Forte Life to make insurance more accessible, affordable, and relevant to the evolving needs of Cambodia’s people and economy.

Forte Life’s progress has also been recognized internationally, including through nomination for the **Qorus Reinvented Distribution Award** and recognition by the International Finance Awards as **Cambodia’s Fastest Growing Life Insurance Company** and **Most Innovative Corporate Life Insurance Provider**.



Our vision

Our vision is to protect and empower everyone in the region for a better future – one person, one business at a time.



Our mission

Our mission is to provide innovative customer-focused products and services, build capacity in people, and contribute to the progress of the insurance industry in markets we operate in.



Our values

Our values reflect what Forte stands for:

- F** Forward-thinking
- O** Open
- R** Responsible
- T** Trustworthy
- E** Empowering



Awards & Recognition



National Rating: AA+ (KH)
International Rating: B+ (2024–2026)

GCR Ratings (A subsidiary of Moody's)

Sustained for **three consecutive years**, affirming the Company's financial resilience and readiness to protect customers.



Executive of the Year (2024)

Asian Management Excellence Awards

Honors **Mr. Youk Chamroeunrith** for **30+ years** of innovation and customer-centric leadership.



Fastest Growing & Most Innovative Life Insurer (2024)

International Finance Awards

Confers two prestigious accolades—Cambodia's Fastest Growing Life Insurance Company and Most Innovative Corporate Life Insurance Provider—reflecting a strong growth trajectory, commitment to innovation, and a continuous focus on delivering meaningful protection solutions nationwide.



International Professional Partner (2025)

Chartered Insurance Institute (CII)

Reaffirms a deep commitment to global industry standards, professional staff development, and long-term sector leadership.

Insurance Products and Services

Securing your future—protecting lives, supporting dreams, and building lasting financial confidence.

Our life insurance solutions are designed to provide long-term protection and financial security for individuals, families, and communities.

Products:

- Group Term Life
- Micro Life
- Group Credit Life
- Group Loan Protection
- Forte Life Flexi
- Forte Life Flexi Plus
- Forte Life Protection
- Forte Life Education
- Comprehensive Group Care Insurance
- Group Accidental Medical Expense
- Health and Accident
- Forte Life Protect Plus
- Critical Illness Plus
- Group Critical Illness
- Group MedPro
- Group MedPro Plus





Partnerships & Distribution Channels

The Company continues to expand its distribution capabilities through a focused and strategic partnership model, ensuring that life protection solutions reach customers across all segments of society.

Our distribution strategy is centered on building strong alliances with banking partners, microfinance institutions (MFIs), corporate organizations, and affinity groups, enabling us to deliver life insurance as an integral part of financial planning and community protection.

Bancassurance remains a key growth engine, allowing us to provide customers with convenient access to life insurance products through trusted financial institutions. Currently, the Company collaborates closely with seven partners to extend its service coverage. This channel plays a critical role in increasing awareness and accessibility, making protection more inclusive and readily available.

In parallel, the Company has strengthened its presence in the group life and corporate segment, working closely with organizations to provide

employee protection solutions that enhance financial security and well-being. Our affinity partnerships further extend our reach into communities, offering tailored solutions to specific groups and associations.

Collaboration with MFIs and lending institutions also enables us to support financial inclusion by integrating life protection into loan products, helping customers safeguard their financial commitments and their families' futures.

Guided by a customer-centric approach, the Company continues to enhance its distribution channels through digital enablement and service innovation, ensuring a seamless experience from policy purchase to claims support.

Through these partnerships, the Company is not only expanding its market presence but also fulfilling its purpose of making life insurance more accessible, relevant, and impactful for the people of Cambodia.

Customers

Forte Life aims to become Cambodia’s household name in life insurance—supporting people, families, businesses, and communities as they build wealth, safeguard assets, protect livelihoods, and plan for the future.

Behind every policy is a human story: a family’s security, a borrower’s peace of mind, an employee’s protection, a business owner’s confidence, or a child’s future. This is why our purpose is not only to provide insurance, but to stand beside customers through life’s most important and challenging moments.

Through partnerships with banks, microfinance institutions, corporate clients, and affinity groups, we make life protection more accessible across Cambodia, including for underserved communities. Today, Forte Life protects approximately **700,000 lives**, serving borrowers, depositors, salaried employees, corporate clients, SMEs, families, and affinity members such as schools.

In 2025, the Company paid approximately **USD 1.6 million** in claims, with an average of **12 claim cases** processed daily. Each claim represents practical support when families need it most—helping them manage uncertainty with greater confidence, dignity, and peace of mind.

We continue to deepen customer relationships through relevant solutions, simplified processes, and responsive service. As Cambodia progresses, Forte Life remains committed to expanding access to meaningful life protection and empowering more Cambodians to secure their future and live with confidence.



Network

Through Forte Insurance's nationwide network of branches and service points, Forte Life customers can access support across Cambodia.





Code of Conduct

The Company has adopted and implemented a comprehensive Code of Conduct (the “Code”), which applies to all members of the Board, Senior Management, and employees of the Company. The Code is designed to ensure compliance with applicable laws and regulations, including those issued by the IRC, and to promote ethical and professional conduct across all levels of the organization.

The Code establishes fundamental principles requiring all personnel to act with integrity and honesty, exercise due care and diligence, and uphold the reputation of the Company. It further requires compliance with all applicable legal and regulatory obligations, as well as adherence to internal policies and procedures.

The Code addresses key areas of conduct, including the proper management of conflicts of interest, whereby all individuals are required to avoid situations where personal interests may conflict with those of the Company and to disclose any actual or potential conflicts in accordance with internal policies. It also imposes strict obligations relating to confidentiality and data protection, ensuring that all non-public information relating to the Company, its policyholders, and business partners is safeguarded and used solely for legitimate business purposes.

In accordance with regulatory expectations on market conduct, the Company is committed to the fair treatment of policyholders, including providing clear and accurate information on insurance

products, handling claims in a timely and equitable manner, and maintaining high standards of service. The Code further incorporates requirements relating to anti-money laundering and combating the financing of terrorism (AML/CFT), consistent with Cambodian laws and IRC regulations, including customer due diligence, ongoing monitoring, and reporting of suspicious transactions.

The Company adopts a zero-tolerance approach to bribery and corruption. All Directors, management, and employees are prohibited from offering, soliciting, or accepting any form of improper advantage. Policies governing gifts and hospitality are in place to ensure that such practices are reasonable, transparent, and do not influence business decisions.

In addition, the Company has established a whistleblowing mechanism that enables employees and relevant stakeholders to report, in good faith, any suspected misconduct or violations of the Code in a confidential manner, without fear of retaliation. Appropriate procedures are in place to ensure that such reports are properly investigated and addressed.

The Company provides ongoing training and awareness programs to ensure that all personnel understand their obligations under the Code and applicable regulations. Any breach of the Code may result in disciplinary action in accordance with internal policies and applicable laws.

Corporate Social Responsibility (CSR)

At Forte Life, we believe meaningful protection extends beyond insurance policies to creating positive and lasting impact within communities.

ASEAN Insurance Leader: Angkor Golf for Hope

In 2025, the Company proudly participated in the “ASEAN Insurance Leader: Angkor Golf for Hope” charity initiative in Siem Reap, supporting charitable causes while strengthening collaboration across the regional insurance industry.



Basics of Actuarial Science: Growth Opportunities and Importance in Insurance

As part of our commitment to education and future talent development, the Company collaborated with the Royal University of Phnom Penh and the National University of Battambang to organize actuarial science and insurance seminars for university students.



Community Support Initiative for displaced families

The Company also extended humanitarian assistance by contributing food supplies valued at approximately **USD 10,000** to displaced families in Cambodia's border provinces. This relief initiative was channeled through the Insurance Regulator of Cambodia (IRC), the Ministry of Education, Youth and Sport (MoEYS), and the Samdech Techo Voluntary Youth Doctor Association (TYDA).



Building Brighter Futures: Partnering with World Vision for New Classrooms in Takeo

The Company also supported the construction of new classrooms and educational facilities for a primary school in Takeo province, helping create better learning opportunities for local communities. This project was successfully implemented through the dedicated administrative management and coordination of World Vision.



Driving Sustainable Impact: Collaborating with World Vision, Plan International, and WCS

The Company actively supports Environmental, Social, and Governance (ESG) initiatives in Cambodia by collaborating with well-known organizations such as World Vision, Plan International, and WCS. Through these strategic partnerships and a shared purpose, we aim to deliver long-term benefits to our customers by enhancing financial literacy and awareness across communities.



Keeping Our Promise in Difficult Times: Group Life Claim Paid to Family of National Footballer Tes Sambath

In addition, the Company provided meaningful claim support to the family of former Cambodian national football player Tes Sambath through a group life insurance policy with Visakha FC, reflecting the true value of financial protection during life's most difficult moments.



USD 1.6 Million in Claims Settled Across 4,500 Cambodian Families

In 2025, the Company paid approximately **USD 1.6 million** in claims to approximately **4,500 families**, continuing our commitment to protecting Cambodian families with care, dignity, and confidence.





ESG Framework & Commitments

Sustainable Governance

The Company integrates environmental, social and governance (“ESG”) considerations into its governance, operational and risk management processes as part of its commitment to responsible and sustainable business practices.

The Board of Directors and management oversee ESG-related matters through the Company’s broader governance and Risk Management Framework, including operational ESG risks, sustainability initiatives and regulatory compliance. ESG practices are aligned with Group-level governance standards and sustainability objectives.

Environmental Responsibility

The Company continues to implement environmentally responsible operational practices aimed at reducing resource consumption and strengthening sustainability awareness among employees.

Key initiatives during the reporting year included:

- Reduction in paper consumption through increased digitization;
- Elimination of single-use plastic bottles across offices;
- Monitoring of operational carbon emissions associated with electricity usage, transportation and business travel; and
- Employee environmental awareness and sustainability engagement programs.

As part of the Group-wide ESG monitoring program, the Group recorded a 6.9% reduction in total carbon footprint during 2025 compared to the prior year, while overall paper usage decreased by 20.9%. The Company contributed to these improvements through operational efficiency initiatives and increased adoption of digital workflows, including a 42.7% reduction in Scope 2 emissions during the reporting period.

Social Responsibility

The Company plays an important role in supporting financial inclusion and financial resilience across Cambodia by providing accessible and affordable life protection solutions to individuals, employees and families.

Through strategic partnerships and distribution channels, the Company continues to broaden access to insurance protection across a wide segment of the Cambodian population, including customer groups that may traditionally have limited access to formal insurance coverage.

The Company is one of the leading local providers of life protection coverage in Cambodia and currently protects the largest number of insured lives in the Cambodian life insurance market. The Company believes that broadening access to insurance protection contributes positively to financial resilience, economic stability and social resilience across local communities.

During the reporting year, the Company continued to promote a responsible and inclusive workplace culture through employee engagement, awareness programs and professional development initiatives. Participation rates in environmental awareness initiatives for reached 78% during the reporting year. The Company also maintains policies and practices relating to employee welfare, ethical conduct, anti-bribery and anti-corruption standards, grievance handling and fair workplace practices.

