



HEALTHIER, LONGER,
BETTER LIVES



ANNUAL REPORT

2025



CONTENTS

EXECUTIVE SUMMARY OF THE BUSINESS

Message from Chairman of the Board of Directors	03
Message from Chief Executive Officer	05
Executive Summary of Financial Information	07

BUSINESS PROFILE

About AIA Group	08
About AIA Cambodia	08
Insurance Products	11
Distribution Channels	11
Our Customers	14

CORPORATE GOVERNANCE INFORMATION

Company Structure	15
Report of Committees	20
Corporate Governance Report	25

FINANCIAL SITUATION AND BUSINESS OPERATION

Capital and Solvency	29
Investment	29
Insurance Technical Reserves	30
Result of Business Operations	30
Reinsurance	31
Risk Management	31
Sustainability	35

FINANCIAL STATEMENTS	38
-----------------------------	-----------

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



AIA Cambodia delivered another year of progress as it continued to strengthen its position in the Cambodian life and health insurance market. The long term opportunities for the business remain compelling and are supported by favorable demographic trends, rising awareness of protection and health needs, and the increasing role of insurance in long term financial planning.

The Board remains confident in the strength of the Company's underlying business fundamentals. As the market continues to develop, these fundamentals provide a solid platform from which AIA Cambodia can expand its relevance to customers and build enduring value over time.



Mr. Tan Hak Leh

Chairman of the Board of Directors

VIEWS FROM THE BOARD

The Board is united in its commitment to uphold high standards of governance, risk management, and long term stewardship to ensure that growth is pursued responsibly, with discipline, consistency, and a clear focus on sustainable value creation.

AIA Cambodia benefits from being part of AIA Group with deep experience across Asia and a proven ability to build leading life and health insurance franchises. The Company's strategic direction is clear, and the Board continues to see strengthening alignment between strategy, execution, and governance. This alignment is critical as the business scales and operates in an increasingly complex environment.

A strong risk culture and effective controls remain central to the Board's oversight. These foundations are essential to maintaining trust and resilience in a long duration and highly regulated industry.

STRATEGY AND CAPITAL STEWARDSHIP

The Board remains confident in the Company's strategy, which is centred on customer trust, strong distribution capability, relevant and accessible propositions, and organisational strength. Together, these elements provide a durable framework for long term growth and disciplined capital deployment.

AIA Cambodia continues to operate in a growth and investment phase. The Board is comfortable with this position and remains focused on ensuring that capital is deployed prudently, capabilities are built ahead of growth, and financial strength is preserved. In line with this approach, AIA Group continues to support AIA Cambodia through ongoing capital investment to support growth and scale, reflecting the Group's long term confidence in the Cambodian market and in the Company's future development.

PEOPLE, CULTURE AND ESG

People and culture are fundamental to long term success. A strong organisational culture, inclusive leadership, and a clear sense of purpose underpin effective governance and consistent execution.

Beyond the organisation, AIA Cambodia continues to make a meaningful contribution to society. Recognition as ACES – Top Community Centric Company in Asia reflects the Company's sustained commitment to improving health awareness, advancing financial wellbeing, and supporting community resilience. Through initiatives such as AIA Fit for Hope, AIA Pink Run, and AIA Healthiest Schools programme, AIA Cambodia continues to translate its Purpose into tangible social impact.

OUTLOOK

The Board remains confident in the Company's long term prospects. The structural growth opportunities in Cambodia, combined with AIA's competitive advantages and disciplined approach to execution, provide a strong foundation for sustainable value creation.

With continued support from AIA Group and firm alignment to AIA's Purpose of helping people live Healthier, Longer, Better Lives, the Board believes that AIA Cambodia is well positioned to build a trusted, resilient, and valuable franchise over the long term.

On behalf of the Board, I would like to thank the management team, employees, advisors, and partners for their continued commitment and professionalism. I also extend our appreciation to customers, regulators, and stakeholders for the trust they place in AIA Cambodia.

Mr. Tan Hak Leh

Chairman of the Board of Directors
AIA (Cambodia) Life Insurance Plc

MESSAGE FROM CHIEF EXECUTIVE OFFICER



AIA Cambodia recorded 32.45% improvement in OPAT performance in 2025, reflecting meaningful progress and reaffirming that we have the right strategic priorities in place and are executing them with discipline. While we are still on the path to profitability, the reduction in operating losses highlights strengthening business fundamentals and improved operational effectiveness.

Throughout the year, we stayed focused on building high quality new business, strengthening cost discipline across acquisition and operating expenses and improving claims experience. These actions are building a strong foundation for sustainable, profitable growth, while delivering on our promise to help Cambodians live Healthier, Better Lives. I am confident that AIA Cambodia will continue to progress steadily towards long term value creation.



Ms. Jane Tay

Chief Executive Officer

FINANCIAL PERFORMANCE HIGHLIGHTS

In 2025, AIA Cambodia delivered solid momentum. Premium income recorded double digit growth, increasing by 14.16% to US\$ 27.91 million, compared with US\$ 24.45 million in 2024. This improvement reflects increasing customer engagement and reinforces the Company's expanding scale and market relevance.

Performance at the operating level also strengthened. Operating Profit After Tax (OPAT), our core measure of operating earnings, improved by 32.45% during the year to negative US\$ 11.67 million, compared with negative US\$ 17.28 million in 2024.

This result reflects the underlying strength of our business fundamentals and our continued focus on disciplined execution across the organisation, including improving the quality of new business, strengthening cost control across acquisition and operating expenses, improving claims experience, and reinforcing governance to reduce fraud, waste, and abuse. We remain committed to building a sustainable business, consistent with the Company's current growth and investment phase.

STRATEGIC PROGRESS AND DIRECTION

In 2025, AIA Cambodia continued to advance its 2025–2027 strategic priorities, with a clear ambition to lead the industry through best-in-class advisor and customer experience, while delivering on our Purpose to help Cambodians live Healthier, Longer, Better Lives.

Our strategy is anchored on four key priorities: leading customer experience, unrivalled distribution, compelling customer propositions, and building the organisation of the future. These priorities provide a clear and consistent framework for decision-making, resource allocation, and execution across the organisation.

Delivery against these priorities is enabled by continued investment in Technology, Digital, and Analytics (TDA), which strengthens our capabilities, improves decision-making, and enhances scalability. Throughout the year, we executed our strategy with focus and discipline, positioning AIA Cambodia on a clear and credible trajectory towards sustainable and profitable growth.

LEADING CUSTOMER EXPERIENCE

Leading customer experience remains a core pillar of our strategy. In 2025, we continued to simplify and enhance customer journeys across new business, policy servicing, and claims, ensuring greater consistency, transparency, and ease of interaction throughout the customer lifecycle.

Over the past four years, sustained investment in technology, digital, and analytics (TDA) has transformed AIA Cambodia into a more efficient, resilient, and data-driven organisation. Our core processes are now simpler, faster, and more seamlessly connected, enabling improved experiences for customers and advisors alike.

By December 2025, digital adoption reached key milestones, with new business submissions, customer service requests, and claims processes fully paperless, strengthening efficiency and control.

UNRIVALLED DISTRIBUTION

Unrivalled distribution remains a key driver of growth and long term competitiveness. In 2025, our agency channel continued to demonstrate strong professionalism and productivity, reinforcing its role as a primary engine of sustainable growth.

Our bancassurance strategy also progressed meaningfully. In 2025, we entered into a 10-year partnership with KB PRASAC Bank, successfully launched on 24 November 2025, strengthening distribution diversification and expanding our reach across Cambodia to serve a broader customer base.

COMPELLING CUSTOMER PROPOSITIONS

Delivering compelling customer propositions remains central to sustaining relevance and long term value creation. A disciplined and balanced product mix continues to underpin our strategy, supporting effective risk management while addressing the evolving needs of customers across different life stages and segments.

In 2025, AIA Cambodia offered a diversified portfolio spanning life protection, health, savings, wealth, and corporate solutions. The launch of AIA Wealth Prestige, together with the Prestige Club Program, strengthened our proposition for the growing affluent segment by combining protection, wealth accumulation, and long term financial security, in line with our long term value objectives.

BUILDING THE ORGANISATION OF THE FUTURE

Building a strong and future-ready organisation remains central to our long-term sustainability. We continued to invest in leadership capability, talent development, governance, and organisational culture to support consistent execution and strong risk discipline.

In 2025, these efforts were externally recognised. AIA Cambodia was named “Best Company to Work For in Asia” by HR Asia for the sixth consecutive year, and also received the Sustainable Workplace Award and the Diversity, Equity and Inclusion Award. These recognitions reflect sustained progress in employee engagement, wellbeing, and inclusive leadership practices, which are essential enablers of long term performance.

Taken together, our progress in 2025 demonstrates a business that is strengthening its foundations and building momentum in the right direction across our strategic pillars. By maintaining disciplined execution, investing in the right capabilities, and staying true to our Purpose of helping Cambodians live Healthier, Longer, Better Lives, we are laying the groundwork for long term sustainability and value creation. While challenges remain, I am confident that AIA Cambodia is on a clear and credible path towards sustainable and profitable growth.

OUTLOOK AND RESILIENCE

Looking ahead, management remains focused on sustaining momentum while continuing to strengthen the underlying fundamentals of the business. As AIA Cambodia continues to operate in a growth and investment phase, our priorities remain centred on disciplined execution, quality growth, and operational effectiveness to support long term sustainability.

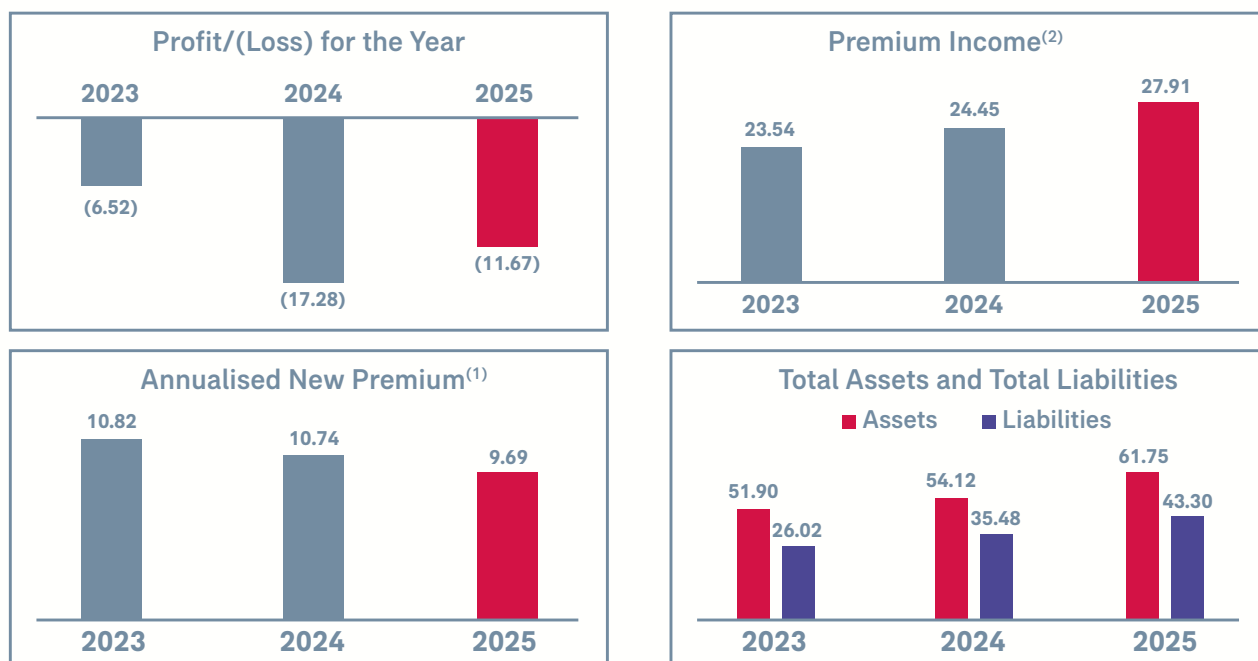
We will continue to deepen customer engagement, improve productivity across distribution, strengthen cost discipline, and further enhance claims and servicing experience. At the same time, continued investment in Technology, Digital, Analytics, and Artificial Intelligence (TDA & AI) will remain a key enabler in improving efficiency, enhancing decision making, strengthening governance, and supporting scalability as the business grows.

While we remain mindful of external uncertainties and competitive dynamics, the progress achieved in 2025 provides confidence as we move into 2026. With a clear strategy, an increasingly resilient operating model, and a committed organisation, AIA Cambodia is well positioned to continue progressing steadily towards sustainable growth and long term value creation, while delivering on our promise to help Cambodians live Healthier, Longer, Better Lives.