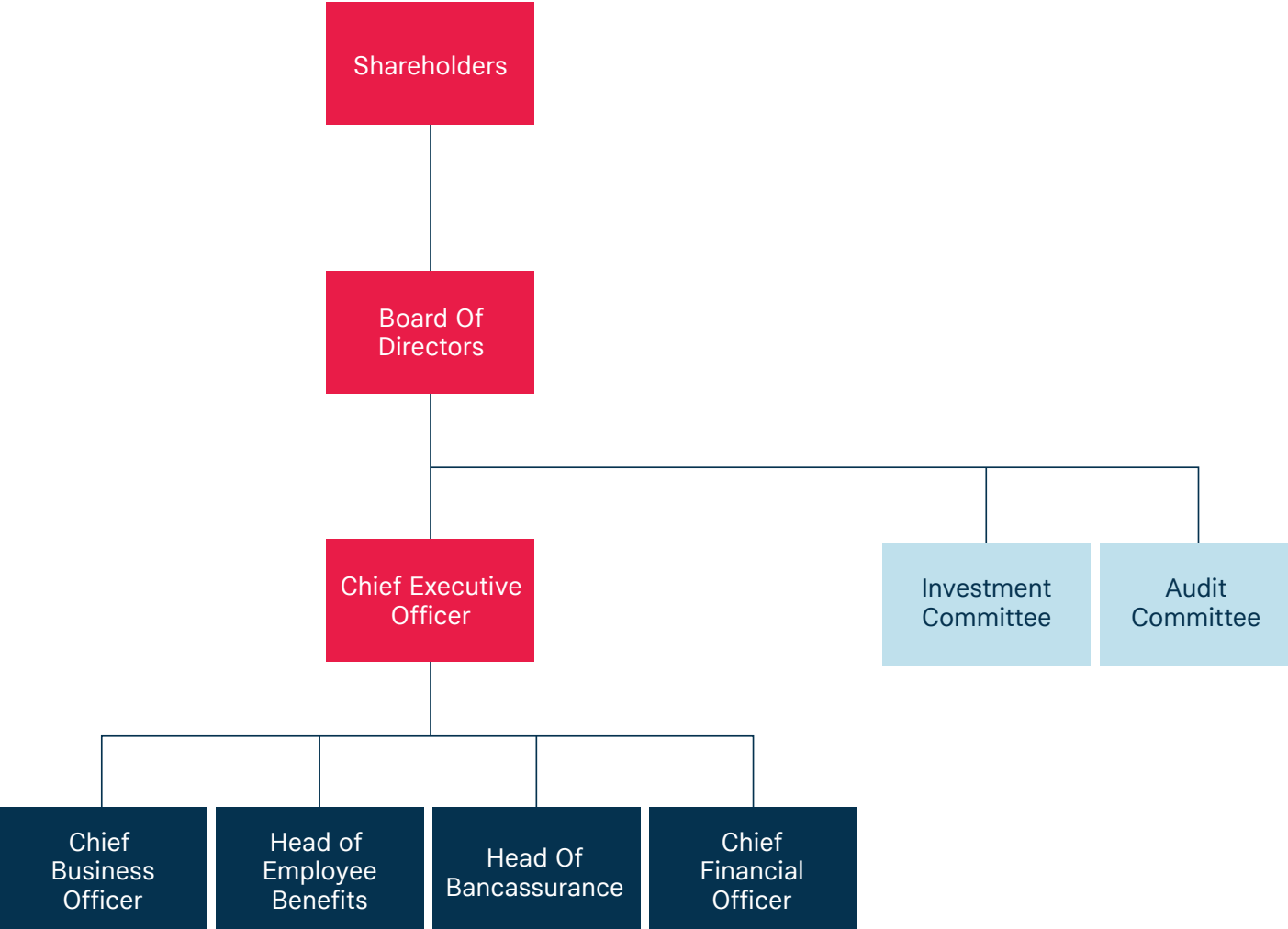
Governance and Risk Oversight

The Company maintains governance and risk management frameworks designed to support prudent management, accountability, transparency and regulatory compliance.

The Board and management oversee ESG-related risks as part of the Company's broader Risk Management Framework. ESG-related governance standards and policies are periodically reviewed to ensure alignment with regulatory expectations, stakeholder interests and evolving industry practices.

The Company remains committed to maintaining sound governance practices and responsible business operations while supporting long-term policyholder protection and operational resilience.

Company Structure



Board of Directors



Mr. Charles Cheo, Chairman

Chairman of the Board

Mr. Charles Cheo is Chairman of Forte Life Assurance. A member of the founding family that established Forte in Cambodia in 1999, he has spent more than two decades helping shape both the company and the broader insurance industry in Cambodia. Having served across multiple leadership positions, including most recently as Group CEO, Charles was instrumental in building Forte into the largest insurance company in Cambodia. Under his leadership, Forte became recognized for its strong professional ethos, commitment to talent development, and contributions to the advancement of the local insurance sector.

Charles holds a BSc from the Boston University School of Communications and is a member of the Chartered Insurance Institute (CII), United Kingdom, having attained the Advanced Diploma in Insurance (ACII).

Mr. Ngeth Chou, Independent Director

Chair of the Investment Committee

Mr. Ngeth Chou is Chair of the Investment Committee and a seasoned financial services and consulting professional with over 15 years of experience in strategy, research, business development, and financial inclusion in Cambodia. He brings strong expertise in investment planning, market analysis, and institutional growth, supporting effective investment oversight.



He currently serves as Senior Consultant at Emerging Markets Consulting (EMC), advising companies, financial institutions, and development organizations on strategy, feasibility studies, and product development. Previously, he was General Manager of Prevoir Kampuchea Micro-Life Insurance and led Product Development at AMK Microfinance Institution.

Ngeth Chou has worked extensively with USAID, UNDP, and the World Bank. He holds an MBA from the National University of Management and completed executive education at Harvard University.



Mr. Prou Sythan, Director
Member of the Investment Committee

Mr. Prou Sythan is a member of the Investment Committee and Chief Executive Officer of Forte Life Assurance. Since 2012, he has played a pioneering role in Cambodia's life insurance industry, contributing to its first international insurer and major bancassurance partnerships. Appointed CEO in 2023, he is leading Forte Life's transformation into a sustainable, customer-focused insurer, accelerating growth and financial inclusion.

Sythan regularly contributes to leading regional and international platforms like OECD-ADBI, Qorus, and EAIC, sharing practical insights on insurance development and governance.

Sythan holds two master's degrees from King's College London and Yokohama National University, and completed executive education at Ivey and Melbourne Business Schools. His leadership earned him Asia Insurance Review's Young Leader of the Year, Asian Legal Business 40 Under 40, and the Medal of National Merit of Cambodia.

Mr. Mao Savin, Director
Member of the Investment Committee



Mr. Mao Savin is a member of the Investment Committee with over 20 years of experience in private equity, investment management, and corporate governance across Southeast Asia. As Chief Investment Officer of Emerging Markets Investment Advisers (EMIA), he leads investment strategy, portfolio management, and ESG initiatives, while serving on key management and investment committees.

A founding member of EMIA, Savin has extensive experience across the full investment lifecycle, including origination, due diligence, structuring, execution, and value creation, with investments spanning financial services, insurance, healthcare, logistics, and agribusiness.

Savin is also an active board director and advisor, known for driving strategic growth, strengthening governance, and leading business transformation. He holds an MBA from NUS Business School, advanced finance qualifications, and has completed executive programs at Oxford and Fudan University.



Mr. Chum Socheat, Independent Director

Chair of the Audit Committee

Mr. Chum Socheat is Chair of the Audit Committee and a seasoned professional with over 20 years of experience in taxation, auditing, financial reporting, and advisory services. He brings strong expertise in legal, compliance, tax, and audit oversight, supporting robust governance and regulatory compliance.

He currently serves as Tax Manager at Rajah & Tann Sok & Heng Law Office, advising local and international clients on

tax planning, compliance, and regulatory matters. Prior to this, he built an extensive career at KPMG in Cambodia and the United States, progressing to Audit Manager and later serving in New York, gaining international audit and advisory experience. He began his career at ACLEDA Bank.

Socheat is a Certified Public Accountant (CPA) with degrees in Accounting and English, and holds professional memberships with recognized accounting bodies.

Mr. Suon Pisey, Director

Member of the Audit Committee

Mr. Suon Pisey is a member of the Audit Committee and a strong board-level leader with over 16 years of experience in banking and microfinance. He brings deep expertise in financial services, credit risk management, business strategy, and operational oversight, supporting effective governance and sound financial control.

He currently serves as Chief Business Officer at AMK Microfinance Institution Plc., where he leads business strategy, credit operations, and growth initiatives to enhance performance and competitiveness. Previously, he was Head of Credit Business, overseeing portfolio management and contributing to operational excellence.

Pisey has strong capabilities in strategic planning, banking operations, and financial services development. He holds a Master of Business Administration (MBA) in Finance from the Royal University of Law and Economics.





Mr. Robert Trieu, Independent Director

Member of the Audit Committee

Mr. Robert Trieu is a member of the Audit Committee and a distinguished insurance executive with over 35 years of leadership experience across Asia and North America. He brings strong expertise in audit oversight, insurance operations, distribution strategy, and business transformation.

He has held senior roles with leading insurers including Manulife, RBC Insurance, and MetLife. Most recently, he

served as Chief Agency Officer at Manulife Vietnam, leading one of the country's largest agency networks and strengthening sales performance and customer engagement. He also held leadership positions in China and Taiwan, driving regional growth and operations.

Robert is recognized for building high-performing teams and delivering sustainable growth. He holds an MBA from the University of South Australia.

Ms. Haiming Zhao (Hazel), Director



Ms. Hazel Zhao is a member of the Board. She currently serves as Chief Overseas Business Officer, leading Forte's international business development and strategic regional expansion. She brings over 35 years of extensive experience across the general and life insurance sectors, as well as the import-export industry, spanning both Cambodia and China.

Since joining Forte in 2003, Hazel has held senior leadership roles and made significant contributions to the diversification of the commercial portfolio, while driving cross-border initiatives. Recognized for her pragmatic, relationship-focused leadership style, she excels in cultivating strategic partnerships that support sustainable growth.

Hazel holds the Chartered Insurer designation and an Advanced Diploma in Insurance (ACII) from the UK, along with an Associate of the Malaysian Insurance Institute (AMII) qualification and diplomas from China.



Mr. Lee Foo Yeun (Alex), Director

Mr. Alex Lee is a member of the Board, he brings over 30 years of leadership experience across insurance, wealth management, banking, and financial planning in Southeast Asia. He has strong expertise in investment strategy, insurance operations, wealth management, and distribution, supporting sound investment decisions and sustainable growth.

He is currently Chief Executive Officer of the Financial Planning Association of Malaysia (FPAM), advancing industry standards and professional practices. His career includes senior roles at Forte Life Assurance, Manulife, AIA, Standard Chartered Bank, and OCBC. He also served at InvestKL, helping attract multinational investments into Malaysia.

Alex holds a Bachelor of Arts in Economics and professional qualifications including ChFC, CFP, RFP, and ACII. He is recognized for leadership, strategic vision, and commitment to excellence across financial services sectors.

Management Profiles



Management Profiles



Mr. Prou Sythan

Chief Executive Officer

Mr. Prou Sythan is Chief Executive Officer of Forte Life Assurance, one of Cambodia's leading life insurers, and is a recognized leader in Asia's insurance sector. His career reflects a distinctive journey across public service, law, distribution, and executive leadership—shaped by resilience, adaptability, continuous learning, and a strong commitment to expanding financial protection in Cambodia and the region.

Since 2012, he has played a pioneering role in Cambodia's life insurance industry, contributing to the launch of the country's first international life insurer, the development of major bancassurance partnerships, and the creation of new distribution models. Appointed CEO of Forte Life in 2023, he is leading the Company's transformation into a sustainable, customer-focused life insurer, accelerating growth and advancing financial inclusion through innovative products and strategic partnerships.

Beyond his executive role, Sythan regularly speaks, writes, and contributes to leading international and regional platforms, including OECD-ADBI, Qorus, the East Asian Insurance Congress, LAWASIA, Insurance Asia, and the International Bar Association. Through these engagements and advisory roles, he shares practical perspectives on insurance development, financial inclusion, distribution innovation, governance, and emerging-market growth.

He holds two master's degrees in international business and financial law from King's College London and Yokohama National University, where he has also been featured in alumni publications. He has completed executive education at Ivey Business School and Melbourne Business School. His leadership has been recognized through several honors, including Asia Insurance Review's Young Leader of the Year, Asian Legal Business 40 Under 40, and the Medal of National Merit of the Kingdom of Cambodia.