Jane Tay

Chief Executive Officer
AIA (Cambodia) Life Insurance Plc

EXECUTIVE SUMMARY OF FINANCIAL INFORMATION



Notes:

- (1) Annualised New Premiums (ANP) is a measure of new business activity that is calculated as the sum of 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded.
- (2) Premium Income consists of 100 per cent of renewal premiums, 100 per cent of first year premiums and 100 per cent of single premiums, before reinsurance ceded.

ABOUT AIA GROUP

AIA Group Limited and its subsidiaries (collectively 'AIA' or the 'Group') comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets - wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁽¹⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR⁽²⁾, and a 49 per cent joint venture in India. In addition, AIA has a 24.99 per cent shareholding in China Post Life Insurance Co., Ltd.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$ 345 billion as of 31 December 2025.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance, and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of 44 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock codes '1299' for the HKD counter and '81299' for the RMB counter with American Depositary Receipts (Level 1) traded on the over the-counter market under the ticker symbol 'AAGIY'.

ABOUT AIA CAMBODIA

AIA (Cambodia) Life Insurance Plc ("AIA Cambodia" or "Company") is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group with branches and subsidiaries in 18 markets.

AIA Cambodia is guided by our Purpose to help Cambodians live Healthier, Longer, Better Lives. Since commencing business in 2017, we have become the first life insurer to provide coverage on 26 critical illnesses and today, with our new, upgraded critical illness protection, we are also the first in the Cambodian insurance industry to offer a plan encompassing 118 conditions from their early to late stage. As among the Kingdom's premier insurers, AIA Cambodia offers market-leading life and health solutions for all walks of life. These include tailor-made crucial coverage plans that range from critical illnesses and accidents to medical insurance and overseas emergency assistance.

We focus on building an inclusive society that benefits from a healthy lifestyle, achieving this via community-first initiatives that include partnering the Ministry of Women's Affairs to further empower gender equality and women's rights and raising breast cancer awareness through our annual AIA Fit for Hope campaign.

AIA Cambodia also uplifts thousands of underprivileged children by sponsoring the AIA-ISF Youth League – Cambodia's largest grassroots football league. We collaborate with AIA's global principal partner, English Premier League club Tottenham Hotspur, to ensure these children receive the education they deserve.

In 2025, AIA Cambodia proudly introduced AIA Healthiest Schools, a flagship regional program by AIA Group designed to promote holistic wellbeing among primary and secondary school children. The program focuses on nurturing healthy habits from an early age through curriculum aligned resources that support physical health, mental wellbeing, and nutrition. Importantly, AIA Healthiest Schools in Cambodia is endorsed by the Ministry of Education, Youth and Sports, reinforcing its relevance, credibility, and alignment with national education and wellbeing priorities.

AIA Cambodia is the only Cambodian life and health insurer awarded HR Asia's "Best Companies to Work for in Asia" for 6 consecutive years, from 2020 to 2025. Headquartered in Phnom Penh, the Company currently has branches in Siem Reap, Kampot, Kampong Cham and Battambang.

Note

(1) Hong Kong SAR refers to the Hong Kong Special Administrative Region.

(2) Macau SAR refers to the Macau Special Administrative Region.

BUSINESS PROFILE

OUR VISION

AIA Cambodia's vision is to be the leading life and health insurer in Cambodia across health, protection, and long term savings. This vision reflects our ambition to set the benchmark for excellence in insurance by delivering innovative, trusted, and sustainable solutions that address the evolving needs of individuals, families, and businesses. By continuously raising service quality, strengthening our distribution and digital capabilities, and putting customer interests first, AIA Cambodia strives to build long term trust and leadership in supporting financial security and wellbeing for all Cambodians.

OUR MISSION

Rooted in AIA Group's enduring purpose of helping people live Healthier, Longer, Better Lives, AIA Cambodia proudly carries this mission forward in the Cambodian context. This purpose serves as a foundational pillar that informs our strategy, culture, and business decisions. Through comprehensive health protection solutions, preventive wellness initiatives, and long term savings offerings, delivered via customer centric and trusted services, AIA Cambodia is committed to empowering individuals and families to take charge of their health and financial wellbeing. By supporting customers across every stage of life, we aim to create sustainable, long term value while enabling greater confidence, security, and peace of mind for the communities we serve.

OUR BRANCH PRESENCE

Established in 2017, AIA Cambodia's Head Office in Phnom Penh serves as the Company's strategic and operational hub. It houses key corporate functions including executive management, customer service operations, underwriting, claims, finance, and digital capabilities, ensuring strong governance, consistent service quality, and ongoing innovation. As the capital based office, it also plays a central role in regulatory engagement, partnerships, and corporate client relationships, supporting the Company's long term growth strategy.

Since commencing operations, AIA Cambodia expanded its nationwide presence to bring professional, accessible, and customer centric insurance services closer to communities across Cambodia. In 2019, the Company opened its Siem Reap branch to serve customers in the northwestern region, followed by additional branches in Battambang, Kampong Cham, and Kampot in 2020. These branch extensions are designed to support the deployment of customer service functions where needed, house and develop agency forces as centres of training and customer engagement, and enable customers to conveniently access AIA's health, life protection, and savings solutions locally. Together, this network reflects AIA Cambodia's commitment to strengthening accessibility, developing professional insurance talent, and supporting regional communities with timely and reliable insurance services.

Head Office – Phnom Penh

GIA Tower, 31st floor, Sopheap Mongkul street, Phum 14, Sangkat Tonle Bassac, Khan Chamkar Morn, Phnom Penh

Phnom Penh Branch

GIA Tower, 30th floor, Sopheap Mongkul street, Phum 14, Sangkat Tonle Bassac, Khan Chamkar Morn, Phnom Penh

Siem Reap Branch

#29 & 30, Charles de Gaulle Road Sala Kanseng, Sangkat Svay Dongkom, Siem Reap

Battambang Branch

House no. 2-6, street 3, Phum Kammeakar, Sangkat Svay Por, Krong Battambang, Battambang

Kampong Cham Branch

Village 15, Sangkat kampong cham, Krong Kampong Cham, Kampong cham

Kampot Branch

Street 700, village 1 Ossaphea, Sangkat Kampong Kandal, Krong Kampot, Kampot

BUSINESS PROFILE

STRATEGIC FOCUS

AIA Cambodia's strategy is focused on executing sustainably and consistently, while delivering on our purpose to help Cambodians live Healthier, Longer, Better Lives.

Our strategic focus is anchored on four inter connected priorities: Leading Customer Experience, Unrivalled Distribution, Compelling Customer Propositions, and Building the Organisation of the Future. Together, these priorities provide a clear and disciplined framework to guide decision making, resource allocation, and execution across the business.

Execution across all strategic priorities is enabled by continued investment in Technology, Digital, and Analytics (TDA), strengthening our capabilities, improving decision making, and supporting scalability.

LEADING CUSTOMER EXPERIENCE

Delivering a leading customer experience remains central to our strategy. We continue to simplify and enhance customer journeys across new business, servicing, and claims, with a strong focus on consistency, transparency, and ease of interaction throughout the customer lifecycle.

Sustained investment in TDA has improved process connectivity, efficiency, and resilience, enabling more seamless experiences for customers and advisors while strengthening operational discipline.

UNRIVALLED DISTRIBUTION

Unrivalled distribution is the primary mechanism through which our strategy is delivered. Our focus is on strengthening both Agency Distribution and Partnership Distribution to drive scalable, advice led growth.

In Agency Distribution, we continue to build high quality advisors, strengthen leadership capability, and improve productivity through quality recruitment, training, and activity management. In Partnership Distribution, we are deepening strategic collaborations to expand customer access and enhance execution effectiveness across key segments.

Together, these channels provide a balanced and resilient platform to support sustainable growth.

COMPELLING CUSTOMER PROPOSITIONS

Delivering compelling customer propositions remains critical to sustaining relevance and long term value creation. We continue to offer a diversified suite of life protection, health, savings, wealth, and corporate solutions, underpinned by innovative product design and sound risk management.

Our focus is on addressing evolving customer needs across different life stages, strengthening engagement, and supporting long term financial security.

BUILDING THE ORGANISATION OF THE FUTURE

Building a strong, future ready organisation underpins our ability to execute consistently. We continue to invest in leadership capability, talent development, governance, and organisational culture, reinforcing accountability, discipline, and long term sustainability.

LOOKING AHEAD

Our strategic focus reflects a business that is strengthening its foundations and executing with clarity and discipline. By investing in the right capabilities, maintaining high execution standards, and staying true to our Purpose, AIA Cambodia is well positioned to deliver sustainable growth and long term value creation.

INSURANCE PRODUCTS

AIA Cambodia's product strategy is designed to holistically address customers' protection and long term savings needs across different life stages and customer segments. The Company offers a comprehensive range of solutions spanning health and life insurance, tailored for both individual and corporate customers. From individual health protection and life coverage to long term savings and employee benefits solutions, AIA Cambodia's products are developed with flexibility and customer relevance at their core, ensuring they meet the diverse needs of individuals, families, SMEs, and large organizations.

In 2025, AIA Cambodia advanced its product and customer value propositions:

AIA Wealth Prestige – Creating a Future of Financial Certainty

In 2025, AIA Cambodia continued strengthening its affluent customer segment through AIA Wealth Prestige, offering high-value protection and long-term financial planning solutions. The launch of AIA Prestige Club Program alongside AIA Wealth Prestige offers better experience for customer via priority servicing, dedicated relationship team, and exclusive health and lifestyle privileges. The program supports customers in building a more secure financial future while elevating their overall experience.

AIA Prestige Club Program – Elevating the Customer Experience with Exclusive Benefits

AIA Prestige Club Program expanded its customer engagement efforts in 2025 by offering premium servicing, personalized support, and exclusive lifestyle privileges for top-tier customers. Through curated events, priority access, and relationship-focused experiences, AIA Prestige Club Program enhances loyalty and deepens our connection with high-value clients.

AIA LoanCare – Empowering Customers to Stay Prepared and Protected

AIA LoanCare continued to empower Cambodian families by providing meaningful protection for loans and liabilities. The plan reduces financial risk during unexpected life events, ensuring customers and their families remain protected when it matters most. In 2025, AIA LoanCare maintained strong demand as a practical and accessible solution for responsible financial planning.

AIA 100 Kapea Pro – Boosting Critical Illness Protection with Comprehensive Coverage

Following its successful launch, AIA 100 Kapea Pro remained one of Cambodia's most comprehensive critical illness solutions, offering coverage for 118 conditions and benefits for early-stage and late-stage diagnoses. In 2025, marketing efforts focused on educating customers about the importance of early detection and robust protection, reinforcing AIA's leadership in health-first insurance.

DISTRIBUTION CHANNELS

AIA Cambodia's distribution strategy is designed to deliver sustainable growth through a diversified and balanced channel mix, leveraging the complementary strengths of Agency Distribution and Partnership Distribution.

In 2025, total premium income reached US\$ 27.91 million, representing 14.16% growth compared to 2024. This growth was delivered through two primary channels: Partnership Distribution, which accounted for 69% of total premium income (US\$ 19.16 million), and Agency Distribution, which contributed 31% (US\$ 8.75 million).

This well balanced distribution mix supports resilience, scalability, and disciplined growth, enabling AIA Cambodia to expand its reach, serve diverse customer segments effectively, and sustain momentum as the business continues to grow.

AGENCY DISTRIBUTION

Agency Distribution is a key growth delivery engine for AIA Cambodia, contributing 31% of total premium income (US\$ 8.75 million) in 2025. Through a well established and geographically extensive agency force, we engage customers directly across both urban and rural communities, enabling advice led customer acquisition, deeper engagement, and long term relationship management.

BUSINESS PROFILE

The channel is driven by a high performing, professional, and ethical agency force, recognised both locally and globally. AIA Cambodia has been ranked the number one MDRT company in Cambodia for three consecutive years and forms part of AIA Group, the world's number one MDRT multinational company for 11 consecutive years. Our agency has also produced Cambodia's first Top of the Table (TOT) qualifier, alongside multiple Court of the Table (COT) and MDRT members — demonstrating strong execution capability and advisory excellence.

We continue to invest in rigorous training, continuous professional development, disciplined activity management, and Technology, Digital, and Analytics (TDA) to enhance productivity and advisory quality. TDA enables structured lead management, performance tracking, and skills development, supporting scalable and consistent execution across the agency force.

Strong governance and compliance standards underpin ethical advisory behaviour, while face to face engagement and ongoing after sales service support higher persistency, repeat engagement, and long term customer value.

PARTNERSHIP DISTRIBUTION

Partnership Distribution is the primary contributor to premium income, accounting for 69% of total premiums (US\$ 19.16 million) in 2025. This channel accelerates growth by extending AIA Cambodia's reach through trusted financial institutions and professional intermediaries embedded in customers' financial lives.

AIA Cambodia maintains long standing strategic partnerships with Cambodia Public Bank (CPB) and AMRET Microfinance Institution, established since 2017, which have played an important role in expanding access to insurance solutions across mass market and underserved segments, supporting financial inclusion and long term security.