Mr. Hong Bunhour

Chief Financial Officer

Mr. Hong Bunhour is the Chief Financial Officer, bringing over 20 years of experience in the insurance industry. He plays a central role in driving operational integration and financial discipline across the organization.

A transformational and execution-focused leader, Bunhour has built a strong track record since joining Forte in 2006. He progressed through key leadership roles and was instrumental in establishing Forte Micro Insurance, as well as its successful transformation into Forte Life Assurance in 2019.

Bunhour holds an MBA from Norton University, a Bachelor's degree in Accounting from the National University of Management, and diplomas in Cambodian Business Law and Tax from CamEd Business School. He is currently pursuing an ACCA qualification.



Mr. Lim Lyhour

Chief Business Officer, Affinity & MFIs

Mr. Lim Lyhour is the Chief Business Officer for Affinity & MFIs at Forte Life Assurance, bringing over 20 years of distribution experience across the life insurance and FMCG sectors. He has a proven track record in building high-performing channels, with deep expertise in bancassurance, partnerships, and business performance.

Lyhour plays a critical role in shaping Forte Life's growth strategy by expanding affinity and microfinance partnerships, unlocking new customer segments, and accelerating market penetration. Prior to joining Forte Life, he held senior leadership roles at AIA Cambodia and Manulife Cambodia, where he built and scaled high-impact bancassurance models from inception.



Ms. Ear Yengkeang

Head of Employee Benefits

Ms. Ear Yengkeang is the Head of Employee Benefits at Forte Life Assurance, bringing more than 11 years of experience in the life insurance industry, including eight years specializing in corporate business. She plays a key role in driving the growth of the group business segment, strengthening Forte Life's position in the corporate market.

Since joining Forte Life in 2019, Yengkeang has accelerated group term life growth and enhanced client experiences across corporates, NGOs, and institutional partners. She is recognized for building sustainable partnerships and delivering tailored employee benefit solutions. Yengkeang holds a Master's degree in Business Management from the National University of Management.



Ms. Vou Vichra

Head of Bancassurance

Ms. Vou Vichra is the Head of Bancassurance at Forte Life Assurance, bringing extensive experience in insurance partnerships and distribution strategy. She plays a key role in driving bancassurance growth by strengthening strategic alliances with financial institutions and expanding customer reach.

Recognized for building high-performing teams, Vichra has a proven track record of developing bancassurance channels from the ground up. Prior to joining Forte Life, she spent seven years at Manulife leading partnerships with major institutions like ANZ Royal Bank and ABA Bank, earning the prestigious Star of Excellence Award. She has also served as a growth consultant, coach, and trainer.

Audit Committee Report

The Audit Committee of Forte Life Assurance (the “Committee”) presents its report to shareholders for the financial year ended 31 December 2025. The Committee operates under a formal charter approved by the Board of Directors, which sets out its composition, authority, responsibilities, and reporting obligations.

Composition & Independence

The Committee consists of 3 (three) members, whom the committee chair is an independent director, with two members - one is an independent director and another one is the non-executive director of the Company, parent company, or subsidiary of the Company. The Committee met 4 times during 2025.

Responsibilities

During the year, the Committee discharged the following principal responsibilities:

- Reviewed and approved the annual internal audit plan, ensuring adequate coverage of material risks across all business lines and functions. Monitored the effectiveness of the internal audit function and reviewed all internal audit reports issued during the year.
- Reviewed the financial statements for the year ended 31 December 2025 prior to Board approval, including the application of significant accounting policies and key judgements.

- Oversaw the external audit process, including approval of the external auditor’s engagement terms, audit plan, and findings.
- Reviewed the adequacy and effectiveness of the Company’s internal controls over financial reporting, compliance, and operations.
- Reviewed the Company’s compliance with applicable laws and regulations, including requirements of the Insurance Regulator of Cambodia (IRC).

External Auditor

The Company’s external auditor for the financial year 2025 is Ernst & Young (Cambodia) Ltd. The Committee confirms that the external auditor has maintained its independence throughout the year. The Committee maintained close engagement with the external auditors throughout the audit cycle. This included reviewing the audit plan, scope, and key audit matters, as well as discussing audit findings and recommendations. The Committee also evaluated the independence and performance of the external auditors and is satisfied that their objectivity has not been compromised.

The Committee is satisfied that the financial statements, taken as a whole, present a true and fair view of the financial position and performance of the Company for the year ended 31 December 2025.





Investment Committee Report

The Investment Committee (the “Committee”) presents its report for the financial year ended 31 December 2025. The Committee is responsible for oversight of the Company’s investment strategy, asset allocation, portfolio performance, and alignment with the Investment Policy approved by the Board, and regulator.

Composition & Independence

The Investment Committee consists of 5 (five) members, whom the committee chair is an independent director, with 4 (four) members including: Chief Executive Officer, actuarial, non-executive director and an investment officer. The Committee met 4 times during 2025.

Responsibilities

The Investment Committee has the following main roles and responsibilities:

- Establish investment policies, ensuring that these investments are safe, liquid, and diversified
- Prepare a 3-year rolling investment plan
- Review and monitor investment activities
- Evaluate investment results
- Manage the efficiency of asset utilization to meet company obligations
- Report quarterly and annual investment results to the Board of Directors
- Regularly review investment policies and provide recommendations on adjusting investment policies to ensure compliance with applicable regulations

The Committee is satisfied that the investment portfolio remains appropriately positioned relative to the Company’s liability profile and regulatory requirements. The investment portfolio delivered a Net Investment and Other Incomes of USD 0.44 million in 2025, supported mainly by stable interest income and a conservative asset allocation strategy. Performance remained broadly in line with expectations despite ongoing market volatility, reflecting the Company’s cautious positioning and focus on risk-adjusted returns rather than yield maximization and ensured compliance with investment limits and guidelines.

In addition to regular performance reviews, the Committee actively monitored market conditions, including interest rate movements and credit developments, and assessed their potential impact on the Company’s portfolio. Where appropriate, adjustments were made to maintain alignment with the Company’s risk profile and to safeguard capital.

Corporate Governance Report

The Annual Report of Forte Life Assurance (Cambodia) Plc. (the “Company”) sets out the reporting framework in accordance with the applicable laws and regulations of the Kingdom of Cambodia, including the Insurance Law, and relevant Prakas, circulars, and guidelines issued by the Insurance Regulator of Cambodia (“IRC”).

The Company acknowledges that sound corporate governance and a robust ethical framework are essential to safeguarding policyholders’ interests, maintaining market confidence, and ensuring the long-term sustainability of the insurance sector. The Board of Directors (the “Board”) and Senior Management are committed to ensuring that the Company operates in full compliance with regulatory requirements and in accordance with the highest standards of integrity, transparency, accountability, and professionalism.

The governance structure of the Company is established in accordance with its Articles of Association, internal governance policies, and applicable regulatory requirements of the IRC.

The Board retains overall responsibility for the governance of the Company, including setting strategic direction, approving risk appetite, overseeing financial performance, and ensuring that adequate systems of internal control and compliance are in place.

In line with IRC requirements, the Board has established appropriate governance arrangements, including Board-level committees such as the Audit and Risk Committee, to support effective oversight of financial reporting, risk management, internal controls, and compliance functions. These committees operate under formally approved charters and regularly report to the Board.

Senior Management is responsible for the day-to-day management of the Company and for implementing strategies and policies approved by the Board. Clear lines of responsibility and accountability are maintained to ensure effective decision-making and operational control.



Capital & Solvency

In accordance with the Law on Insurance and the relevant Prakas issued by the Insurance Regulator of Cambodia (IRC), the Company is required to maintain a minimum level of paid-up capital and a solvency margin sufficient to meet its obligations to policyholders and other creditors at all times.

Minimum Capital Requirement

On 14 December 2022, the IRC issued Prakas No. 061 on Solvency Margin which introduced the new methodology to calculate the solvency requirement based on the Net Mathematical Reserve ("NMR") and the Net Sum at Risk ("NSAR"), subject to the minimum amount set at 50% of the minimum capital of US\$ 7.0 million or US\$ 3.5 million. The minimum solvency margin is 120% which is calculated as the ratio of net assets over the required solvency as defined by IRC. Net assets are total assets less total liabilities and other non-admissible assets. As at 31 December 2025, the Company's total shareholder's equity stood at USD 7,283,905, which meets and exceeds the regulatory minimum requirement.

Solvency Margin

The IRC requires all licensed Life Insurance companies to maintain a minimum solvency margin at all times. The solvency margin represents the excess of the value of admissible assets over the value of liabilities, and serves as a key indicator of the Company's financial strength and its ability to meet claims obligations.

As at 31 December 2025, the Company's solvency position was as follows:

	2024 (%)	2025 (%)
Solvency Margin (Actual)	187%	192%
IRC Minimum Solvency Margin	120%	120%

The Company's solvency ratio of 192% as at 31 December 2025 represents a surplus of 72% above the minimum threshold prescribed by the IRC, reflecting the Company's sound capital management and continued financial resilience.

The Board of Directors confirms that Company was in full compliance with all IRC requirements relating to minimum capital and solvency margins throughout the financial year ended 31 December 2025. The Company maintained adequate capital buffers above regulatory thresholds at all times during the reporting period.

The Company's capital adequacy position is monitored on a regular basis by Management and reported to the Board. Where necessary, capital management actions are taken proactively to ensure continued compliance and to support the Company's ongoing growth and underwriting activities.

Investment Disclosure

Investment Strategy

This section provides detailed disclosure of the Company's investment assets as at 31 December 2025, in accordance with the requirements of the Insurance Regulator of Cambodia (IRC) and applicable financial reporting standards.

The Company's investment strategy is designed to support the Company's core insurance obligations while generating stable and sustainable returns for shareholders. The strategy is governed by the Board-approved Investment Policy, which sets out the principles, asset allocation limits, eligible asset classes, and risk parameters within which the investment portfolio is managed.

The Company's strategic asset allocation as at 31 December 2025 was as follows:

Asset Class	Actual Allocation
Placements with Banks	80%
Cash on hand and in banks	13%
Statutory Deposit	7%
Total	100%

All asset class allocations remained within the IRC-prescribed limits throughout the reporting year.

Investment Risk Exposures

The Company's investment portfolio is exposed to market risk, comprising interest rate, foreign currency, and credit risk that arising from fluctuations in market rates, exchange rate movements, and the potential default or credit deterioration of issuers and counterparties. Investment income and asset values are sensitive to changes in the interest rate environment, while credit exposures are managed through portfolio diversification and the application of minimum counterparty credit quality standards. The Company is further exposed to liquidity risk, managed by maintaining a portfolio of liquid assets appropriately matched to the maturity profile of its insurance liabilities, ensuring policyholder obligations can be met as they fall due. These risks are subject to ongoing monitoring and management within Board oversight.

Three-Year Rolling Investment Plan 2026 – 2028

The Company's assets are segmented by line of business in order to strengthen and support liabilities, and to formulate investment strategies for each respective segment. The Company's investment strategy is based on investment policies by asset class, market rate forecasts for fixed-income investments, and projections for other long-term assets. The projected cash flows from these assets include forecasted cash flows from future purchases or disposals of assets, as well as the expected rates of return on those investments.

To mitigate liquidity risk, the Company continues to diversify its business and investments in accordance with Article 4 of the Prakas on Permitted Investments for Insurance Companies.

Insurance Technical Reserves

Overview of Technical Reserves

Technical reserves represent the liabilities set aside by the Company to meet its present and future obligations to policyholders and claimants. As a licensed Life Insurance company, Forte Life maintains the following categories of technical reserves in accordance with IRC regulations:

- **Unearned Premium Reserve (UPR):** the portion of written premiums relating to the unexpired period of risk as at the reporting date.
- **Reported but not settled (RBNS):** Provisions for claims that have been reported but not yet fully settled as at the reporting date.
- **Incurred But Not Reported (IBNR):** An actuarial estimate of claims that have occurred before the reporting date but have not yet been reported to the Company.
- **Unexpired Risk Reserve (URR):** An additional reserve established where UPR is insufficient to cover the expected future claims and expenses on in-force policies.
- **Mathematic Reserve:** The amount of technical reserves set aside to cover its future liabilities for long-term insurance contract.