In 2025, AIA Cambodia entered into a 10-year partnership with KB PRASAC Bank, successfully launched on 24 November 2025. This milestone significantly strengthens distribution diversification and expands nationwide reach, enabling the delivery of protection, health, and long term savings solutions through one of Cambodia's leading financial institutions.

In addition, AIA Cambodia works with a selective group of professional insurance brokers, enabling access to customers seeking independent, professional advice within regulated environments.

Through disciplined partner selection and active relationship management, partnership distribution delivers scale, reach, and responsible growth, while maintaining high standards of governance, customer service, and risk management.

Healthier, Longer, Better Lives



OUR CUSTOMERS

AIA Cambodia adopts a strong Customer Centricity Strategy that places customers at the heart of everything we do, with a clear commitment to delivering exceptional service experiences that meet and exceed expectations while safeguarding customer interests at every touchpoint.

This strategy is guided by a deep understanding of customers' needs and focuses on providing reliable protection, responsive service, and long term value, supported by robust governance, transparent communication, and strict adherence to regulatory and ethical standards to ensure customers are treated fairly and responsibly.

To deliver this promise, AIA Cambodia deploys multiple service channels that are designed for maximum convenience, accessibility, and professionalism, with service quality consistently above industry standards.

Our dedicated and professionally trained sales agents play a critical role as trusted advisors, offering clear, needs based recommendations and ongoing support throughout the policy lifecycle. They ensure customers fully understand their coverage, benefits, and obligations, reinforcing AIA's commitment to responsible advice and customer protection.

Another key pillar of AIA Cambodia's customer service excellence is our high performing contact center, which provides customers with easy access to support through multiple channels, including phone calls and Telegram chat. Guided by our EASE philosophy—Empathetic, Automated, Simple, and Engaged—the Contact Center is designed to deliver human centered service with speed and precision. Our service agents are trained to respond with empathy and genuine care, ensuring customers feel heard and supported, especially during critical moments such as claims or policy changes.

Automation is thoughtfully applied to streamline processes and reduce waiting time, while simplicity ensures that information and solutions are delivered clearly and without complexity. Most importantly, our teams remain actively engaged with customers to resolve their needs effectively. This approach has led to a significant achievement: 100% First Time Solution, meaning every call or enquiry is resolved during the first interaction, eliminating repeat follow ups and reinforcing AIA Cambodia's commitment to effortless, reliable, and high quality customer experiences.

In addition, AIA Cambodia empowers customers with digital convenience through the AIA+ self service mobile app, available 24/7 to support customers anytime, anywhere. The app enables customers to manage and maintain their policies, submit claims seamlessly, track claim status, and receive reimbursement directly into their bank accounts, significantly reducing turnaround time and enhancing transparency. This digital capability is further strengthened by AIA Cambodia's widest hospital network both locally and internationally, allowing customers to enjoy a smooth cashless medical experience and access quality healthcare without financial anxiety at critical moments.

Together, these service channels and protection measures reflect AIA Cambodia's unwavering focus on serving customers with care, trust, and excellence—supporting them confidently through every stage of their health and life journey.

COMPANY STRUCTURE

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

CHAIRMAN AND NON-EXECUTIVE DIRECTOR



Mr. TAN Hak Leh
Chairman of the Board of Directors

Is the Regional Chief Executive responsible for the Group's businesses operating in Thailand, Singapore, Brunei, Malaysia, Cambodia and Myanmar. He is a director of various companies within the Group and is a key member in the Global Asia Insurance Partnership (GAIP) Advisory Council. Mr. Tan was Chief Executive Officer of AIA's operation in Thailand from 2016 to 2019, Group Chief Risk Officer in 2015 and Chief Executive Officer of AIA's operation in Singapore from 2011 to 2015.

Prior to joining the Group, Mr. Tan was Chief Executive Officer of Great Eastern Life, Singapore. Prior to joining Great Eastern Life, Mr. Tan was a Director of the Insurance Department of the MAS. Mr. Tan has played an active role in the life insurance industry since 2005. His appointments include: President of the Life Insurance Association (LIA), Singapore from 2010 to 2013, Vice Chair of Singapore College of Insurance from 2011 to 2013 and Vice President of Thailand Life Assurance Association from 2017 to 2018. He was also a board member of Financial Industry Disputes Resolution Centre Ltd from 2008 to 2015.



Mr. Stuart Anthony SPENCER
Non-Executive Director

Is a Non-Executive Director of AIA Cambodia since 2016. Mr. Spencer is the Group Chief Marketing Officer and oversees AIA Vitality, propositions, branding, communications, sponsorships, events, customer engagement and marketing digitalisation. He is a director of various Group companies. Mr. Spencer occupied numerous leadership roles at AIG and AIA (1996–2009), in the United States, Latin America and in Asia where he served as global President of Accident & Health Worldwide for the AIG Life Companies.

Mr. Spencer re-joined AIA in May 2017 from Zurich Insurance Group, where he was CEO, General Insurance, Asia Pacific. Mr. Spencer started his career in New York at American Express Travel Related Services in Marketing. He is an alumnus of the Harvard Business School, the Fletcher School of Law and Diplomacy and Brandeis University.



Mr. Clive Vincent ANDERSON
Non-Executive Director

Is the Group Senior Regional Counsel at AIA Group, with over 20 years of experience in the insurance industry across private practice and in-house legal and compliance roles. He provides legal leadership and support for major corporate initiatives, including mergers and acquisition, distribution transactions, intellectual property and IT, tax, asset management and regional business operations.

Previously, he was Head of Legal and Compliance for Manulife Financial in South-East Asia, where he led M&A, distribution transactions, regulatory affairs, and wealth management, and managed regional legal and compliance teams. Earlier, he served as Chief Legal and Compliance Officer for Manulife's Canadian Wealth Management operations and, as Senior Group Counsel, oversaw global IT and outsourcing arrangements.

Mr. Anderson is a founding member of the Singapore Chapter of the Association of Corporate Counsels and serves on the Executive Committee of the Alumni Association of Acadia University. He holds degrees in French Literature from Acadia University (Canada) and Université d'Aix-en-Provence (France), an LLB from Osgoode Hall Law School in Toronto, Canada and a member of the Law Society of Upper Canada.

CORPORATE GOVERNANCE INFORMATION

EXECUTIVE DIRECTOR



Ms. Jane TAY
Chief Executive Officer

Was appointed Chief Executive Officer of AIA Cambodia in December 2023, where she leads the growth and development of AIA's insurance business in the country to fulfil its purpose of helping Cambodians live Healthier, Longer, Better Lives.

Prior to this role, Ms. Tay was a Chief Strategic Bancassurance Alliance Officer and a member of its Executive Committee, overseeing the strategic partnership with Bangkok Bank and expanding bancassurance across retail, SME and digital channels.

With over 15 years of experience in the financial services industry, Ms. Tay is a dynamic leader with strengths in sales, partnership management, operational transformation, and people leadership. She holds an MBA from Western Michigan University and a Bachelor of Science (Honours) in Economics from the University of London.

INDEPENDENT NON-EXECUTIVE DIRECTOR



Mr. Matthew Nicholas RENDALL
Independent Non-Executive Director

Currently Partner at Kinstellar/Sok Siphana Sethalay law firm, has served as Independent Non-executive Director of AIA Cambodia since 2016. He has extensive experience advising foreign and local investors on corporate, commercial, real estate, labour and investment law, and is well regarded for his insights into legal developments in Cambodia. Previously, he was Managing Partner of Sciaroni & Associates and has held advisory and associate roles with organisations including the East West Management Institute, the Asia Foundation, and the University of San Francisco's Cambodia Law and Democracy Project.

Mr. Rendall is a graduate of the University of Sydney School of Law and was admitted to practice by the Supreme Court of New South Wales in 1991. He has served as a professor at the Royal University of Law and Economics and was a founding arbitrator of Cambodia's Labour Arbitration Council. An established legal author, he has written and co-authored numerous legal texts, including a textbook on Cambodia's 2001 Land Law published jointly by the ADB and the Ministry of Land Management.

He is also a board member of CAMFEBA and the British Business Association of Cambodia (BRITCHAM).



Ms. Mealy KHIEU
Independent Non-Executive Director

Is a Partner at Sok Siphana Sethalay in collaboration with Kinstella Southeast Asia, a Phnom Penh-based law firm. She has extensive experience advising on domestic and offshore financing, bank capital structuring, asset financing and regulatory matters relating to the securities exchange and central bank. She used to serves as a panel lawyer to multiple banks and provides strategic business and investment legal advice, particularly for listed real estate companies. Ms. Khieu has advised clients across a wide range of sectors, including banking, domestic and international investment and real estate and has represented public listed real estate companies in major transactions. Her practice also covers litigation and arbitration involving commercial, corporate and person rights disputes.

Ms. Khieu is a founding member and was Vice President of the National Commercial Arbitration Centre (NCAC). She is the registered mediator and arbitrator of NCAC, the first authorised Trademark Agents in Cambodia and also the founding member of the Intellectual Property Association of Cambodia (IPAC). She sits as Independent Director of Maybank Cambodia Plc., and also the advisor to AeonSpecialized Bank. She holds her position as Advisor to the President of the National Assembly. She is also the member of the Bar Association of the Kingdom of Cambodia.



Mr. Piseth SOK
Independent Non-Executive
Director

Has wide experience in the financial sector, serving as a Board member and co-founder of Mega Leasing Plc since 2012 and a Board member in Amara Capital Plc. since 2021. Currently, he is the CEO of the GGear Group Co., Ltd., a distributor of LG Electronics.

Mr. Sok is an active influenced entrepreneur in Cambodian business community to support the building of entrepreneurship ecosystem. He is also active in the dialogue with government policies and join a lot of international conferences. He has been a personal advisor to the Prime Minister since 2023. Most importantly, he plays significant role in driving private sector development and holds important roles such as Vice President of Cambodia Chamber of Commerce, President of CAFEBBA (Cambodia Federation of Employers and Business Associations)

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall governance, leadership, and strategic direction of AIA Cambodia. The Board is accountable to the shareholders and as such, will ensure the highest standard of governance in running AIA Cambodia's business and setting its strategic direction. The detailed roles and responsibilities are set forth in the Board Terms of Reference and the Company Memorandum & Articles of Association. The Board, through its Board Audit Committee, conducted a regular review of the Company's material controls (including operational, financial and compliance controls) and risk management systems. The Board and Board Audit Committee have declared their satisfaction and confidence in the Company's internal controls and risk management systems.

BOARD INDEPENDENCE AND DIVERSITY

The Board maintains a balanced composition of independent and non executive directors to ensure sound judgment, effective oversight, and the protection of policyholders' interests. The Board will determine whether a director is independent in character and judgment, or if there are relationships or circumstances which are likely to affect the director's judgment. The Board also recognizes the benefits of having a diverse Board as an essential element in maintaining a competitive advantage and achieving optimal decision-making. The Board considers diversity in age, gender, ethnicity, culture, race, skills, regional and industry experience and background, and other distinctions in determining the composition of the Board. The Board also ensures that each director does not have, directly or indirectly, a financial, legal or other relationship with the Company that would reasonably interfere with the exercise of independent judgment in carrying out his or her responsibilities.

BOARD PROCESS

The Board meetings are held on a quarterly basis unless a special meeting is necessary to discuss urgent matters, to determine overall strategies, receive management updates, approve business plans and to consider other significant matters. Senior management also provide regular updates to the Board with respect to the Company's business activities and the progress of the Company against its business objectives.

Minutes of meetings of the Board and all Committees are kept by the Company Secretary and are open for inspection by the Board. Board materials are sent to the members at least seven days prior to the scheduled Board meetings.

BOARD SELECTION PROCESS

The Board ensures that plans are in place for orderly succession to the Board to maintain a balance of appropriate skills and experiences within the Company. Appointments to the AIA Cambodia Board are made on merits and subject to objective criteria as set forth in the Prakas on Corporate Governance of Insurance Companies. Careful deliberation and consideration are done to ensure that nominees are fit-and-proper to sit in the Board. The Company, through its major shareholder, considers the knowledge, competencies, skills, and experience of the nominee-director, taking into account the Company's business objectives and strategies. The Company ensures that its Board membership consists of highly qualified individuals with sufficiently diverse talents, skills, experience and background, and possess a record of integrity and good repute.

CORPORATE GOVERNANCE INFORMATION

Another primary consideration in the selection process is, based on the wealth of experience of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company's goals and objectives. This is important to ensure that the quality of directors is aligned with the Company's strategic directions.

From time to time, the Company commences the selection and re-appointment process for the directors to provide continuity, retirement and re-appointment of directors to be done on a staggered basis. Independent Directors are re-appointed to ensure that their tenure remains within regulatory limit and that such re-appointments are duly approved by the Insurance Regulator of Cambodia, in accordance with the Prakas on Corporate Governance of Insurance Companies.

EXECUTIVE COMMITTEE

COMPOSITION OF THE EXECUTIVE COMMITTEE



Mr.Ratha Phok, Ms. Jane Tay, Mr. Prakash Rishabh, Ms. Vorakchan Khieu, Ms. Chanthan Chin



Ms. Jane TAY
Chief Executive Officer

Ms. Tay's biography is set out above.



Mr. Ratha PHOK
Chief Partnership Distribution Officer

Mr. Ratha Phok joined AIA Cambodia in March 2020 as Chief Partnership Distribution Officer. He is responsible for leading and expanding the Company's partnership and multi-channel distribution strategy, including Bancassurance, Brokerage, and Direct Sales for Corporate Solutions.

Since his appointment, AIA Cambodia has significantly expanded its market footprint under his leadership. He successfully launched new distribution channels, including Brokerage and Direct Sales in 2020, strengthening AIA Cambodia's reach to customers across key segments. In 2025, he led the onboarding of KB PRASAC Bank as a new bancassurance partner, further enhancing the Company's strategic partnerships and distribution capabilities. Mr. Ratha brings over 20 years of professional experience across diverse sectors, including FMCG, payment and fintech, banking, and insurance. He is a seasoned business executive with a strong track record in new business development, digital financial services, and large-scale distribution management, and has played a pivotal role in advancing financial inclusion in Cambodia.



Ms. Chanthan CHIN
Chief Human Resources Officer

Joined AIA Cambodia as Chief of Human Resources Officer in 2019, she has over 20 years of experience in HR management. Prior to joining AIA, she was Regional Talent and Organization Effectiveness at British American Tobacco. In addition to driving a strategic and innovative HR agenda that translates business vision into initiatives, Ms. Chanthan also plays a key leadership role in championing the organization's Sustainability agenda, while overseeing Security and Property functions.



Mr. Prakash RISHABH
Director of Finance and Actuary

Joined AIA Cambodia as the Appointed Actuary approved by the Insurance Regulator of Cambodia on 24 May 2024 and was promoted to Director Finance and Actuary on 30 October 2025. He has 16 years of actuarial experience across India, France, South Korea and Cambodia with expertise on Life Insurance Pricing, Valuation, Asset Liability Management, Economic Capital and IFRS 17. He currently leads the Finance and Actuary team providing financial expertise to enable the delivery of initiatives and solutions in a dynamic business environment.



Ms. Vorakchan KHIEU
Head of Marketing

Is the Head of Marketing at AIA Cambodia and a founding team member who joined the Company in 2016. She played a pivotal role in setting up AIA Cambodia ahead of its official market launch in 2017. She brings with her deep expertise across marketing, consumer banking, and business growth. Prior to joining AIA Cambodia, Ms. Vorakchan spent more than eight years with ANZ Royal Bank, where she began her career in marketing before progressing to lead the Credit Card and Personal Loan business. She was a Fulbright Scholar and holds a Master of Business Administration (MBA) in Strategic Marketing from The University of Akron, United States.

ROLE AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Board has delegated authority to the Chief Executive Officer (“CEO”) to act on its behalf in the day-to-day management of the Company. In support of the CEO’s responsibilities, an Executive Committee has been established in accordance with its Terms of Reference. The Executive Committee serves as a formal platform through which the CEO engages senior members of the executive management team in the decision-making process on matters within her purview.

The Executive Committee oversees the Company’s management and operations and considers, deliberates, and makes decisions on matters escalated by sub-committees or Executive Committee members. Its primary function is to provide a structured yet efficient forum for the CEO to engage collaboratively with the senior executive team on key aspects of the Company’s business, while ensuring strong executive alignment, support, and commitment to strategic initiatives and plans.

The Executive Committee supports and advises the CEO on strategic, operational, financial, compliance, and organizational matters. It regularly reviews monthly performance, quarterly financial results, statutory compliance, and key risk, human resources, and administrative matters.

REPORT OF COMMITTEES

BOARD AUDIT COMMITTEE

The Board governance and oversight are implemented through a structured hierarchy, which includes the Board and its committees. The Board delegates oversight of audit and investment, asset-liability and risk-related matters to specific committees established by the Board, namely the Board Audit Committee, Board Investment Committee, Asset-Liability Management Committee and Risk Management Committee. Per regulatory requirements, the Board Audit Committee and Board Investment Committee are chaired by an Independent Non-Executive Director who is responsible for the leadership and governance of the respective committees, setting agenda for the committee meetings and reporting regularly to the Board of its activities and decisions. Each committee operates under its own terms of reference which are subject to regular review.

COMPOSITION OF THE BOARD AUDIT COMMITTEE

COMPOSITION	INDEPENDENCE
<p>Mr. Matthew Nicholas Rendall, Independent Non-Executive Director (Chairperson)</p> <p>Ms. Mealy Khieu, Independent Non-Executive Director</p> <p>Mr. Stuart Anthony Spencer, Non-Executive Director</p>	<p>Chairperson and one member of this committee are Independent Non-Executive Directors.</p>

CORPORATE GOVERNANCE INFORMATION

ROLES AND RESPONSIBILITIES

The Board Audit Committee is delegated with authority from the Board to oversee the Company's financial reporting system, the internal control systems, the relationship with the external auditor of the Company, to review the Company's financial information and its preparation, to endorse the Company's financial and accounting policies and practices and its whistleblowing programme, as well as to monitor the adequacy of resources for and effectiveness of the internal audit function.

The Board Audit Committee also provides oversight for and management of the relationship with the Company's external auditor, including reviewing and monitoring the external auditor's independence and objectivity, and the effectiveness of the audit process in accordance with applicable standards.

The Board Audit Committee held four meetings during the year ended 31 December 2025. The duties performed by the Board Audit Committee during the year under review included, but not limited to, the following:

AREA OF FOCUS	KEY PERFORMED ACTIVITIES
Relationship with the Company's Independent Auditor	<ul style="list-style-type: none"> Reviewed and discussed the financial statements and findings/ issues raised by the external auditors. Noted and considered the external auditor's independence, objectivity, and the effectiveness of the audit process. Noted the audit plan for the financial year ending 31 December 2025 presented by the external auditor summarizing the key area of audit including the audit objectives, management's responsibilities, audit strategy, and accounting estimates and significant judgements.
Review of Financial Information of the Company	<ul style="list-style-type: none"> Reviewed the financial statements, annual reports and accounts including quarterly financial highlights reports. Reviewed and discussed the effectiveness of financial and internal controls through external auditor annual audit and Group Internal Audit updates. Updated on the internal control matters raised by the external auditor and Group Internal Audit including progress of audit plan, issues raised, and implementation of management actions. Reviewed and approved the internal audit plan and resources. Regular updates on the internal audit plan and resources were also presented to the Board Audit Committee for its oversight. Reviewed and endorsed the internal audit reports. Reviewed the independent auditor's management letter and discussed matters raised by the auditors. Regularly briefed by Legal and Compliance team on regulatory updates and impact to the Company. Action plans were also established to close the gaps identified, if any. In addition, the Board Audit Committee members were briefed by Group Internal Audit on all audit findings, root causes, and management actions.

BOARD INVESTMENT COMMITTEE

COMPOSITION OF THE BOARD INVESTMENT COMMITTEE

COMPOSITION	INDEPENDENCE
Mr. Piseth Sok (Chairperson) Ms. Jane Tay (Alternate Chairperson) Mr. Clive Vincent Anderson, Non-Executive Director Mr. Rishabh Prakash, Director of Finance and Actuary Mr. Tran Tien Anh, the Appointed Actuary Ms. Sopha So, Investment Officer	Chairperson of this committee is an Independent Non-Executive Director.

ROLES AND RESPONSIBILITIES

The Board Investment Committee is a Board appointed governance body established under a clear Terms of Reference to strengthen oversight of the Company's investments and ensure decisions are prudent, well documented, and aligned with policyholder obligations and regulatory expectations. It is chaired by an Independent Non Executive Director (with the CEO as Alternate Chairperson) and includes a Non Executive Director, the Director of Finance and Actuary, the Appointed Actuary, and Investment Officer, ensuring balanced challenge and technical input.

The Board Investment Committee is empowered to obtain necessary information from management, require cooperation across the Company, and ensure adherence to approved investment standards and internal investment policies, while retaining the ability to delegate to sub committees where appropriate.

To maintain strong governance discipline and decision quality, the Board Investment Committee meets at least once per quarter, with additional meetings convened when needed. Meetings can be held in person or electronically, operate with a defined quorum, and decisions are taken by majority vote (or by written resolution signed by all members).

The Board Investment Committee's core responsibilities include setting and reviewing investment policies (security, diversification and liquidity), preparing investment plans, monitoring investment activities, evaluating performance, and supporting effective asset liability management. It reports investment outcomes to the Board quarterly and annually, and conducts at least an annual review of investment policies to reinforce ongoing compliance with applicable laws and regulations and the wider investment governance framework—thereby improving the quality, consistency and transparency of investment decision making for regulators and the public.

The Board Investment Committee held four meetings during the year ended 31 December 2025. The duties performed by the Board Investment Committee during the year under review included, but not limited to, the following:

AREA OF FOCUS	KEY PERFORMED ACTIVITIES
Quarterly investment performance and portfolio oversight	<ul style="list-style-type: none"> Reviewed and discussed the quarterly investment performance report. Reviewed and noted on the investment portfolio and regulatory limit report (quarter-end and year to date portfolio breakdown) to monitor investment activities and exposures with confirmation from the management that the portfolio was well managed within regulatory limits.

CORPORATE GOVERNANCE INFORMATION

Regulatory compliance and reporting discipline	<ul style="list-style-type: none"> Reviewed the regulatory compliance reporting status (financial year 2024 and year to date 2025) at quarterly meetings with confirmation from the management confirmed that all regulatory requirements and reports to date were in compliance. Noted that there was no new investment-related regulatory development during the reporting periods reviewed. Noted on the Insurance Regulator of Cambodia's updated quarterly and annual investment reporting templates (published 12 December 2024) and recorded management's readiness with no constraints identified.
Forward planning and governance support to the Board of Directors	<ul style="list-style-type: none"> Reviewed and endorsed the three year rolling investment plan (2026–2028) prepared in accordance with Article 14 of the Prakas on Approval on Investment for Insurance Companies for recommendation to the Board of Directors, during the committee's meeting held on 16 December 2025.
Investment risk and market environment monitoring	<ul style="list-style-type: none"> Discussed and documented key market constraints and reaffirmed a prudent near term positioning focused on fixed income assets that meet the Company's risk and duration needs. Noted the Insurance Association of Cambodia's taskforce initiative to evaluate offshore investment feasibility and agreed to monitor developments for potential future opportunities during the committee's meeting on 10 September 2025.

ASSET-LIABILITY MANAGEMENT COMMITTEE

COMPOSITION OF THE ASSET-LIABILITY MANAGEMENT COMMITTEE

Ms. Jane Tay, Chief Executive Officer (Chairperson)
 Ms. Chanmavity Chhek, Head of Risk and Compliance
 Mr. Prakash Rishabh, Director of Finance and Actuary

ROLES AND RESPONSIBILITIES

The Asset-Liability Management Committee is delegated with authority from the Board to provide oversight of asset-liability management policies, processes and controls, and the implementation of asset-liability management decisions and strategic asset allocation processes. The Asset-Liability Management Committee shall be cognizant of the Company's risk appetite, solvency, liquidity position, solvency position, liabilities profile and the need to ensure that the Company holds sufficient assets of appropriate nature, term and liquidity to enable such entities to meet its liabilities as they become due.

The Asset-Liability Management Committee held four meetings during the year ended 31 December 2025. The duties performed by the Asset-Liability Management Committee during the year under review included, but not limited to, the following:

AREA OF FOCUS	KEY PERFORMED ACTIVITIES
Company's Asset-Liability Management related Affairs	<ul style="list-style-type: none"> Approved the asset-liabilities management policies. Endorsed all investment mandates for the Company prior to approval by the Board. Monitored compliance with asset-liability management policies, asset-liability management reporting and internal control systems, the investment mandate of the Company, and relevant legal and regulatory requirements.