Movement in Technical Reserves

Technical reserves represent the Company's estimated obligations to policyholders in respect of claims incurred and premiums written but not yet earned and are a critical measure of the adequacy of the Company's balance sheet to meet its insurance liabilities. The reserves are determined in accordance with applicable actuarial standards and regulatory requirements, reflecting management's best estimate of future claims outflows together with an appropriate margin for adverse deviation. During the year, the movement in technical reserves was driven by growth in net written premiums, claims experience across key lines of business, and periodic actuarial reviews of outstanding claims provisions. The Company's reserving policy remains prudent, with reserve adequacy reviewed regularly by the appointed actuary.

Net technical reserves as at 31 December 2025 stood at **USD 4,330,832**, representing a **53%** increase compared to **USD 2,828,245** as at 31 December 2024. A detailed analysis of the movement in technical reserves for the current and prior financial year is set out in Note 16 to the audited financial statements.

Actuarial Opinion

In accordance with IRC requirements, the Company engaged Mr. Nicholas Yeo from Actomate, a qualified and independent actuarial firm, to perform an actuarial valuation of the Company's technical reserves as at 31 December 2025. The appointed actuary holds the qualification of Fellow of the Institute and Faculty of Actuaries (FIA) and is independent of the Company's management.

Scope of Actuarial Review

The work was performed in accordance with the PRAKAS on Determination Methodology for Technical Reserves for Insurance Company (effective 23 December 2022).

The scope covered two categories of liabilities across lines of business.

- **Claim liabilities:** including Case Reserves, IBNR, and Indirect Claims Handling Expenses (ICHE), Mathematic Reserves, on both gross and net of reinsurance bases
- **Premium liabilities:** including Unexpired Risk Reserves (URR) and assessment of whether any Premium Deficiency Reserve (PDR) is required.

Sensitivity and Surplus analyses on the results also performed.

Actuarial Opinion Statement

Based on the actuarial valuation conducted as at 31 December 2025, Mr. Nicholas Yeo, FIA, has satisfied that the assumptions were reasonable for the liability valuation, in his opinion, the technical reserves as at 31 December 2025 are adequate to meet the Company's insurance obligations and comply with legislation and regulations of the Insurance Regulator of Cambodia.

The Board of Directors and Management of the Company have reviewed the actuarial report and are

satisfied that the technical reserves carried out as at 31 December 2025 are adequate and fairly stated in the financial statements. The Company's reserving practices are consistent with IRC regulatory requirements and internationally recognized actuarial standards.

The Company will continue to engage an independent actuary on an annual basis and to monitor claims development experience on a quarterly basis to ensure that reserves remain appropriate at all times.

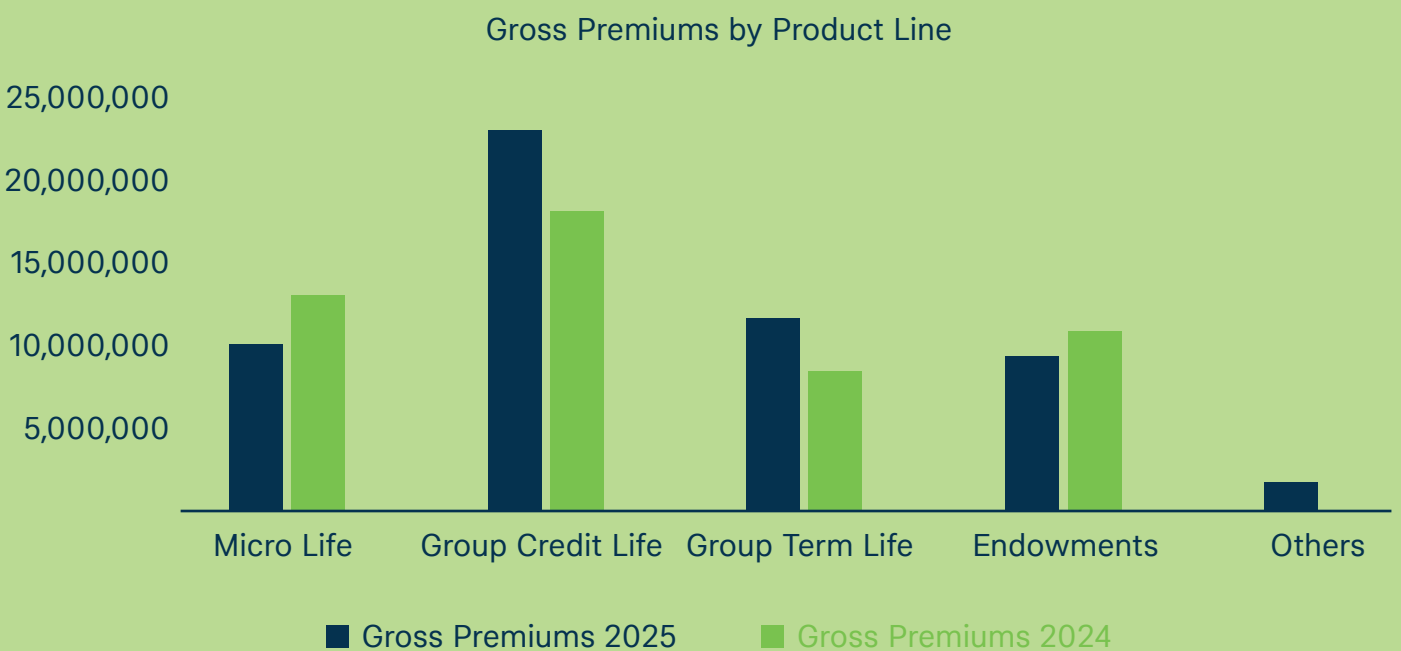


Business Operating Results

The Company delivered a solid operating performance for the financial year ended 31 December 2025, with gross written premium of **USD 5.3 million**, achieving profitable underwriting results supported by disciplined pricing, effective claims management, and a growing diversified book of business. The results reflect the Company's continued focus on sustainable growth, technical profitability, and operational efficiency across all major lines of business.

Underwriting Performance by Line

Total gross premiums for the year amounted to **USD 5.31 million**, representing growth of **12%** over the prior year (**2024: USD 4.72 million**). This growth was driven primarily by expansion in Group Term Life and Group Credit Life.



Net Claims Incurred

The Company maintained sound claims management discipline during the year. Total net claims incurred grows by **48%** to **USD 2,278,888** from **USD 1,531,732** in the prior year, mainly due to an increase in technical reserves. Total paid claims dropped to approximately **USD 1.6 million** from **USD 2.5 million** in the prior year.

Overall, the Company's ability to contain net claims growth within the control, despite a broader expansion of the portfolio underscores the strength of its underwriting discipline, robust claims management framework, and continued commitment to portfolio quality across all lines of business.

Management Expenses and Commission

The Company manages its operating expenses with the objective of maintaining an efficient and scalable cost base that supports business growth without compromising service quality or regulatory compliance. Expenses are monitored against budget on a monthly basis, with variances reported to senior management and the Board.

Underwriting Profitability

The Company delivered a strong underwriting performance in 2025, with the combined ratio improving to **105%** from **112%** in the prior year, reflecting meaningful progress across both claims management and expense efficiency.

The loss ratio increased to **49%** from **36%**, mainly due to an increase in technical reserves for long-term insurance contract.

The expenses ratio recorded a significant improvement to **39%** from **52%**, demonstrating the Company's successful efforts in optimizing its cost structure and enhancing operational efficiency during the year. The strong underwriting result was further reflected

in the Company's overall profitability, with profit before income tax rising to **USD 183,613** from **USD 1,225** in prior year and net profit increases to **USD 125,491**, supported by a **35%** growth in net premiums to **USD 5,010,740** and investment income of **USD 441,470**. Return on equity improved to **1.72%** from **-0.71%**, and return on assets improved to **1.02%** from **-0.38%**, demonstrating the Company's enhanced capacity to generate value for its shareholders.

Overall, the 2025 underwriting results reflect the Company's continued commitment to profitability, disciplined risk selection, and operational excellence, positioning it well for sustained performance in the years ahead.

Reinsurance

The Company maintains a robust reinsurance program with the objective of protecting its capital, stabilizing underwriting results, and enhancing its capacity to underwrite business. Reinsurance arrangements are structured in line with the Company's risk appetite, portfolio profile, and regulatory requirements.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on the Company's evaluation of the specific risk subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

Selection of reinsurance partners

The selection of reinsurance partners is governed by the Company's Board-approved Reinsurance Policy, which establishes minimum eligibility criteria, concentration limits, and an annual review process. The Company's reinsurer selection framework is designed to ensure that reinsurance recoverables are secure, collectible, and placed with financially sound counterparties.

All reinsurers participating in the Company's treaty and facultative programmes as at 31 December 2025 met the above minimum criteria.

The Company confirms that all participating reinsurers hold valid IRC approval status for the relevant classes of business prior to binding any reinsurance contract.



Risk Management

The Company operates within a robust risk management framework overseen by the Board of Directors, designed to identify, assess, monitor, and mitigate risks that may hinder the sustainable achievement of its financial and strategic objectives.

- **Insurance Risk** is managed through disciplined underwriting guidelines, defined authority limits, portfolio diversification, sound pricing, and reinsurance arrangements with reinsurers rated 'A' or above. Statistical methods are applied to estimate claims liabilities, and each claim is assessed on a case-by-case basis with regular review as new information arises.
- **Market Risk** arises primarily from interest rate movements on the investment portfolio and foreign currency fluctuations. The Company conducts the majority of its business in United States Dollars, limiting currency exposure, and monitors asset and liability positions regularly to manage the impact of interest rate changes on its financial position.
- **Credit Risk** is managed through established counterparty credit limits, periodic review of receivables, and reinsurer approval guidelines incorporating international credit ratings. The financial stability and settlement performance of reinsurers are reviewed regularly.
- **Liquidity Risk** is managed by maintaining adequate levels of cash and liquid assets to meet insurance claim obligations and operating commitments under both normal and stressed conditions.
- **Operational Risk** is mitigated through clearly defined roles and responsibilities, documented procedures, authority limits, staff training, and business continuity planning.
- **Capital and Regulatory Compliance** is actively monitored to ensure the Company maintains its solvency margin above the minimum 120% requirement as prescribed by the Insurance Regulator of Cambodia.

Customer Due Diligence procedures are applied at onboarding and on an ongoing basis, including customer identity verification and transaction monitoring, in compliance with applicable anti-money laundering and know-your-customer regulations. Related counterparties and business partners are identified and managed through established governance procedures to ensure conflicts of interest are properly disclosed and that all related party transactions are conducted on arm's length terms.

A detailed disclosure of the Company's risk management policies, quantitative risk exposures, and financial risk sensitivities is set out in the notes with the audited financial statements.



Audited Financial Statements



The financial information presented below is extracted from the Company's audited financial statements for the year ended 31 December 2025. Ernst & Young (Cambodia) Ltd. issued an unmodified audit opinion on the full set of financial statements. This extract does not include all disclosures and should be read in conjunction with the complete audited financial statements and auditor's report dated 30 March 2026

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

CORPORATE INFORMATION

Company name: Forte Life Assurance (Cambodia) Plc.