RISK MANAGEMENT COMMITTEE**COMPOSITION OF RISK MANAGEMENT COMMITTEE**

Ms. Jane Tay, Chief Executive Officer (Chairperson)
 Mr. Rishabh Prakash, Director of Finance and Actuary (Alternate Chairperson)
 Ms. Ratha Phok, Chief Partnership Distribution Officer
 Ms. Chanthan Chin, Chief Human Resources Officer
 Ms. Vorakchan Khieu, Head of Marketing
 Mr. Sithavuth Lim, Head of Agency
 Ms. Phannou Ty, Senior Legal Manager
 Ms. Nguyet Tu Tran, Head of Operations
 Mr. Keangsim Seng, Head of Infrastructure and Application Development
 Mr. Akshy Thiagarajan, Head of IT Transformation
 Mr. Ratha Pok, Head of Proposition and Strategy
 Ms. Chanmavity Chhek, Head of Risk and Compliance

ROLES AND RESPONSIBILITIES

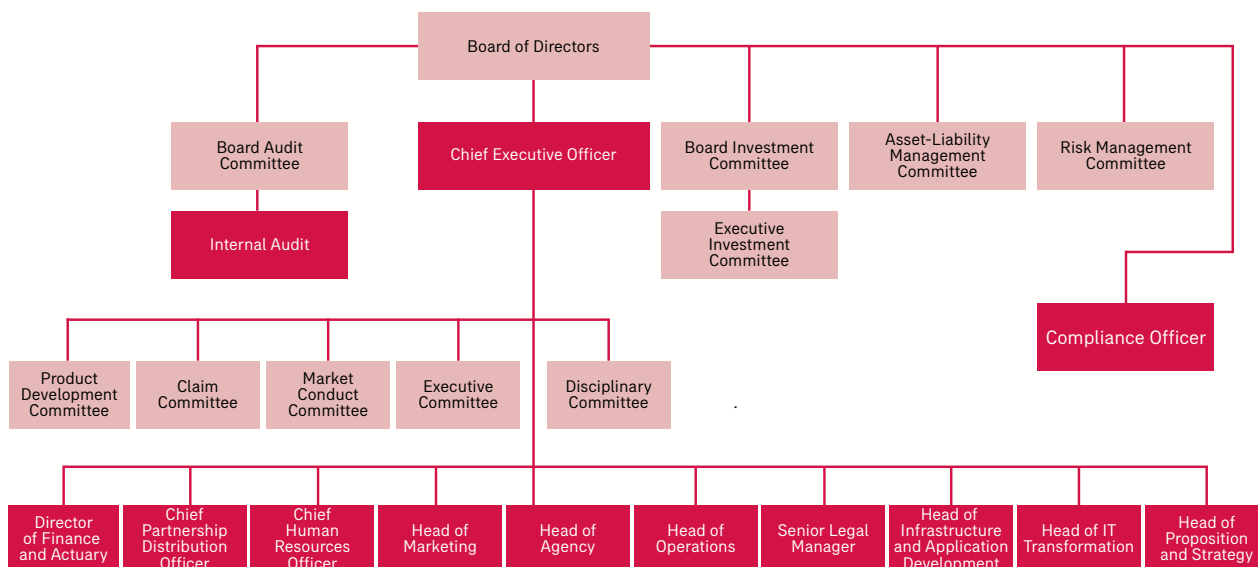
The Risk Management Committee is delegated with authority from the Board to provide oversight of the management of financial and non-financial risk throughout the Company. The Risk Management Committee also ensures that the appropriate risk policies are in place. The Risk Management Committee is responsible for establishing priorities and coordinating across the Company risk management activities, monitoring exposures, developing guidelines for reporting risks, key risk indicators, risk event data and status of actions plan for addressing risk deficiencies. In addition, the Risk Management Committee shall monitor emerging and catastrophic risks that may impact the Company's financial position.

The Risk Management Committee held four meetings during the year ended 31 December 2025. The duties performed by the Risk Management Committee during the year under review included but not limited to the following:

AREA OF FOCUS	KEY PERFORMED ACTIVITIES
Framework Implementation Monitoring	Monitored the implementation and ongoing effectiveness of the local Risk Management Frameworks across the Company.
Policy Approval	Approved all applicable risk and compliance management policies and their related addendums covering all respective segment under Risk and Compliance Framework such as AML/CFT Policies, Operational Risk Management Policies, Reinsurance arrangements, and other key risk areas.
Non-Financial Risk Oversight	Approved and oversaw the Company's Key Operating Risks (KORs), including the adequacy of risk mitigation strategies and controls.
Risk Exposure & Limits Monitoring	Approved financial risk limits and monitors the Company's overall risk exposures, including capital position, balance sheet resilience, and financial flexibility.
Emerging & Material Risks	Reviewed significant emerging, catastrophic, and current risks including industry-wide developments that may affect the Company and evaluates management's mitigation actions.
Reporting to the Board	Reviewed material risk matters requiring Board approval and provides regular updates on the Company's risk profile, KOR status, and overall risk management effectiveness.

CORPORATE GOVERNANCE REPORT

COMPANY GOVERNANCE STRUCTURE



Notes:

1. The Board is ultimately responsible for the sustainable performance of the Company, including the consistent achievement of business plans and compliance with statutory as well as corporate obligations.
2. The Board has established committees to assist it in meeting its different areas of responsibilities. The terms of reference for such Board committees are approved by the Board, including any revisions thereto from time to time.
3. The Board delegates authority to the Chief Executive Officer to act on behalf of the Board in the executive management of the Company.

MANAGEMENT REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Tan Hak Leh, Non-Executive Director and Chairman of the Board of the Company, plays a critical role of leading the Board in fulfilling its responsibilities. With the support of the Chief Executive Officer and Senior Management, Mr. Tan seeks to ensure that all Directors are properly briefed and receive adequate and reliable information in a timely manner.

Ms. Jane Tay, Executive Director and Chief Executive Officer of the Company, reports to the Board and is responsible for the overall leadership, strategic and executive management and profit performance of the Company, including all operations and administration. Ms. Tay attends Board meetings as the sole Executive Director and, in her capacity as Chief Executive Officer, ensures that the Board is updated at least quarterly in respect of material aspects of the Company's performance. Ms. Tay discharges her responsibilities within the framework of the Company's policies, reserved powers and routine reporting requirements and is advised and assisted by the Senior Management of the Company.

Under the leadership of the Chief Executive Officer, the Executive Committee is set up with specific terms of reference to support the Chief Executive Officer in the discharge of the responsibilities delegated to her by the Board for the day-to-day management of the Company. The Executive Committee comprises of Senior Executives of the Company.

The roles and responsibilities of the Board and the Chairman of the Board are set out in the Board Terms of Reference of the Company.

The Chairman of the Board of Directors, the Chief Executive Officer and other Directors do not have any financial, business, family or other relationships with each other.

CORPORATE GOVERNANCE INFORMATION

EXTERNAL AUDITOR

The external auditor of the Company for the year 2025 was PricewaterhouseCoopers. The Board Audit Committee is responsible for making recommendations to the Board on the external auditor's appointment, re-appointment and removal, which are subject to approval by the Board and shareholders of the Company. In assessing the external auditor, the Board Audit Committee will take into account relevant experience, performance, objectivity and independence of the external auditor.

FINANCIAL REPORTING

The annual results of the Company and other financial information were published in accordance with the requirements of Cambodian International Financial Reporting Standards ("CIFRS") and other applicable regulations and industry best practice. When preparing the Company's financial reports, the Board endeavours to present this information in a comprehensible, informative and user-friendly manner.

The Directors acknowledge their responsibility for preparing the Company's financial statements and ensuring that the preparation of the Company's financial statements is in accordance with the relevant requirements and applicable standards.

The statement of the Company's external auditor concerning its reporting responsibilities on the Company's financial statements is set out in the Independent Auditor's Report on pages 2 to 5 of Financial Statements for the Year Ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board, assisted by its committees, is responsible for overseeing the Company's risk management and internal control systems on an ongoing basis. The Board reviews the effectiveness of risk management and internal control systems on an annual basis.

The Company's risk management framework does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits in order to support the sustainability of the business and the creation of long-term value in alignment with the Company's culture and strategy, and can only provide reasonable and not absolute assurance against material misstatement or loss. The main features and other information on the risk management framework and the process used to identify, evaluate and manage significant risks are set out in the Risk Management section of this Annual Report.

CORPORATE CULTURE AND STRATEGY

The Company's corporate culture is guided by its operating philosophy of "Doing the Right Thing, in the Right Way, with the Right People... and the Right Results will come". This philosophy permeates all levels of the Company, from the Board and Senior Management and throughout all operating levels of the organisation. It is embedded in AIA's Code of Conduct, which sets the framework for a culture of professionalism, ethics, respect, diversity and inclusion; all in support of helping the Company deliver on its purpose of helping people live Healthier, Longer, Better Lives.

CORPORATE GOVERNANCE INFORMATION

BOARD OF DIRECTORS' MEETING

The Board supported by a structure that enables appropriate delegation between the Board, its Committees and management, whilst ensuring that the Board retains overall control. The Company has also implemented a system for group-wide and business unit-level policies, standards and guidelines to ensure high governance standard is maintained across the Company and compliance with applicable laws and regulations.

The Board held four meetings during the year ended 31 December 2025.

DATE	MODE OF MEETING	NAMES OF DIRECTORS ATTENDING THE MEETING
20 March 2025	Physical meeting with video conference broadcast via Microsoft Teams	Mr. Tan Hak Leh Mr. Stuart Anthony Spencer Ms. Jane Tay Mr. Matthew Nicholas Rendall Ms. Mealy Khieu Mr. Piseth Sok Mr. Clive Vincent Anderson
17 June 2025		Mr. Tan Hak Leh Ms. Jane Tay Mr. Matthew Nicholas Rendall Ms. Mealy Khieu Mr. Piseth Sok Mr. Clive Vincent Anderson
10 September 2025		Mr. Tan Hak Leh Mr. Stuart Anthony Spencer Ms. Jane Tay Mr. Matthew Nicholas Rendall Ms. Mealy Khieu Mr. Piseth Sok Mr. Clive Vincent Anderson
16 December 2025		Mr. Tan Hak Leh Mr. Stuart Anthony Spencer Ms. Jane Tay Mr. Matthew Nicholas Rendall Ms. Mealy Khieu Mr. Piseth Sok Mr. Clive Vincent Anderson

CORPORATE GOVERNANCE INFORMATION

During the year under review, the Board discharged its responsibilities under the Board Terms of Reference and in accordance with the relevant law and regulations. Those responsibilities included the following:

AREA OF FOCUS	KEY PERFORMED ACTIVITIES
Strategy and Management	<ul style="list-style-type: none"> Proposed to shareholders amendments to the memorandum and articles of association.
Financial Reporting and Controls	<ul style="list-style-type: none"> Approved the audited financial statements and recommended the same to the shareholders for approval. Reviewed and approved the annual budget and business plan. Reviewed and approved 3-year rolling investment plan. Reviewed the financial statements, annual reports and accounts including quarterly financial highlights reports.
Governance Framework, Risk Management and Compliance	<ul style="list-style-type: none"> Reviewed and approved annual regulatory reports. Reviewed and approved the amendment of delegation of treasury authority. Reviewed and approved the amendment of the terms of reference for the Risk Management Committee. Reviewed and approved the Company's New Business and Underwriting Policy. Reviewed and approved the internal audit reports. Noted on the fraud reports presented by the Compliance Officer.
Board Membership and Other Appointments	<ul style="list-style-type: none"> Reviewed and approved the change of composition of the Board Investment Committee. Reviewed and approved the Change of Compliance Officer. Reviewed and approved the Change of the Appointed Actuary.

EXECUTIVE COMMITTEE SELECTION PROCESS

Appointments to the AIA Cambodia Executive Committee members are made on merits and subject to objective criteria as set forth in the AIA Group Talent Acquisition Standard. Careful deliberation and consideration are done to ensure that nominees are fit-and-proper to sit in the Executive Committee. The Company considers the knowledge, competencies, skills, and experience of the nominee executives, taking into account the Company's business objectives and strategies. The Company ensures that it consists of highly qualified individuals with sufficiently talents, skills, experience and background, and possess a record of integrity and good repute. Another primary consideration in the hiring process is, based on the wealth of experience of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company's goals and objectives.

To enable selection of most qualified individuals, the Company utilizes the aid of independent third-party professional search firms to identify and source qualified senior executives.

For Executive Committee members succession, the Company continues to maintain oversight on the Organization People Review (OPR) exercise annually conducted by the Company's Human Resources Department to ensure retention of talents and minimize business disruption in the event of any senior executive separation from the Company.

COMPANY SECRETARY

All the Directors have access to the advice and services of the Company Secretary at any time in respect of their duties and the effective operation of the Board and Board committees. The Company Secretary advises the Board on all corporate governance matters, facilitates the induction and professional development of Directors, and ensures appropriate information flows and communications within the Board and its committees, and between management and the Non-executive Directors. The Company Secretary also plays an important role in ensuring that Board of Directors and Board of Directors committee policies and procedures are followed and the Board's obligations in accordance with the relevant laws and regulations.

CAPITAL AND SOLVENCY

In accordance with the latest regulation “Prakas on Determination of Solvency Ratio for Insurance Companies” issued by the Insurance Regulator of Cambodia on 14 December 2022, the regulatory required solvency is determined using a factor-based approach applied to insurance reserves and the net amount at risk. Under this framework, insurance companies are required to maintain a minimum solvency ratio of 120%. This regulatory regime is designed to ensure that insurers maintain sufficient financial strength to withstand adverse experience that extends beyond normal business fluctuations.