Registration no: 00012679

Registered and head office: The Point Community Mall, Floor 3A, U08 & U09, Building No. 113C, Mao Tse Tung Blvd, Village 7, Sangkat Toul Svay Prey 1, Khan Beong Keng Korng, Phnom Penh City, Kingdom of Cambodia
Tel: (+855) 023 885 077 / 885 066 Fax: (+855) 023 982 907
Email: info@fortelifeassurance.com

Directors:	Mr. Cheo Huat Leng, Charles Francis	Chairman
	Mr. Mao Savin	Director
	Mr. Suon Pisey	Director
	Mr. Lee Foo Yeun	Director
	Mrs. Zhao Haiming	Director
	Mr. Prou Sythan	Director
	Mr. Ngeth Chou	Independent Director
	Mr. Chum Socheat	Independent Director
	Mr. Trieu Robert	Independent Director

Management team:	Mr. Prou Sythan	Chief Executive Officer
	Mr. Hong Bunhour	Chief Financial Officer
	Mr. Lim Lyhour	Chief Business Officer

Principal bankers: Shinhan Bank (Cambodia) Plc
Advanced Bank of Asia Ltd
CIMB Bank Plc.

Auditor: Ernst & Young (Cambodia) Ltd.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits the report together with the audited financial statements of Forte Life Assurance (Cambodia) Plc. ("the Company") as at 31 December 2025 and for the year then ended.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year is underwriting of life insurance business. On 6 February 2019, the Company received the approved life insurance license from the Ministry of Economy and Finance for the period from 6 February 2019 to 5 February 2024. On 1 February 2024, the Company received the permanent life insurance business license from Insurance Regulator of Cambodia.

FINANCIAL RESULTS

The financial performance for the year ended is set out in the statement of comprehensive income.

DIVIDENDS

The directors do not recommend payment of dividends for the year then ended.

ISSUE OF SHARES AND WARRANTS

Ordinary shares authorized and issued during the year are disclosed in the financial statements.

RESERVES AND PROVISIONS

Any additions to or deductions from reserves and provisions during the year are disclosed in the financial statements.

EMPLOYEE SHARE OPTION SCHEME

There is no employee share option scheme implemented during the year.

DIRECTORS' INTEREST

No members of the Board of Directors have an interest in the shares of the Company.

DIRECTORS' BENEFITS

During and at the end of the year, there were no arrangements for the directors of the Company to acquire benefits from buying Company's shares or bonds. Directors' remuneration is disclosed in *Note 22* to the financial statements.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

REPORT OF THE BOARD OF DIRECTORS (continued)

INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of financial position and comprehensive income were prepared, the directors took reasonable steps:

- (a) To ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and to cause all known bad debts to be written off and adequate provisions to be made for doubtful debts; and
- (b) To ensure that current assets which cannot readily be sold at the cost as recorded by the Company are recorded at estimated net realizable value.

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

- (a) Which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) Which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) Which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT LIABILITIES

No contingent or other liabilities of the Company has become enforceable or is likely to become enforceable within the period of 12 months after the end of the year which, in the opinion of the directors, will or may have a material effect on the ability of the Company to meet their obligations as and when they fall due.

At the date of this report, there is:

- no charge on the assets of the Company which has arisen since the end of the year which secures the liabilities of any other person; or
- no contingent liability of the Company which has arisen since the end of the year except as disclosed in the financial statements.

CHANGE OF CIRCUMSTANCES

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 any material respect.

DIRECTORS' OPINION

In the opinion of the directors:

- The Company's operating results during the year are not materially affected by any line item, transaction or unusual event; and
- Other than disclosed in the financial statements, at the date of this report, there were no significant subsequent events that occurred between the year-end and the financial statement date that can affect the results of the Company's operations except as disclosed in the financial statements.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

REPORT OF THE BOARD OF DIRECTORS (continued)

AUDITOR

Ernst & Young (Cambodia) Ltd. is the auditor of the Company.

On behalf of the Board of Directors,



Cheo Huat Leng, Charles Francis
Chairman

Phnom Penh, Kingdom of Cambodia

30 March 2026

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

STATEMENT BY THE BOARD OF DIRECTORS

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

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

- (a) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (b) comply with the disclosure requirement of CIFRSs with the deferral of CIFRS 17 and CIFRS 9 and relevance requirements of laws and regulations applicable to the insurance industry or, if there has been any departure in the interests of true and fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- (e) set overall policies for the Company ratify all decisions and actions that have a material affect on the operations and performance of the Company and ensure they have been properly reflected in the financial statements.

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

The Board of Directors confirms that the Company has complied with these requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 226 OF LAW ON COMMERCIAL ENTERPRISES

I, Cheo Huat Leng, Charles Francis, on behalf of the Board of Directors, do hereby confirm that the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs with the deferral of CIFRS 17 and CIFRS 9.

Cheo Huat Leng, Charles Francis
Chairman

Phnom Penh, Kingdom of Cambodia

30 March 2026

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
ASSETS					
Property and equipment	6	111,753	448,465	196,803	792,132
Intangible assets	7	163,203	654,934	199,239	801,937
Right-of-use assets	8.1	65,739	263,811	115,043	463,048
Statutory deposit	9	700,000	2,809,100	700,000	2,817,500
Insurance receivables	10	620,994	2,492,049	1,604,076	6,456,406
Reinsurance assets	11	116,746	468,502	780,933	3,143,255
Other assets	12	717,914	2,880,988	1,312,081	5,281,125
Placements with banks	13	8,422,285	33,798,630	7,566,312	30,454,406
Cash and cash equivalents	14	1,378,042	5,530,083	645,268	2,597,204
TOTAL ASSETS		12,296,676	49,346,562	13,119,755	52,807,013
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	10,680,000	42,720,000	10,680,000	42,720,000
Share premium		200,000	800,000	200,000	800,000
Accumulated losses		(3,596,095)	(14,718,967)	(3,721,586)	(15,222,315)
Cumulative translation differences		-	429,278	-	514,931
TOTAL EQUITY		7,283,905	29,230,311	7,158,414	28,812,616
LIABILITIES					
Insurance contract liabilities	16	4,447,578	17,848,131	3,609,178	14,526,941
Insurance payables	17	273,139	1,096,107	1,491,351	6,002,688
Other payables	18	212,386	852,305	732,161	2,946,948
Income tax payable	19	5,599	22,469	3,975	15,999
Lease liabilities	8.2	74,069	297,239	124,676	501,821
TOTAL LIABILITIES		5,012,771	20,116,251	5,961,341	23,994,397
TOTAL EQUITY AND LIABILITIES		12,296,676	49,346,562	13,119,755	52,807,013

The accompanying notes 1 to 28 form an integral part of these financial statements.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Gross premiums	20	5,313,510	21,312,489	4,725,240	19,236,452
Change in provision for unearned premiums	20	(405,521)	(1,626,545)	518,383	2,110,337
Premiums ceded to reinsurers	20	(302,770)	(1,214,410)	(1,032,618)	(4,203,788)
Net premiums earned		4,605,219	18,471,534	4,211,005	17,143,001
Commission income	20	1,520	6,097	44,199	179,934
Interest income		410,085	1,644,851	462,235	1,881,759
Other income		29,865	119,789	35,139	143,051
Other revenue		441,470	1,770,737	541,573	2,204,744
Total revenue		5,046,689	20,242,271	4,752,578	19,347,745
Gross benefits and claims paid	20	(1,598,848)	(6,412,979)	(2,548,601)	(10,375,355)
Claims ceded to reinsurers	20	417,026	1,672,691	1,033,612	4,207,834
Gross change in other insurance contract liabilities		(777,257)	(3,117,578)	241,604	983,570
Change in other insurance contract liabilities ceded to reinsurer		(319,809)	(1,282,754)	(258,347)	(1,051,731)
Net claims		(2,278,888)	(9,140,620)	(1,531,732)	(6,235,682)
Fees and commission expenses	12.1	(743,022)	(2,980,261)	(1,004,841)	(4,090,708)
General and administrative expenses	21	(1,832,409)	(7,349,791)	(2,197,297)	(8,945,195)
Finance cost		(8,757)	(35,124)	(17,483)	(71,173)
Total commission and other expenses		(2,584,188)	(10,365,176)	(3,219,621)	(13,107,076)
Total claims and commission and other expenses		(4,863,076)	(19,505,796)	(4,751,353)	(19,342,758)
Profit before income tax		183,613	736,475	1,225	4,987
Income tax expense	19	(58,122)	(233,127)	(52,151)	(212,307)
Net loss for the year		125,491	503,348	(50,926)	(207,320)
Translation difference		-	(85,653)	-	(430,218)
Total comprehensive income (loss) for the year		125,491	417,695	(50,926)	(637,538)

The accompanying notes 1 to 28 form an integral part of these financial statements.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

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

	<i>Share capital (Note 15)</i>		<i>Share premium</i>		<i>Accumulated losses</i>		<i>Cumulative translation differences</i>	<i>Total</i>	
	<i>US\$</i>	<i>KHR'000</i> <i>(Note 3.1)</i>	<i>US\$</i>	<i>KHR'000</i> <i>(Note 3.1)</i>	<i>US\$</i>	<i>KHR'000</i> <i>(Note 3.1)</i>		<i>US\$</i>	<i>KHR'000</i> <i>(Note 3.1)</i>
As at 1 January 2025	10,680,000	42,720,000	200,000	800,000	(3,721,586)	(15,222,315)	514,931	7,158,414	28,812,616
Total comprehensive income for the year	-	-	-	-	125,491	503,348	(85,653)	125,491	417,695
As at 31 December 2025	10,680,000	42,720,000	200,000	800,000	(3,596,095)	(14,718,967)	429,278	7,283,905	29,230,311
As at 1 January 2024	10,680,000	42,720,000	200,000	800,000	(3,670,660)	(15,014,995)	945,149	7,209,340	29,450,154
Total comprehensive loss for the year	-	-	-	-	(50,926)	(207,320)	(430,218)	(50,926)	(637,538)
As at 31 December 2024	10,680,000	42,720,000	200,000	800,000	(3,721,586)	(15,222,315)	514,931	7,158,414	28,812,616

The accompanying notes 1 to 28 form an integral part of these financial statements.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
OPERATING ACTIVITIES					
Profit before income tax		183,613	736,475	1,225	4,987
Adjustments for:					
Depreciation and amortization		219,514	880,471	164,771	670,783
Accretion of interest on lease liabilities	8.2	8,145	32,670	14,934	60,796
Gain from lease termination		-	-	(11,478)	(46,727)
Interest income		(410,085)	(1,644,851)	(462,235)	(1,881,759)
Changes in working capital:					
Insurance receivables		983,082	3,943,142	(39,284)	(159,925)
Reinsurance assets		664,187	2,664,054	631,609	2,571,280
Other assets		512,407	2,055,264	(398,775)	(1,623,413)
Insurance contract liabilities		838,400	3,362,822	(1,133,249)	(4,613,457)
Insurance payables		(1,218,212)	(4,886,248)	461,530	1,878,889
Other payables		(519,775)	(2,084,818)	376,189	1,531,465
		1,261,276	5,058,981	(394,763)	(1,607,081)
Interest received		453,441	1,818,752	388,284	1,580,704
Interest paid		(8,145)	(32,670)	(14,934)	(60,796)
Income tax paid	19	(56,498)	(226,613)	(57,841)	(235,471)
Net cash flows from (used in) operating activities		1,650,074	6,618,450	(79,254)	(322,644)
INVESTING ACTIVITIES					
Acquisitions of:					
Property and equipment	6	(10,720)	(42,998)	(12,396)	(50,464)
Intangible assets	7	-	-	(1,861)	(7,576)
Placements with banks		(6,216,269)	(24,933,455)	(4,946,312)	(20,136,436)
Proceeds from:					
Placements with banks		5,360,296	21,500,147	4,933,511	20,084,323
Net cash flows used in investing activities		(866,693)	(3,476,306)	(27,058)	(110,153)
FINANCING ACTIVITIES					
Payment of principal portion of lease liabilities	8.2	(50,607)	(202,985)	(83,417)	(339,591)
Net increase (decrease) in cash and cash equivalents		732,774	2,939,159	(189,729)	(772,388)
Cash and cash equivalents at beginning of year		645,268	2,597,204	834,997	3,410,963
Translation differences		-	(6,280)	-	(41,371)
Cash and cash equivalents at end of year	14	1,378,042	5,530,083	645,268	2,597,204

The accompanying notes 1 to 28 form an integral part of these financial statements.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 *Basis of preparation*

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

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

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

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

2.2 *Fiscal year and reporting period presented*

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

2.3 *Measurement and presentation currency*

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Company transacts its business and maintains its accounting records primarily in United States dollar ("US\$"), management has determined the US\$ to be the Company's measurement and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 *Foreign currency*

Presentation currency

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

Transactions and balances

Transactions in currencies other than US\$ are translated into the functional currency using the exchange rates prevailing at the respective dates of 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 currencies other than US\$ are recognized in the statement of comprehensive income.