As of 31 December 2025, the Company maintained a healthy solvency position, with total available capital of US\$ 10.2 million (2024: US\$ 9.8 million), resulting in a strong solvency ratio of 294% (2024: 280%). There were no remarkable changes in the Company’s solvency position compared with the previous year. This reflects the Company’s continued prudent capital management and its ongoing compliance with applicable regulatory capital and solvency requirements.

As of 31 December 2025, the in-force book of business amounted to gross insurance contract liabilities of US\$ 30.6 million (2024: US\$ 21.5 million) and a reinsurance asset of US\$ 6.2 million (2024: US\$ 6.2 million). Compared with the position as of 31 December 2024, the year on year increase in insurance contract liabilities represents a stable and gradual growth, consistent with expectations.

INVESTMENT

The Company manages its investment assets prudently to support policyholder obligations, maintain liquidity, and generate stable income, in full compliance with applicable laws and regulations. Investment activities are aligned with the Prakas on Approval of Investment for Insurance Companies dated 27 October 2022, including requirements on permitted assets, limits, governance, and reporting.

Investment management operates under a Board-approved framework with clear controls and ongoing monitoring. The Company maintains a three-year rolling investment plan and submits periodic investment reports to the Insurance Regulator of Cambodia. Investment assets are expected to grow steadily over 2026 to 2028, with disciplined investment and liquidity maintained through adequate cash and cash equivalents as the portfolio expands.

Given Cambodia’s developing capital market and limited long-dated instruments, the Company prioritises capital preservation and liquidity. The portfolio is primarily invested in term deposits with local commercial banks, supplemented by other investments approved by the Insurance Regulator of Cambodia. While the portfolio remains focused on IRC-permitted domestic assets, the Company will continue to assess opportunities that may enhance diversification, solvency resilience, and long-term ALM as Cambodia’s capital market and regulatory landscape evolve.

Key investment risks are managed through prudent limits, governance, and active monitoring:

- Credit and counterparty risk – managed through comprehensive credit assessment-based counterparty selection and regular exposure monitoring.
- Concentration risk – mitigated by maintaining a conservative allocation and evaluating suitable new instruments as they emerge.
- Reinvestment/yield risk – managed through tenor management and ongoing assessment of alternative fixed-income opportunities.
- Asset-liability duration mismatch (ALM risk) – managed through continued assessment of instruments that can improve duration matching, including potential government bond developments.

In conclusion, the Company’s investment approach remains prudent, compliant, and policyholder-focused, centred on capital preservation, liquidity management, and stable income generation, supported by strong governance and ongoing risk management.

INSURANCE TECHNICAL RESERVES

The AIA Cambodia's reserving methodology is prepared in compliance with the Prakas on Determination Methodology for Technical Reserves Calculation for Insurance Company issued by the Insurance Regulator of Cambodia on 23 December 2022. The measurement of insurance contract liabilities and reinsurance assets incorporates key operating assumptions, including mortality, morbidity, lapse rates, expenses, and valuation interest rates. In deriving cash flows, AIA Cambodia applies provision for adverse deviation (PfAD) to ensure the Company can still meet its obligations even if experience turns out to be worse than expected.

RESULT OF BUSINESS OPERATIONS

The annual results of the Company and other financial information were published in accordance with the requirements of Cambodian International Financial Reporting Standards ("CIFRS") and other applicable regulations and industry best practices.

REVENUE

US\$ Million	2025	2024	% Change
Premiums income	27.91	24.45	14.16%
Premiums ceded to reinsurers	(2.50)	(1.47)	69.51%
Net premiums income	25.41	22.97	10.60%
Interest income	2.17	1.95	11.34%
Total Revenue	27.57	24.92	10.66%

Premium income grew 14.16% in 2025 to US\$ 27.91 million (2024: US\$ 24.45 million), driven by increase in customer engagement, expanding distribution channel, offering most relevant proposition for long-term growth.

Interest income grew 11.34% in 2025 to US\$ 2.17 million (2024: 1.95 million) resulting from higher base of interest generating assets in 2025.

EXPENSE MANAGEMENT

US\$ Million	2025	2024	% Change
Insurance contract benefits	13.95	14.92	(6.5%)
Insurance contract benefits ceded	(0.96)	(0.91)	4.9%
Net insurance contract benefits	12.99	14.01	(7.3%)
Commission and other acquisition expenses	7.88	8.78	(10.3%)
Operating expenses	18.09	19.13	(5.4%)
Interest expenses	0.29	0.28	(3.7%)
Total Expenses	39.25	42.20	(7.0%)

Total expenses decreased US\$ 2.95 million in 2025 to US\$ 39.25 million (2024: US\$ 42.20 million) resulting from improved claim experience reflecting improved risk management. The decrease in total expenses was also caused by lower commission and other acquisition expenses as well as lower operating expenses. This reflects optimized expense management ensuring resources are used efficiently and sustainably. This approach enables us to manage costs responsibly while supporting long term growth and value creation.

CLAIM MANAGEMENT

In 2025, AIA Cambodia paid a total of US\$ 4.6 million in claims, reaffirming our commitment to supporting customers when they need it most. Ensuring a smooth, efficient, and customer centric claims experience remains a key priority for AIA Cambodia. Customers benefit from access to a wide network of medical providers, including hospitals, clinics, and medical cabinets that are duly registered with the Ministry of Health (MOH), along with carefully selected key hospitals within our cashless facility arrangements. This extensive network enables timely access to treatment while maintaining consistent service standards for our customers.

To further enhance convenience, AIA Cambodia continues to strengthen its digital claims submission and reimbursement process through the AIA+ platform, allowing customers to submit claims easily and track their status transparently. Supported by robust operational processes, 65% of claims were finalized within one day, demonstrating our strong turnaround time and commitment to service excellence.

At the same time, to deliver sustainable value and ensure affordable health insurance premiums, AIA Cambodia maintains a robust Fraud, Waste, and Abuse (FWA) management framework. Through ongoing monitoring, medical cost reviews, and provider engagement, we actively safeguard against inappropriate practices and ensure customers receive necessary and appropriate treatment at reasonable costs. These measures not only protect the integrity of our claims process but also enable us to continue offering fair, accessible, and high quality health protection to our customers.

REINSURANCE

The Company uses reinsurance as a key risk management tool to mitigate insurance risk exposures. Insurance risk refers to the uncertainty in product performance arising from actual experience deviating from expected assumptions, including mortality, morbidity, and longevity. In the normal course of business, reinsurance arrangements facilitate effective risk sharing, enhance resilience against extreme or catastrophic events, and support the ongoing stability and continuity of the Company's operations.

As of 31 December 2025, the Company maintained reinsurance treaties with multiple local and foreign reputable reinsurers in order to diversify its risk exposures. Reinsurance counterparties are selected and monitored based financial strength, market reputation, technical expertise, and the suitability of the reinsurance coverage provided. There were no significant changes to the Company's reinsurance strategy during the year ended 31 December 2025.

RISK MANAGEMENT

OVERVIEW

AIA Cambodia recognizes the importance of sound risk management in every aspect of our business and for all stakeholders. For our policyholders, it supports safeguarding their interests and our ability to meet our obligations to them. For investors, it is key to protecting and enhancing the long-term value of their investment. Finally, for regulators, sound risk management supports industry growth and enhances the public's trust in the industry.

AIA Cambodia's Risk Management Framework (RMF) does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits in order to support the creation of long-term value. AIA Cambodia's RMF is built around developing an appropriate and mindful Risk Culture at every level of the organization in support of our strategic objectives. With the provision of appropriate tools, processes and capabilities established under the AIA Group's RMF for the ongoing identification, assessment, management and response, monitoring and reporting of the AIA Cambodia's principal risks in an integrated manner.

AIA Cambodia's RMF consists of the following key components:

- Risk Governance;
- Risk Culture;
- Risk Strategy and Appetite;
- Risk Management Process; and
- Risk Reporting, Systems and Tools

FINANCIAL SITUATION AND BUSINESS OPERATION

AIA Cambodia believes that sound risk management relies on 1) a strong corporate culture driven from the leadership where accountability over risks and effective controls are taken with seriousness across all levels of the corporate hierarchy and operating areas of the organization, and 2) a clear and effective RMF that prescribes how risks are defined, measured, managed, and mitigated.

AIA Cambodia operates using the three lines of defense model in running its RMF. A very important characteristic of the model is to define primary risk ownership by the business areas to drive a strong culture of ethics and accountability in the way business is conducted day to day. In this way, risks are identified and mitigated early and comprehensively as they emerge.

The Risk Management Framework is governed by the Company's Risk Management Committee, which oversees and reviews both financial and operational risks, and ensures that appropriate risk policies and mitigation measures are in place.

AIA Cambodia has also identified Risk Management Champions/Risk and Compliance Champions (RICOs) in each functional unit to drive awareness for risk exposures and provide guidance on the RMF so they may be managed effectively. The RICOs also contribute to properly documenting risk incidents, outstanding risks and measures taken, and identify new or emerging factors for risks such as new regulations, changes in market environment, etc.

Risk awareness and advocating early identification, reporting, and management of risks are embedded in the employees' performance management process with specific and measurable Key Risk Indicators (KRIs).

The First Line is made up of Risk Owners who underwrite risks through product development, investment of asset portfolios, structural allocations and other key business operations. The First Line is responsible for operating within the RMF, with oversight performed by the Second Line, and approved by the Risk Management Committee and Board, ensuring risk and returns are well understood and optimized throughout the decision-making process. The First Line has the responsibility to operate a robust control environment for their functional areas as evidence of ownership and accountability over operational and compliance risks.

The Risk and Compliance Function acts as the Second Line of Defense as it implements the RMF, a method to identify, quantify, and mitigate risks within the Company, and ensure it remains effective. While the First Line is empowered with decision-making authority on exception procedures and approvals, the Second Line endorses these decisions and provides independent oversight, challenge and advice.

An independent Audit Function acts as the Third Line of Defense to provide the Board of Directors insights into risk control effectiveness. Group Internal Audit is responsible for providing independent assurance over the effectiveness of the RMF, including key internal controls, and makes recommendations based on audit findings.

The above are key parts of driving a strong risk culture with methods and values embedded across the different parts of the organization and corporate hierarchy.

OPERATIONAL RISKS

Operational Risk is managed using the Operational Risk and Control Framework which provides the risk taxonomy defining the common sources of control failures known as Key Operational Risk (KOR). All AIA Business Units including AIA Cambodia regularly assess the Key Operational Risks applicable to our operations to identify vulnerabilities so that any incremental control requirements may be addressed. Each Executive Committee member and Functional Head is assigned to own each Key Operational Risk to monitor and ensure appropriate controls are implemented.

KORs are divided into ten domains: Data, Technology, Business Operations, Conduct, Financial Crime, Legal & Regulatory, Reputational, Horizon, Policy, Climate. These KORs are defined as greater granularity in each impacted business unit together with the effectiveness of applicable controls.

Key Risk Indicators were developed to support ongoing monitoring and flag emerging concerns.

The use of the Operational Risk and Control Framework helps the Company identify focus areas of vulnerability to ensure timely and appropriate remediation that may be deployed as issues emerge.

FINANCIAL RISKS

AIA Cambodia manages its exposure to Financial risk within tolerances agreed by the Risk Management Committee and the Group Risk Management Committee. As an internal control procedure, risk metrics, risk tolerances, and limits were set to monitor risk exposure and to ensure that the Company is operating within the Risk Appetite. Financial risk is also managed by periodically running specific scenario-modelling exercises.

Financial risk is subdivided into Solvency Risk, Credit Risk, Market Risk and Liquidity Risk.

Solvency is subjected to stress tests against macroeconomic, portfolio performance and operational process shocks to ensure capital adequacy.

The primary source of Credit Risk is the investment portfolio, but such risk could also arise through reinsurance, procurement, and treasury activities. Credit Risk management with respect to financial creditors is subjected to robust internal ratings of all counterparties. The Risk Management Committee approves a matrix of risk tolerances that ensures that Credit Risk in the investment portfolio is contained within the Risk Appetite. These limits cover individual counterparts, segmental concentration, and cross-border exposures. The Investments Team has discretion to shape the portfolio within these credit limits, seeking further approvals through the RMF. If certain investments are technically within credit limits but with specific concerns, these are brought to the attention of the Risk Management Committee or the Investments Committee, as appropriate.

Market Risk is the risk of financial loss from adverse movements in the value of assets owing to market factors, including changes in interest and foreign exchange rates, as well as movements in the spread of credit instruments to corresponding bonds, "Credit Spread Risk", in equity and property prices. The various Market Risks are managed differently, as follows:

- **Interest Rate Risk:** by ensuring appropriate insurance design and underlying assumptions as part of the product approval process and by matching, to the extent possible and appropriate, the duration of investment assets with the duration of insurance liabilities. Interest Rate Risk arises from any difference between the duration of the Company's liabilities and assets, in particular in relation to the reinvestment of maturing assets to meet commitments, predominantly in insurance liabilities. This exposure can be heightened in products with inherent options or guarantees.
- **Credit Spread Risk:** by focusing on the overall quality and diversification of the Company's investment portfolios and avoiding excessive volatility in their mark-to-market value. Credit Spread Risk arises from changes in the market value of non-government securities as a result of a change in perception as to their likelihood of repayment.

Liquidity Risk occurs in two ways: Financial Liquidity Risk and Investment Liquidity Risk. Financial Liquidity Risk is managed by determining limits for the Company's activities to ensure that sufficient cash is available to meet payment obligations when they fall due. Investment Liquidity Risk is managed through continuous assessment of the relative liquidity of the Company's assets and managing the size of individual holdings through limits.

PRODUCT AND INSURANCE RISK

The development, pricing and underwriting of products must have regard to the following over-arching principles:

- Purpose: Products must serve a defined business purpose.
- Compliance: Products must comply with all applicable laws, regulations and internal policies.
- Customer-Centricity: Products should provide attractive value to customers and reasonable compensation to distributors. Products should fulfill the principles stated in the Customer Commitment Policy.
- Profitability: Products should generate reasonable profit for the Company at a reasonable pace.
- Capital Efficiency: Products should deliver a minimum return on the capital consumed; not consume excessive capital of the Company; and not tie up the Company's capital for an unreasonable period.
- Sustainability and Risk Management: Products should remain profitable within a reasonable range of adverse deviations from pricing assumptions. A product must be priced using prudent pricing assumptions based on timely experience studies.

Appropriate cost of options and guarantees need to be reflected in pricing of products with embedded options and guarantees. Pricing assumptions should reflect appropriate asset-liability management.

PROCEDURE FOR CUSTOMER DUE DILIGENCE

AIA Cambodia adopts a Risk-Based Approach to perform customer due diligence and ongoing monitoring to combat money laundering and terrorism financing by determining the extent of the due diligence to be performed on the direct customer, of the measures to be taken to verify the identity of any beneficial owner and any person purporting to act on behalf of the customer, the level of ongoing monitoring to be applied to the relationship and measures to mitigate any risk identified.

AIA Cambodia conducts the customer due diligence to identify and verify full and legal identity of each customer until a reasonable belief is formed that the true identity of customer is verified. AIA Cambodia undertakes customer due diligence by:

1. Identifying the customer and verifying the customer's identity by obtaining reliable, independent source documents, data or information from customers.
2. Where there is a beneficial owner in relation to the customer, identify the beneficial owner and take reasonable measures to verify the beneficial owner's identity. If a person is to act on behalf of the customer, AIA Cambodia will identify the person and take reasonable measures to verify the person's identity using reliable and independent source documents, data or information and verify the person's authority to act on behalf of the customer.
3. Obtaining information on the purpose and intended nature of the business relationship to be established unless the purpose and intended nature are obvious.

Where a customer is assessed as presenting a heightened risk of money laundering or terrorism financing, AIA Cambodia applies Enhanced Customer Due Diligence (EDD) measures. EDD is conducted for all higher-risk customer categories, including foreign Politically Exposed Persons (PEPs), as well as in circumstances involving elevated risk factors such as geographic exposure, or risks associated with products, services, delivery channels, and technologies. This risk-based approach is designed to safeguard AIA Cambodia against money laundering and terrorism financing risks.

For customers assessed to be high risk, before entering into a business relationship, AIA Cambodia will take following measures:

- Taking additional measures to identify or verify the high-risk customer in accordance with the assessed risks by making references to publicly available information and/or screening against commercially available database;
- Obtaining more detailed information from the customer, in particular, on the purpose, intended nature and reasons of the business relationship;
- Taking reasonable measures to establish the customer's or the beneficial owner's sources of funds and wealth that will be involved in the proposed business relationship;

- Obtaining approval from senior management for establishing or continuing relationship where relevant but especially in case of PEPs;
- Undertaking more frequent audit and reviews of customer activity;
- Undertaking independent research and sourcing additional information about customer; and
- Conducting enhanced monitoring of the business relationship, by increasing the number and frequency of the controls applied and identifying patterns of transaction that need further examination and implementing reporting mechanisms to identify potential Money Laundering/Terrorism Financing activities.

Besides, AIA Cambodia could also take simplified customer due diligence measures on those customers who are assessed to be of lower money laundering/terrorism financing risks.

SUSTAINABILITY



In 2025, AIA Cambodia continued to advance the integration of Environmental, Social and Governance (ESG) principles into its core business operations, supporting long-term sustainability, responsible growth, and positive outcomes for customers and communities. Aligned with AIA Group’s ESG framework, AIA Cambodia’s ESG agenda is anchored on responsible consumption, digitalisation, ethical conduct, and purposeful stakeholder engagement—reinforcing the Company’s commitment to helping Cambodians live healthier, longer, and better lives.

Guided by AIA Group’s ESG programme, AIA Cambodia places strong emphasis on environmental stewardship within its operations, focusing on resource efficiency, energy conservation, and waste reduction. Key initiatives include energy-saving measures, plastic reduction programmes, enhanced waste management practices aligned with the AIA CAN Project, and the continued to implement our paperless and digital processes to reduce environmental impact. In parallel, the Company supports environmental restoration efforts, contributing to long-term sustainability and climate resilience.

In 2025, AIA Cambodia’s strong commitment to social impact was recognized both regionally and nationally. The company received the ACES Awards 2025 in the Sustainability Category for the second consecutive year, reaffirming AIA’s long-term contribution to improving community health and empowering Cambodian families. In addition, AIA Cambodia earned three prestigious awards from AmCham Cambodia, including:

- Community & Social Impact Category – “Community Health & Youth Awareness”
- Student Health & School Wellness Category – “Student Health & School Wellness”
- Health & Wellbeing Category – “Women’s Health & Empowerment”

These recognitions highlight AIA Cambodia’s leadership in driving meaningful, purpose-led programs that create lasting positive impact across the Kingdom.



AIA Cambodia continued its flagship CSR program, AIA Fit for Hope 2025, the nation’s largest and most recognized breast cancer awareness campaign. Endorsed by the Ministry of Women’s Affairs (MoWA) for the fourth consecutive year, the campaign provided free screenings to more than 5,300 women, with 1,099 detected with breast masses that required further follow up—bringing the total to over 19,000 women screened since inception. The program also featured the third AIA Pink Run, held in collaboration with the Cambodia Marathon Committee during breast cancer awareness month, attracting more than 4,000 participants united in raising visibility and encouraging early detection. AIA Fit for Hope continues to support AIA’s Healthier, Longer, Better Lives mission and contributes to the AIA Group’s AIA One Billion commitment to improving the lives of one billion people by 2030.



FINANCIAL SITUATION AND BUSINESS OPERATION

AIA Cambodia further advanced youth development through the AIA-ISF Youth League 2025, which empowered over 1,800 disadvantaged youth through structured football activities and life skills training. As Cambodia's largest grassroots football league, the program has benefited more than 14,000 children since 2017, promoting safe play, inclusivity, education, and healthy living. This initiative continues to inspire young people to lead healthier, more confident, and active lives.



AIA Cambodia launched the AIA Healthiest Schools Program, a regional initiative promoting healthier habits among students through four pillars: Healthy Eating, Active Lifestyles, Mental Wellbeing, and Health & Sustainability. The program was officially endorsed by the Ministry of Education, Youth and Sports (MoEYS) and launched at a national ceremony presided over by His Excellency Hangchoun Naron, Deputy Prime Minister and Minister of MoEYS. To encourage participation and reward excellence, AIA introduced a US\$ 100,000 award pool for champion schools. The initiative supports AIA's mission to help Cambodians live Healthier, Longer, Better Lives by shaping healthier habits in the next generation.

In 2025, AIA Cambodia and the Ministry of Women's Affairs marked the fourth year of their partnership under the "Healthier Women, Stronger Kingdom" initiative, with an official extension of the collaboration until 2028, including expansion to two additional provinces. The program has supported over 15,000 women and families across Kampong Cham, Battambang, Siem Reap, and Kampot, with thousands more reached indirectly through community outreach. In 2025 alone, AIA conducted 26 educational seminars, engaging 5,371 women and their families on health, financial wellbeing, and preventive care.

FINANCIAL STATEMENTS



AIA (CAMBODIA) LIFE INSURANCE PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

AIA (CAMBODIA) LIFE INSURANCE PLC

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

Contents	Pages
Statement by the board of directors	1
Independent auditor's report	2 – 5
Financial statements:	
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8 – 9
Statement of cash flows	10
Notes to the financial statements	11 – 50



AIA (Cambodia) Life Insurance Plc
GIA Tower, 31st Floor, Sopheap Mongkul
Street, Phum 14, Sangkat Tonle Bassac,
Khan Chamkar Morn, Phnom Penh, the
Kingdom of Cambodia

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors (the Directors) submits its report together with the audited financial statements of AIA (Cambodia) Life Insurance Plc (the Company) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company's principal activity is provision life insurance to its customers.

FINANCIAL RESULTS

The financial result for the year ended 31 December 2025 is set out in the statement of profit or loss and other comprehensive income on page 6.

THE DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for reviewing the financial statements prepared by management and for ensuring that the financial statements are properly drawn up to present fairly, in all material respects, the Company's statement of financial position as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards (CIFRS). In preparing these financial statements, Directors are required to:

- i) adopt appropriate accounting policies in accordance with CIFRS which are supported by reasonable and prudent judgments and estimates, and then apply them consistently;
- ii) comply with the disclosure requirements of the CIFRS or if there have been any departures in the interest of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) 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
- v) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance and ascertain that these decisions are properly reflected in the financial statements.

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

On behalf of the Board of Directors of AIA (Cambodia) Life Insurance Plc, we do hereby state that the accompanying financial statements, together with the notes thereto, present fairly, in all material respects, the statement on financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended and have been properly drawn up in accordance with Cambodian International Financial Reporting Standards.

On behalf of the Board of Directors:

Jane Tay Yu Ling
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

30 MAR 2026



Independent auditor's report

To the shareholders of AIA (Cambodia) Life Insurance Plc

Our opinion

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

What we have audited

The Company's financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

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



Independence

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

Other information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises statement by the board of directors but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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



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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For PricewaterhouseCoopers (Cambodia) Ltd.

H.S.M. 

By Hangsophath Molyzana
Partner

Phnom Penh, Kingdom of Cambodia
30 March 2026

AIA (CAMBODIA) LIFE INSURANCE PLC

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

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Revenue					
Premiums income	4	27,909,417	111,944,672	24,448,689	99,530,613
Premiums ceded to reinsurers	4	(2,500,111)	(10,027,945)	(1,474,873)	(6,004,208)
Net premiums income	4	25,409,306	101,916,727	22,973,816	93,526,405
Interest income		2,165,534	8,685,957	1,945,002	7,918,103
Total revenue		<u>27,574,840</u>	<u>110,602,684</u>	<u>24,918,818</u>	<u>101,444,508</u>
Expenses					
Insurance contract benefits		13,945,079	55,933,712	14,917,797	60,730,352
Insurance contract benefits ceded		(956,005)	(3,834,536)	(911,028)	(3,708,795)
Net insurance contract benefits		12,989,074	52,099,176	14,006,769	57,021,557
Commission and other acquisition expenses	5	7,876,992	31,594,615	8,784,127	35,760,181
Operating expenses	6	18,091,815	72,566,270	19,127,459	77,867,886
Interest expenses		288,767	1,158,244	278,594	1,134,156
Total expenses		<u>39,246,648</u>	<u>157,418,305</u>	<u>42,196,949</u>	<u>171,783,780</u>
Loss before income tax		(11,671,808)	(46,815,621)	(17,278,131)	(70,339,272)
Income tax expenses	7	-	-	-	-
Loss for the year		<u>(11,671,808)</u>	<u>(46,815,621)</u>	<u>(17,278,131)</u>	<u>(70,339,272)</u>
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Employee benefits obligations		(33,194)	(133,141)	42,586	173,368
Currency translation differences		-	1,120,801	-	5,479,764
Total other comprehensive loss for the year		<u>(11,705,002)</u>	<u>(45,827,961)</u>	<u>(17,235,545)</u>	<u>(64,686,140)</u>
Loss attributable to owners of the Company		<u>(11,671,808)</u>	<u>(46,815,621)</u>	<u>(17,278,131)</u>	<u>(70,339,272)</u>
Total comprehensive loss attributable to owners of the Company		<u>(11,705,002)</u>	<u>(45,827,961)</u>	<u>(17,235,545)</u>	<u>(64,686,140)</u>