Presentation in Khmer Riel

The translation of the US\$ amounts into thousands KHR ("KHR'000") is presented in the financial statements to comply with the Law on Accounting and Audit and the relevant CIFRSs with the deferral of CIFRS 17 and CIFRS 9 using the closing and average rates for the year then ended.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 *Foreign currency* (continued)

Presentation in Khmer Riel (continued)

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

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

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

3.2 *Product classification*

Insurance contracts are those contracts when the Company accepts significant insurance risk from another party ("the policyholder") by agreeing to compensate the policyholder or beneficiary if a specified uncertain future event ("the insured event") occurs. As a general guideline, the Company determines whether there is significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains as an insurance contract for the remaining of its lifetime, even if the insurance risk reduces significantly during this year, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

3.3 *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down to their recoverable amount. When assets are sold, their cost and accumulated depreciation are removed from the accounts and any resulting gain or loss from their disposal is included in the statement of comprehensive income.

Depreciation is calculated on a straight-line method over the useful life of the assets, as follows:

Leasehold improvements	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3. *Property and equipment* (continued)

Repair and maintenance costs incurred in restoring property and equipment to their normal working conditions are charged to the statement of comprehensive income. Improvements are capitalized and depreciated over their extended useful lives.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

3.4 *Intangible assets*

Software and license acquired separately are measured on initial recognition at cost. Following initial recognition, software and license are carried at cost less any accumulated amortization and any accumulated impairment losses.

If there is an indication that there has been a significant change in amortization rate or useful life of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

Amortization is recognized in the profit or loss on a straight-line basis as follows:

Software	10 years
License	5 years

3.5 *Leases*

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	Lease term: 3 and 5 years
-----------------	---------------------------

The right-of-use assets are also subject to impairment (*Note 3.10*).

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 *Lease* (continued)

Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 *Financial assets*

Recognition and measurement

Financial assets within the scope of CIAS 39 are classified as financial assets at fair value through profit or loss. The Company determines the classification of its financial assets at initial recognition.

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

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

The Company's financial assets include cash and cash equivalents, reinsurance assets, placements with banks, premiums receivable, related party receivables which are classified as loans and receivables.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 *Financial assets* (continued)

Loans and receivables

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

Impairment of financial assets

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

(a) Assets carried at amortized cost

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

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

Derecognition of financial assets

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

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

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

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 *Insurance receivables*

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

Reinsurance and other receivables

The Company cedes insurance risk in the normal course of business for certain product classes. Reinsurance assets represent balances due from reinsurance companies, or ceded reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the profit or loss.

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

3.8 *Related parties*

Parties are considered to be related if the Company or any of its directors has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice-versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or corporate entities.

All significant related party transactions including investments, loans, payments, etc., are disclosed in *Note 22* to the financial statements.

3.9 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, cash in banks, deposits held at call with the banks and other short-term highly liquid investments with original maturities of three months or less which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.10 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is any indication that an asset maybe impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 *Share capital*

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

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

Deposit for future shares subscription represents amount received from shareholders in connection with the Company's plan to increase its share capital. This account is recognized at face value of the amount received.

3.12 *Provisions*

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

3.13 *Financial liabilities*

Recognition and measurement

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

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

The Company's financial liabilities include insurance and other payables including amounts payable to related parties.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in finance cost in the statement of comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.14 *Offsetting financial instruments*

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

3.15 *Insurance contract liabilities*

Insurance contract liabilities which include technical reserves such as unearned premium reserve, outstanding claims reserve, incurred but not reported claim reserve and future benefits payable to policyholder reserves are established in accordance with generally accepted actuarial principles.

Unearned premium reserve represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged and brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

Claims reserve includes the provision for outstanding claims and for claims incurred but not reported. Outstanding claims reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year.

Future benefits payable to policyholder and incurred but not reported reserve are calculated using accepted actuarial methods.

At each reporting date, the Company performs a liability adequacy test to determine whether its recognized insurance liabilities are adequate. This calculation uses current estimates of future contractual cash flows arising under the insurance contracts, including claims handling costs. If these estimates show that the carrying amount of the insurance liability is inadequate, the deficiency is recognized in the statement of comprehensive income by setting up a provision for liability adequacy.

3.16 *Employee benefits*

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

The Company accrued for retroactive seniority payment equal to fifteen (15) days per year of employees' wages which is being paid as follows:

- Equal to three days payable every December, and
- Equal to three days payable every June.

The retroactive seniority payment shall not exceed 6 months of an employee's average wage of each retrospective year. Employees are not entitled to the payment if they resign before receiving it. The estimated amount of retroactive seniority payment was recognized under other payables.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.17 Revenue recognition

The Company follows a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligation in the contract
- e. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized within the scope of CIFRS 15:

(a) Commission income

Commission income represents fees received and receivable from reinsurers for reinsurance premium calculated on the basis of gross premium ceded and recognized as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognized over those future periods. Commission income is not recognized for reinsurance treaties with net premium rate.

(b) Other income

Other income is recognized when there is an incidental economic benefit that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Revenues outside the scope of CIFRS 15

(a) Premiums

Gross recurring premiums on life contracts are recognized as revenue when due from the policyholder. For single premium business of the Company, revenue is recognized on the date on which the policy is effective.

Gross reinsurance premiums on life contracts are recognized as an expense when premiums are payable.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. This relates to short-term policies where mathematical reserves have not been calculated. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

(b) Interest income

Interest income is recognized in the statement of comprehensive income on an accrual basis.

3.18 Benefits, claims and expenses recognition

(a) Commission expense

Commission expense comprises fees payable to intermediaries referring customers to the Company calculated on the basis of gross premium written. For short-term policies, the commission expense is amortized over the period in which the related revenues are earned and the proportion attributable to subsequent period is deferred and recognized over those future periods.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.18 *Benefits, claims and expenses recognition* (continued)

(b) Benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the period including internal and external claims handling costs that are directly related to the processing and settlement of claims. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recognized when due.

(c) Outward reinsurance premium

Reinsurance outward premium is recognized in accordance with treaty reinsurance agreements, upon receipt of confirmation from reinsurers and in a manner consistent with the treatment of the accounting for premium income.

3.19 *Taxation*

Income tax

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

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

Deferred tax

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

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

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

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

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

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

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting 1 January 2025. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance unless otherwise indicated.

- *Lack of exchangeability – Amendments to IAS 21*

The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments had no impact on the Company's financial statements.

Standard and interpretations issued but not yet effective

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

Effective beginning on or after 1 January 2026

- Classification and measurement of financial instruments - Amendments to CIFRS 9 and CIFRS 7
- Annual improvements to IFRS Accounting Standards - Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

Effective beginning on or after 1 January 2027

- CIFRS 18 - Presentation and disclosure in financial statements
- CIFRS19 - Subsidiaries without public accountability: Disclosure
- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

Effective beginning on or after 1 January 2028

The standard issued but not yet effective that is expected to have a significant impact on the Company's financial statements is as follows:

CIFRS 17, Insurance Contracts

In May 2017, the International Accounting Standards Board ("IASB") issued CIFRS 17 Insurance Contracts, that set out principle for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of IFRS 17. IFRS 17 was effective for annual reporting periods beginning on or after 1 January 2024. Effective IFRSs issued by the IASB are simultaneously adopted in Cambodia with equivalent CIFRSs. CIFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of CIFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in CIFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, CIFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of CIFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

Standard and interpretations issued but not yet effective (continued)

Effective beginning on or after 1 January 2028 (continued)

CIFRS 17, *Insurance Contracts* (continued)

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

The Company is currently assessing of the implication and impact of adopting these Standards.

CIFRS 9, *Financial Instruments*

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

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Functional currency

CIAS 21 requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity.

In making this judgment, the Company considers the following:

- (i) The currency that mainly influences prices for financial instruments and services (this will often be the currency in which prices for its financial instruments and services are denominated and settled);
- (ii) The currency in which funds from financing activities are generated; and
- (iii) The currency in which receipts from operating activities are usually retained

Estimation of useful lives of property and equipment and intangible assets

The useful life of each of the Company's item of property and equipment and intangible assets is estimated based on the period over which the assets are expected to be available for use.

Such estimation is based on a collective assessment of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each cost is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimation of useful lives of property and equipment and intangible assets (continued)

It is possible that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment and intangible assets would increase the recorded depreciation and amortization expense and decrease the carrying value of property and equipment and intangible assets.

Taxes

Taxes are calculated on the basis of current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the tax authorities.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Valuation of insurance contract liabilities

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims "incurred but not yet reported" ("IBNR") at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the balance sheet.

The ultimate cost of outstanding claims is estimated based on empirical data, and current assumptions represent best estimate of future claims. The main assumption is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs.

No explicit assumptions have been made regarding future rates of claims inflation. Instead, the assumptions are implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortization of unearned premium on a basis other than time apportionment. The Company uses 1/365 of net premium method, as it believes this method is more relevant to account the premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

Estimating the incremental borrowing rate ("IBR") for lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR for lease liabilities is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Company estimates the IBR for lease liabilities using observable inputs (by reference to prevailing risk-free rates) adjusted to take into account the entity's credit risk (i.e. credit spread).

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Fair value measurement of financial instruments

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized 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).

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (“DCF”) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counterparties. Discount rates are influenced by risk free interest rates and credit risk. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

6. PROPERTY AND EQUIPMENT

	<i>Leasehold improvements</i>	<i>Office equipment</i>	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost					
As at 1 January 2025	207,774	294,682	184,878	89,749	777,083
Additions	8,402	910	1,408	-	10,720
As at 31 December 2025	216,176	295,592	186,286	89,749	787,803
Less: Accumulated depreciation					
As at 1 January 2025	146,485	239,451	109,012	85,332	580,280
Depreciation	33,422	25,671	32,260	4,417	95,770
As at 31 December 2025	179,907	265,122	141,272	89,749	676,050
Net carrying amount					
As at 31 December 2025	36,269	30,470	45,014	-	111,753
KHR'000 (Note 3.1)	145,548	122,276	180,641	-	448,465
Cost					
As at 1 January 2024	206,171	289,270	179,497	89,749	764,687
Additions	1,603	5,412	5,381	-	12,396
As at 31 December 2024	207,774	294,682	184,878	89,749	777,083
Less: Accumulated depreciation					
As at 1 January 2024	105,031	194,090	72,408	71,595	443,124
Depreciation	41,454	45,361	36,604	13,737	137,156
As at 31 December 2024	146,485	239,451	109,012	85,332	580,280
Net carrying amount					
As at 31 December 2024	61,289	55,231	75,866	4,417	196,803
KHR'000 (Note 3.1)	246,688	222,305	305,361	17,778	792,132

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

7. INTANGIBLE ASSETS

	<i>Software</i>	<i>License</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost			
As at 1 January and 31 December 2025	360,521	347,378	707,899
Less: Accumulated amortization			
As at 1 January 2025	161,282	347,378	508,660
Amortization	36,036	-	36,036
As at 31 December 2025	197,318	347,378	544,696
Net carrying amount			
As at 31 December 2025	163,203	-	163,203
KHR'000 (Note 3.1)	654,934	-	654,934
Cost			
As at 1 January 2024	358,660	347,378	706,038
Additions	1,861	-	1,861
As at 31 December 2024	360,521	347,378	707,899
Less: Accumulated amortization			
As at 1 January 2024	125,327	341,600	466,927
Amortization	35,955	5,778	41,733
As at 31 December 2024	161,282	347,378	508,660
Net carrying amount			
As at 31 December 2024	199,239	-	199,239
KHR'000 (Note 3.1)	801,937	-	801,937

8. LEASES

8.1 Right-of-use assets

The Company leases its office space and training center. Information about lease which the Company is a lessee is presented below:

	<i>2025</i>		<i>2024</i>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
		<i>(Note 3.1)</i>		<i>(Note 3.1)</i>
As at 1 January	115,043	463,048	233,950	955,686
Termination	-	-	(39,773)	(161,916)
Depreciation	(49,304)	(197,758)	(79,134)	(322,155)
Translation differences	-	(1,479)	-	(8,567)
As at 31 December	65,739	263,811	115,043	463,048

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

8. LEASES (continued)

8.2 Lease liabilities

	<u>2025</u>	<u>2024</u>
	<u>US\$</u>	<u>US\$</u>
Maturity analysis - contractual undiscounted cash flows		
Within one year	58,752	58,752
More than one year	19,584	78,336
Total undiscounted lease liabilities	78,336	137,088
KHR'000 (Note 3.1)	314,362	551,779

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

	<u>2025</u>		<u>2024</u>	
	<u>US\$</u>	<u>KHR'000</u>	<u>US\$</u>	<u>KHR'000</u>
		(Note 3.1)		(Note 3.1)
As at 1 January	124,676	501,821	259,344	1,059,419
Termination	-	-	(51,251)	(208,643)
Accretion of interest	8,145	32,670	14,934	60,796
Payments	(58,752)	(235,654)	(98,351)	(400,387)
Translation differences	-	(1,598)	-	(9,364)
As at 31 December	74,069	297,239	124,676	501,821

	<u>2025</u>	<u>2024</u>
	<u>US\$</u>	<u>US\$</u>
Present value of lease liabilities		
Within one year	54,807	50,607
More than one year	19,262	74,069
Total	74,069	124,676
KHR'000 (Note 3.1)	297,239	501,821

Amounts recognized in profit or loss related to lease are as follows:

	<u>2025</u>	<u>2024</u>
	<u>US\$</u>	<u>US\$</u>
Depreciation expense of right-of-use assets	49,304	79,134
Interest expense on lease liabilities	8,145	14,934
Gain on lease termination	-	(11,478)
Total amount recognized in profit or loss	57,449	82,590
KHR'000 (Note 3.1)	230,428	336,224

On 30 September 2024 the Company had agreed to early terminate its lease on the Training Center at One Park office which was scheduled to expire on 11 February 2025. This resulted in gain on lease termination amounting to US\$ 11,478 or KHR'000 46,727 recognized under 'Other income' in profit or loss in 2024.

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

9. STATUTORY DEPOSIT

The deposit required by the Insurance Law is maintained with the National Bank of Cambodia for the account of MEF. This deposit of US\$ 0.70 million or KHR 2.80 billion (2024: US\$ 0.70 million or KHR 2.81 billion) does not earn interest and is refundable only when the Company ceases its operations in Cambodia.

10. INSURANCE RECEIVABLES

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Claims paid recovery from reinsurers	187,356	751,860	1,299,172	5,229,167
Insurance receivables	433,638	1,740,189	304,904	1,227,239
	620,994	2,492,049	1,604,076	6,456,406

11. REINSURANCE ASSETS

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Reinsurance claims	113,086	453,814	432,895	1,742,402
Reinsurance unearned premiums reserve	3,660	14,688	348,038	1,400,853
	116,746	468,502	780,933	3,143,255

12. OTHER ASSETS

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Receivable from related party (Note 22)	-	-	574,958	2,314,206
Deferred commission expense	239,037	959,255	200,633	807,548
Accrued interest receivable	246,079	987,515	289,435	1,164,976
Prepayments	132,850	533,127	113,918	458,520
Withholding tax credit	36,563	146,727	36,563	147,166
Other receivables	63,385	254,364	96,574	388,709
	717,914	2,880,988	1,312,081	5,281,125

12.1 Deferred commission expense

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
As at 1 January	200,633	807,548	293,885	1,200,520
Deferred	781,426	3,134,300	911,589	3,711,079
Amortization	(743,022)	(2,980,261)	(1,004,841)	(4,090,708)
Translation difference	-	(2,332)	-	(13,343)
As at 31 December	239,037	959,255	200,633	807,548

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

13. PLACEMENTS WITH BANKS

Placements with banks represent term deposits with local banks with interest rates ranging from 3.00% to 9.12% (2024: 3.72% to 9.12%).

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Within one year	6,865,296	27,550,433	5,360,346	21,575,393
One to five years	1,556,989	6,248,197	2,205,966	8,879,013
	8,422,285	33,798,630	7,566,312	30,454,406

Total interest earned from placements with banks amounted to US\$ 403,146 or KHR'000 1,617,019 in 2025 (2024: US\$ 454,690 or KHR'000 1,851,043).

14. CASH AND CASH EQUIVALENTS

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Cash on hand	500	2,007	500	2,013
Cash in banks	898,388	3,605,231	644,768	2,595,191
Placements with banks	479,154	1,922,845	-	-
	1,378,042	5,530,083	645,268	2,597,204

Cash in banks earn interest at the prevailing bank deposit rates. Interest earned from cash in banks amounted to US\$ 5,249 or KHR'000 21,054 in 2025 (2024: US\$ 7,545 or KHR'000 30,716).

Placements with banks represent term deposits with original maturities of three months or less and earn interest at the prevailing short-term rates at 3.00% to 3.25% per annum in 2025 (2024: Nil). Interest earned during the year amounted to US\$ 1,690 or KHR'000 6,778 in 2025 (2024: Nil).

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

16. INSURANCE CONTRACT LIABILITIES

	2025			2024		
	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>
	US\$	US\$	US\$	US\$	US\$	US\$
Unearned premiums reserve	1,666,802	(3,660)	1,663,142	1,605,659	(348,038)	1,257,621
Claims liability	2,780,776	(113,086)	2,667,690	2,003,519	(432,895)	1,570,624
As at 31 December	4,447,578	(116,746)	4,330,832	3,609,178	(780,933)	2,828,245
KHR'000 (Note 3.1)	17,848,131	(468,502)	17,379,629	14,526,941	(3,143,255)	11,383,686

16.1 Unearned premiums reserve

	2025			2024		
	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>
	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January	1,605,659	(348,038)	1,257,621	2,497,304	(721,300)	1,776,004
Premiums written during the year	5,313,510	(302,770)	5,010,740	4,725,240	(1,032,618)	3,692,622
Premiums earned	(5,252,367)	647,148	(4,605,219)	(5,616,885)	1,405,880	(4,211,005)
As at 31 December	1,666,802	(3,660)	1,663,142	1,605,659	(348,038)	1,257,621
KHR'000 (Note 3.1)	6,688,876	(14,688)	6,674,188	6,462,777	(1,400,853)	5,061,924

16.2 Claims liability

	2025			2024		
	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>	<i>Insurance contract liabilities</i>	<i>Reinsurance of contract liabilities</i>	<i>Net</i>
	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 January	2,003,519	(432,895)	1,570,624	2,245,123	(691,242)	1,553,881
Claims incurred	2,376,105	(97,217)	2,278,888	2,306,997	(775,265)	1,531,732
Claims paid during the year	(1,598,848)	417,026	(1,181,822)	(2,548,601)	1,033,612	(1,514,989)
As at 31 December	2,780,776	(113,086)	2,667,690	2,003,519	(432,895)	1,570,624
KHR'000 (Note 3.1)	11,159,254	(453,814)	10,705,440	8,064,164	(1,742,402)	6,321,762

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

17. INSURANCE PAYABLES

Insurance payables consist of the following:

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Reinsurance payable	235,901	946,671	1,471,687	5,923,540
Commission payable	37,238	149,436	19,664	79,148
	273,139	1,096,107	1,491,351	6,002,688

18. OTHER PAYABLES

Other payables consist of the following:

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Related party payable (Note 22)	8,065	32,365	459,493	1,849,459
Accrued expenses (*)	152,024	610,072	193,562	779,087
Other taxes	33,030	132,549	22,711	91,412
Others	19,267	77,319	56,395	226,990
	212,386	852,305	732,161	2,946,948

(*) Includes audit fees amounting to US\$ 22,506 or KHR'000 90,317 in 2025 (2024: US\$ 22,996 or KHR'000 92,559). There is no non-audit service provided by auditor during the year.

19. INCOME TAX

In accordance with Article 20 (new) of the Cambodian Law on Taxation, Life insurance Company is subject to income tax at statutory tax rate of 20% of taxable income or the minimum tax at 1% of annual turnover, whichever is higher.

Minimum tax is calculated at the rate of 1% of the annual turnover (life insurance premium and related income and income from other business activities). The Company also has to pay 1% prepayment tax on income received from life insurance or reinsurance activity and other activities during the month.

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Current	58,122	233,127	52,151	212,307

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. INCOME TAX (continued)

a. Reconciliation between income tax expense and accounting loss

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Profit before income tax	183,613	736,475	1,225	4,987
Income tax expense at 20%	36,723	147,296	245	997
Permanent differences	8,652	34,703	7,147	29,096
Temporary differences	15,371	61,653	4,508	18,352
Effect of previously unrecognized tax losses	(60,746)	(243,652)	(11,900)	(48,445)
Minimum tax	58,122	233,127	52,151	212,307
Income tax expense	58,122	233,127	52,151	212,307

b. Income tax payable

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
As at 1 January	3,975	15,999	9,665	39,482
Current tax	58,122	233,127	52,151	212,307
Payments	(56,498)	(226,613)	(57,841)	(235,471)
Translation differences	-	(44)	-	(319)
As at 31 December	5,599	22,469	3,975	15,999

c. Unrecognized net deferred tax assets

Net deferred tax assets arising from the following temporary differences had not been recognized due to uncertainty about future taxable profits.

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
<i>Deferred tax assets on:</i>				
Tax loss	531,966	2,134,780	612,295	2,464,487
Lease liabilities	14,814	59,449	24,935	100,363
Accumulated depreciation and amortization	6,593	26,458	-	-
Accrued expense	578	2,320	650	2,616
	553,951	2,223,007	637,880	2,567,466
<i>Deferred tax liabilities on:</i>				
Accumulated depreciation and amortization	-	-	(9,110)	(36,668)
Right-of-use assets	(13,148)	(52,763)	(23,009)	(92,611)
	(13,148)	(52,763)	(32,119)	(129,279)
As at 31 December	540,803	2,170,244	605,761	2,438,187

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. INCOME TAX (continued)

d. Tax losses carried forward

In accordance with the Prakas No. 098 on Tol, for the tax losses to be carried forward for a period of five consecutive years and utilized against taxable profit in subsequent years, the following conditions should be met:

- Tax loss has been calculated based on the tax rules and reported in the annual tax return to the General Department of Taxation (“GDT”);
- The business activity of the Company must not have changed; and
- No tax unilateral reassessment on the tax losses has been made by the GDT.

Tax loss is subject to assessment by GDT and may not be utilized due to the criteria mentioned above.

As at 31 December 2025, the details of the unused tax losses of the Company are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized</i>	<i>Forfeited</i>	<i>Unutilized</i>
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2019	2024	75,238	(59,499)	(15,739)	-
2020	2025	385,905	(303,732)	(82,173)	-
2021	2026	198,687	-	-	198,687
2022	2027	1,372,733	-	-	1,372,733
2023	2028	1,088,410	-	-	1,088,410
		3,120,973	(363,231)	(97,912)	2,659,830
KHR'000 (Note 3.1)		12,524,465	(1,457,646)	(392,921)	10,673,898

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

23. RISK MANAGEMENT FRAMEWORK

23.1 Governance framework

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

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

23.2 Risk management objectives, policies and processes for management of insurance risk

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

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

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

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

23.3 Capital management and regulatory framework

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

The IRC mandates the solvency margin and capital requirements. On 14 December 2022, the IRC issued Prakas No. 061 on Solvency Margin which introduced the new methodology to calculate the solvency requirement based on the Net Mathematical Reserve ("NMR") and the Net Sum at Risk ("NSAR"), subject to the minimum amount set at 50% of the minimum capital of US\$ 7.0 million or US\$ 3.5 million. The minimum solvency margin is 120% which is calculated as the ratio of net assets over the required solvency as defined by IRC. Net assets are total assets less total liabilities and other non-admissible assets. In addition, it has also specified the required capital allocation for insurance companies. All insurance companies are expected to comply with this Prakas within six (6) months from its effectivity date (June 2023).

The solvency requirement is the sum of 4% of NMR and 0.3% of NSAR, subject to the minimum required solvency amount of 50% of the minimum capital.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

23. RISK MANAGEMENT FRAMEWORK (continued)

23.3 Capital management and regulatory framework (continued)

The table below summarizes the solvency margin of the Company.

	2025		2024	
	US\$	KHR'000 equivalent (Note 3.1)	US\$	KHR'000 equivalent (Note 3.1)
Solvency requirement				
4% of NMR	173,233	695,184	122,712	493,916
0.3% of NSAR	3,377,723	13,554,802	3,454,621	13,904,850
Total (a)	3,550,956	14,249,986	3,577,333	14,398,766
Minimum solvency capital (b)	3,500,000	14,045,500	3,500,000	14,087,500
Required solvency (a or b whichever is higher)	3,550,956	14,249,986	3,577,333	14,398,766
Net assets	6,831,073	27,413,096	6,695,466	26,949,251
Solvency margin	192%		187%	

On the Capital allocation, the Prakas requires 10% to the minimum capital to be deposited in IRC's account with the NBC, 50% with the local commercial bank with a maximum of 30% per each bank and the remaining 40% in cash or immovable properties used as property and equipment subject to approval by the IRC. The Company fully complies with the Prakas on the Solvency margin and Capital allocation.

23.4 Underwriting strategy

The Company's underwriting strategy seeks diversity to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

24. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company issues contracts that transfer insurance risk or financial risk or both. Risk management is carried out to minimize potential adverse effects on the Company's performance. The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders. The Company focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. Financial risk management is carried out through risk reviews, internal control systems, a global insurance program and adherence to the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

24. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.1 Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. 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 liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimates. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year.

24.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The Company manages these risks through its underwriting strategy and proactive claims handling.

24.1.2 Sources of uncertainty in the estimation of future claim payments

Claims on casualty contracts are payable on a claims occurrence basis. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures. The Company has a policy to settle insurance claims as quickly as possible.

24.2 Financial risk

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

24.2.1 Market risks

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

(i) Interest rate risk

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

(ii) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in currency exchange rates in currencies other than the functional currency. Fluctuations in exchange rates between US\$, the functional currency and other currencies in which the Company conducts business may affect its financial condition and results of operations.

Majority of the Company's financial assets are denominated in US\$, the functional currency, which mitigates the foreign currency risk. Assets denominated in other currencies are mostly in KHR.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

24. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 *Financial risk* (continued)

24.2.1 *Market risks* (continued)

(iii) Fair value disclosure

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

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

As at 31 December 2025, the contractual cash flows of cash and cash equivalents, placements with banks, insurance and reinsurance receivables represent solely payments of principal and interest and their carrying amounts have been used as a reasonable approximation of their fair values. There were no movements between level of fair value categories during the year.

24.2.2 *Credit risk*

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

The Company has insurance and other receivable amounts subject to credit risk. To mitigate the risk of the counterparties not paying the amount due, the Company has established certain business and considering currently available market information.

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

	2025		2024	
	US\$	KHR'000 (Note 3.1)	US\$	KHR'000 (Note 3.1)
Insurance receivables	620,994	2,492,049	1,604,076	6,456,406
Other assets	309,464	1,241,879	960,967	3,867,891
Placements with banks	8,422,285	33,798,630	7,566,312	30,454,406
Cash and cash equivalents	1,377,542	5,528,076	644,768	2,595,191
Total	10,730,285	43,060,634	10,776,123	43,373,894

Management does not foresee any significant credit risk from cash and cash equivalents and does not expect that the financial institutions may default and cause losses to the Company.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

24. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 *Financial risk* (continued)

24.2.3 *Liquidity risk*

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

The Company has to meet daily calls on its cash resources notably from claims arising on its insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. 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.

Contractual maturity

The contractual maturity profile of financial assets and liabilities as at balance sheet date is as follows:

	<i>2025</i>		
	<i>Carrying amount</i>	<i>Contractual cash flow less than 1 year</i>	<i>Contractual cash flow more than 1 year</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Financial assets			
Insurance receivables	620,994	620,994	-
Reinsurance assets	113,086	113,086	-
Other assets	63,385	63,385	-
Placements with banks	8,422,285	6,865,296	1,556,989
Cash and cash equivalents	1,377,542	1,377,542	-
Total	10,597,292	9,040,303	1,556,989
KHR'000 (Note 3.1)	42,526,933	36,278,736	6,248,197
Financial Liabilities			
Insurance contract liabilities	2,780,776	2,780,776	-
Insurance payables	273,139	273,139	-
Other payables	179,356	179,356	-
Lease liabilities	78,336	58,752	19,584
Total	3,311,607	3,292,023	19,584
KHR'000 (Note 3.1)	13,289,479	13,210,888	78,591

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

24. INSURANCE AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Financial risk (continued)

24.2.3 Liquidity risk (continued)

Contractual maturity (continued)

	2024		
	<i>Carrying amount</i>	<i>Contractual cash flow less than 1 year</i>	<i>Contractual cash flow more than 1 year</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Financial assets			
Insurance receivables	1,604,076	1,604,076	-
Reinsurance assets	432,895	432,895	-
Other assets	671,532	671,532	-
Placements with banks	7,566,312	5,360,346	2,205,966
Cash and cash equivalents	644,768	644,768	-
Total	10,919,583	8,713,617	2,205,966
KHR'000 (Note 3.1)	43,951,321	35,072,308	8,879,013
Financial Liabilities			
Insurance contract liabilities	2,003,519	2,003,519	-
Insurance payables	1,491,351	1,491,351	-
Other payables	709,450	709,450	-
Lease liabilities	137,088	58,752	78,336
Total	4,341,408	4,263,072	78,336
KHR'000 (Note 3.1)	17,474,168	17,158,865	315,303

Expected utilization or settlement of assets and liabilities

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

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

25. MATURITY PROFILE OF ASSETS AND LIABILITIES

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

	<i>2025</i>			
	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>	
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>KHR'000</i> <i>(Note 3.1)</i>
Financial assets				
Insurance receivables	620,994	-	620,994	2,492,049
Reinsurance assets	113,086	-	113,086	453,814
Placements with banks	6,865,296	1,556,989	8,422,285	33,798,630
Cash and cash equivalents	1,378,042	-	1,378,042	5,530,083
Other assets	305,092	4,372	309,464	1,241,878
	9,282,510	1,561,361	10,843,871	43,516,454
Non-financial assets				
Statutory deposit	-	700,000	700,000	2,809,100
Property and equipment	-	787,803	787,803	3,161,454
Intangible assets	-	707,899	707,899	2,840,799
Right-of-use assets	-	115,043	115,043	461,668
Reinsurance assets	3,660	-	3,660	14,688
Other assets	408,450	-	408,450	1,639,110
	412,110	2,310,745	2,722,855	10,926,819
	9,694,620	3,872,106		
Accumulated depreciation and amortization			(1,270,050)	(5,096,711)
Total assets			12,296,676	49,346,562
Financial liabilities				
Other payables	179,356	-	179,356	719,757
Lease liabilities	54,807	19,262	74,069	297,239
Insurance contract liabilities	2,780,776	-	2,780,776	11,159,255
Insurance payables	273,139	-	273,139	1,096,107
	3,288,078	19,262	3,307,340	13,272,358
Non-financial liabilities				
Other payables	33,030	-	33,030	132,549
Insurance contract liabilities	1,666,802	-	1,666,802	6,688,876
Income tax payable	5,599	-	5,599	22,469
	1,705,431	-	1,705,431	6,843,894
Total liabilities	4,993,509	19,262	5,012,771	20,116,252

Forte Life Assurance (Cambodia) Plc.
(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

25. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	<i>2024</i>			
	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>	
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>KHR'000 (Note 3.1)</i>
Financial assets				
Insurance receivables	1,604,076	-	1,604,076	6,456,406
Reinsurance assets	432,895	-	432,895	1,742,402
Placements with banks	5,360,346	2,205,966	7,566,312	30,454,406
Cash and cash equivalents	645,268	-	645,268	2,597,204
Other assets	903,241	57,726	960,967	3,867,891
	8,945,826	2,263,692	11,209,518	45,118,309
Non-financial assets				
Statutory deposit	-	700,000	700,000	2,817,500
Property and equipment	-	777,083	777,083	3,127,759
Intangible assets	-	707,899	707,899	2,849,294
Right-of-use assets	-	246,522	246,522	992,251
Reinsurance assets	348,038	-	348,038	1,400,853
Other assets	351,114	-	351,114	1,413,234
	699,152	2,431,504	3,130,656	12,600,891
	9,644,978	4,695,196		
Accumulated depreciation and amortization			(1,220,419)	(4,912,187)
Total assets			13,119,755	52,807,013
Financial liabilities				
Other payables	709,450	-	709,450	2,855,536
Lease liabilities	50,607	74,069	124,676	501,821
Insurance contract liabilities	2,003,519	-	2,003,519	8,064,165
Insurance payables	1,491,351	-	1,491,351	6,002,688
	4,254,927	74,069	4,328,996	17,424,210
Non-financial liabilities				
Other payables	22,711	-	22,711	91,412
Insurance contract liabilities	1,605,659	-	1,605,659	6,462,776
Income tax payable	3,975	-	3,975	15,999
	1,632,345	-	1,632,345	6,570,187
Total liabilities	5,887,272	74,069	5,961,341	23,994,397

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

26. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Cash in banks, cash equivalents, placements with banks, insurance receivables, reinsurance assets, accrued interest receivable under 'other assets' account, insurance payables, insurance contract liabilities, lease liabilities, and other payables.

Carrying amounts approximate the fair values due to the relatively short-term maturities of these accounts, and no significant fluctuation in interest rates.

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions.

The fair value hierarchy is as follows:

- Level 1 - Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

There have been no transfers between level 1 and level 2 fair value movements, and no transfers into and out of level 3 fair value measurement during the year ended.

Fair value disclosure under the Amendments to CIFRS 4

The Company assessed the fair value of financial assets as follows:

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

As at 31 December 2025, the Company's financial assets comprise of cash in banks, cash equivalents, placements with banks, insurance receivables, and interest receivable under 'other assets' account. The contractual cash flows of these financial assets represent solely payments of principal and interest and their carrying amount has been used as a reasonable approximation to fair value.

Forte Life Assurance (Cambodia) Plc.

(Registration No.00012679)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

27. CONTINGENCIES

Legal

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

Taxation

The taxation system in Cambodia has undergone numerous changes and there are certain types of taxes that are either unclear and/or with different interpretations among the tax authorities. Many tax authorities are empowered by the law to review and investigate tax payments including penalties and interest charges. Management believes that the Company has sufficiently interpreted tax laws within their context; nevertheless, relevant authorities may interpret differently and there may be significant impact on the Company.

28. SUBSEQUENT EVENTS

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



Forte Life Assurance (Cambodia) Plc.

The Point Community Mall, 3rd A Floor U08 & U09,
Building No; 113C, Mao Tse Toung Blvd, Sangkat
Toul Svay Prey I, Khan Beong Keng Kong,
Phnom Penh, Cambodia

T (+855) 92 888 258

E info@fortelifeassurance.com

W www.forteinsurance.com/life