The notes are an integral part of these financial statements.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Assets					
Intangible assets	8	6,343,391	25,456,028	4,964,149	19,980,700
Property and equipment	9	817,092	3,278,990	911,890	3,670,357
Right-of-use assets	10	3,025,817	12,142,604	3,588,814	14,444,976
Prepayments and other assets	11	3,616,692	14,513,785	2,896,164	11,657,060
Statutory deposit	12	700,000	2,809,100	700,000	2,817,500
Term deposits	13	28,124,038	112,861,764	28,137,408	113,253,067
Debt securities	15	1,054,500	4,231,709	1,054,500	4,244,363
Reinsurance assets	14	6,157,144	24,708,619	6,189,270	24,911,812
Cash and cash equivalents	16	11,907,493	47,784,769	5,682,698	22,872,859
Total assets		61,746,167	247,787,368	54,124,893	217,852,694
Liabilities					
Insurance contract liabilities	17	30,609,624	122,836,421	21,522,660	86,628,707
Lease liabilities	10	3,365,215	13,504,608	3,805,987	15,319,098
Employee benefit obligations	19	864,196	3,468,018	809,643	3,258,813
Trade and other payables	20	8,463,158	33,962,653	9,337,627	37,583,947
Total liabilities		43,302,193	173,771,700	35,475,917	142,790,565
Equity					
Share capital	22	125,500,000	503,631,500	114,000,000	458,850,000
Accumulated losses		(107,062,819)	(434,774,968)	(95,391,011)	(387,959,347)
Other reserves		6,793	5,159,136	39,987	4,171,476
Total equity		18,443,974	74,015,668	18,648,976	75,062,129
Total liabilities and equity		61,746,167	247,787,368	54,124,893	217,852,694

The notes are an integral part of these financial statements.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

	Attributable to owners of the Company									
	Share capital		Share-based payment reserves		Accumulated losses		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
For the year ended 31 December 2025										
Balance as at 1 January 2025	114,000,000	458,850,000	-	-	(95,391,011)	(387,959,347)	39,987	4,171,476	18,648,976	75,062,129
<i>Comprehensive income:</i>										
Loss for the year	-	-	-	-	(11,671,808)	(46,815,621)	-	-	(11,671,808)	(46,815,621)
<i>Other comprehensive income</i>										
Employee benefits obligations	-	-	-	-	-	-	(33,194)	(133,141)	(33,194)	(133,141)
Currency translation differences	-	-	-	-	-	-	-	1,120,801	-	1,120,801
Total comprehensive loss for the year	-	-	-	-	(11,671,808)	(46,815,621)	(33,194)	987,660	(11,705,002)	(45,827,961)
<i>Transactions with the owners:</i>										
Additional capital injection	11,500,000	46,126,500	-	-	-	-	-	-	11,500,000	46,126,500
Share based payments:										
Share-based compensation	-	-	128,599	515,811	-	-	-	-	128,599	515,811
Settlement for share-based compensation	-	-	(128,599)	(515,811)	-	-	-	-	(128,599)	(515,811)
Currency translation differences	-	(1,345,000)	-	-	-	-	-	-	-	(1,345,000)
Total transactions with the owners	11,500,000	44,781,500	-	-	-	-	-	-	11,500,000	44,781,500
Balance as at 31 December 2025	125,500,000	503,631,500	-	-	(107,062,819)	(434,774,968)	6,793	5,159,136	18,443,974	74,015,668

AIA (CAMBODIA) LIFE INSURANCE PLC

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

	Attributable to owners of the Company											
	Share capital		Share-based payment reserves				Accumulated losses		Other reserves		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		
For the year ended 31 December 2024												
Balance as at 1 January 2024	104,000,000	424,840,000	-	-	(78,112,880)	(317,620,075)	(2,599)	(1,481,656)	25,884,521	105,738,269		
<i>Comprehensive income:</i>												
Loss for the year	-	-	-	-	(17,278,131)	(70,339,272)	-	-	(17,278,131)	(70,339,272)		
<i>Other comprehensive income</i>												
Employee benefits obligations	-	-	-	-	-	-	42,586	173,368	42,586	173,368		
Currency translation differences	-	-	-	-	-	-	-	5,479,764	-	5,479,764		
Total comprehensive loss for the year	-	-	-	-	(17,278,131)	(70,339,272)	42,586	5,653,132	(17,235,545)	(64,686,140)		
<i>Transactions with the owners:</i>												
Additional capital injection	10,000,000	40,710,000	-	-	-	-	-	-	10,000,000	40,710,000		
Share based payments:												
Share-based compensation	-	-	513,783	2,091,611	-	-	-	-	513,783	2,091,611		
Settlement for share-based compensation	-	-	(513,783)	(2,091,611)	-	-	-	-	(513,783)	(2,091,611)		
Currency translation differences	-	(6,700,000)	-	-	-	-	-	-	-	(6,700,000)		
Total transactions with the owners	10,000,000	34,010,000	-	-	-	-	-	-	10,000,000	34,010,000		
Balance as at 31 December 2024	114,000,000	458,850,000	-	-	(95,391,011)	(387,959,347)	39,987	4,171,476	18,648,976	75,062,129		

The notes are an integral part of these financial statements.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Loss before income tax		(11,671,808)	(46,815,621)	(17,278,131)	(70,339,272)
<i>Adjustments for:</i>					
Insurance contract benefits		9,119,090	36,576,670	10,026,142	40,816,424
Impairment of other receivables		361,184	1,448,709	-	-
Written-off/disposal of property and equipment/intangible assets	6	248,861	998,181	12,392	50,448
Depreciation charges	6	846,741	3,396,278	890,396	3,624,802
Amortisation charges	8	1,123,681	4,507,084	933,374	3,799,766
Employee benefit obligations		195,419	783,826	239,240	973,946
Share-based compensation		128,599	515,811	513,783	2,091,611
Interest income		(2,165,534)	(8,685,957)	(1,945,002)	(7,918,103)
Interest expense		288,767	1,158,244	278,594	1,134,156
Operating loss before changes in working capital		(1,525,000)	(6,116,775)	(6,329,212)	(25,766,222)
<i>Changes in working capital:</i>					
Prepayments and other assets		(1,081,712)	(4,338,747)	(37,975)	(154,596)
Term deposits		(200,000)	(802,200)	(2,196,949)	(8,943,779)
Trade and other payables		(880,913)	(3,533,342)	(1,383,841)	(5,633,617)
Cash used in operations		(3,687,625)	(14,791,064)	(9,947,977)	(40,498,214)
Interest paid		(288,767)	(1,158,244)	(278,594)	(1,134,156)
Interest received		2,378,904	9,541,784	1,648,053	6,709,224
Employee benefits paid		(174,060)	(698,155)	(88,276)	(359,372)
Settle for share base compensation		(128,599)	(515,811)	(513,783)	(2,091,611)
Net cash used in operating activities		<u>(1,900,147)</u>	<u>(7,621,490)</u>	<u>(9,180,577)</u>	<u>(37,374,129)</u>
Cash flows from investing activities					
Payments for property and equipment		(257,724)	(1,033,731)	(97,712)	(397,786)
Proceed from disposal of property and equipment		1,259	5,050	-	-
Payments for intangibles asset		(2,745,725)	(11,013,103)	(379,786)	(1,546,109)
Net cash used in investing activities		<u>(3,002,190)</u>	<u>(12,041,784)</u>	<u>(477,498)</u>	<u>(1,943,895)</u>
Cash flows from financing activities					
Additional capital injection		11,500,000	46,126,500	10,000,000	40,710,000
Principal elements of lease payment		(372,868)	(1,495,574)	(345,636)	(1,407,084)
Net cash generated from financing activities		<u>11,127,132</u>	<u>44,630,926</u>	<u>9,654,364</u>	<u>39,302,916</u>
Net increase/(decrease) in cash and cash equivalents		6,224,795	24,967,652	(3,711)	(15,108)
Cash and cash equivalents at the beginning of the year		5,682,698	22,872,859	5,686,409	23,228,981
Currency translation differences		-	(55,742)	-	(341,014)
Cash and cash equivalents at the end of the year	16	<u>11,907,493</u>	<u>47,784,769</u>	<u>5,682,698</u>	<u>22,872,859</u>

Non-cash investing and financing activities disclosure in notes are:

- unpaid portion of purchases of intangible assets in note 8,
- acquisition of right-of-use assets in 2025 is nil (2024: nil) in note 10

The notes are an integral part of these financial statements.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

1. CORPORATE INFORMATION

AIA (Cambodia) Life Insurance Plc (the “Company”) is a public limited company established in the Kingdom of Cambodia. It obtained its certification of incorporation from the Ministry of Commerce on 10 November 2016 and commenced its operations from 1 December 2016. The Company obtained its insurance licence from the Ministry of Economy and Finance (MoEF) to operate life insurance business on 24 February 2017 for a period of five years (from 24 February 2017 to 23 February 2022). The Company subsequently renewed its insurance licence for three years (from 23 February 2022 to 22 February 2025) and obtained a permanent validity on 16 January 2025.

In April 2024, the Company became a subsidiary of AIA Holdings Pte. Limited, incorporated in Singapore. This transition occurred after AIA International Limited transferred its shares to AIA Holdings Pte. Limited and received approval from the Ministry of Commerce on 23 April 2024.

The Company’s principal activity is provision of life insurance to its customers.

The financial statements were authorised for issue by the Board of Directors on 30 March 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of material accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS). The financial statements of the Company, which are expressed in United States dollars, are prepared under the historical cost convention.

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

An English version of the financial statements have been prepared from the statutory financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language statutory financial statements shall prevail.

2.2 New and amended standards adopted by the Company

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

- Lack of exchangeability – Amendments to CIAS 21

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

2.3 New and amended standards and interpretations not yet adopted by the Company

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

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to CIFRS 9 and CIFRS 7

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 New and amended standards and interpretations not yet adopted by the Company (continued)

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

Presentation and Disclosure in Financial Statements – CIFRS 18

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

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

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

2.4 New standards that are effective, but were deferred in implementation

CIFRS 9: Financial instruments

Nature of change	<p>CIFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It requires financial assets to be classified into separate measurement categories: those measured as at fair value with changes either recognised in profit or loss or in other comprehensive income and those measured at amortised cost. The determination is made at initial recognition depending on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. In addition, a revised expected credit losses model is to replace the incurred loss impairment model in CIAS 39.</p> <p>For financial liabilities, the standard retains most of the CIAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, part of the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. In addition, the new standard revises the hedge accounting model to more closely align with the entity's risk management strategies. The IASB made further changes to two areas of IFRS 9. Financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if the cash flow represents solely payments of principal and interest. Non-substantial modifications or exchange of financial liabilities that do not result in derecognition will be required to be recognised in profit or loss.</p>
Impact	The Company is yet to fully assess the impact of the above new requirements and changes.
Date of adoption by the Company	The Company is eligible for and elects to apply the temporary option to defer the effective date of CIFRS 9 in order to implement the changes in parallel with CIFRS 17, Insurance Contracts.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

Amendment to CIFRS 4

Nature of change	<p>On 12 September 2016, the IASB issued amendments to IFRS 4, Insurance Contracts, Applying IFRS 9 Financial Instruments with IFRS 4, which provides two alternative measures to address the different effective dates of IFRS 9 and IFRS 17, Insurance Contracts. These measures include a temporary option for companies whose activities are predominantly connected with insurance to defer the effective date of IFRS 9 until the earlier of the effective date of IFRS 17 and the financial reporting periods beginning on or after 1 January 2023, as well as an approach that allows an entity to remove from profit or loss the effects of certain accounting mismatches that may occur before IFRS 17 is applied.</p> <p>On 24 March 2023, the Accounting and Auditing Regulator of Cambodia issued a notification No.0012/23 to delay the implementation of CIFRS 17 and CIFRS 9 until 31 December 2024.</p> <p>Subsequently, on 23 December 2024, the Accounting and Auditing Regulator of Cambodia issued another notification No.063/24 to further delay the implementation of CIFRS 17 and CIFRS 9 until 31 December 2027.</p> <p>Based on the amendments to CIFRS 4, the Company is eligible for and elects to apply the temporary option to defer the effective date of CIFRS 9 in order to implement the changes in parallel with CIFRS 17, Insurance Contracts.</p>
------------------	---

CIFRS 17: Insurance contracts

Nature of change	CIFRS 17 was issued in May 2017. CIFRS 17 includes some fundamental differences to current accounting in both insurance contract measurement and profit recognition.
Impact	The general model is based on a discounted cash flow model with a risk adjustment and deferral of unearned profits. A separate approach applies to insurance contracts that are linked to returns on underlying items and meet certain requirements. Additionally, CIFRS 17 requires more granular information and a new presentation format for the statement of comprehensive income as well as extensive disclosures.
Date of adoption by the Company	Mandatory for financial years commencing on or after 1 January 2028. The Company is in the midst of conducting a detailed assessment of the new standards.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.5 Foreign currency translations

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of 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 recognised in profit or loss.

2.6 Presentation in Khmer Riel

In compliance with the Law on Accounting and Auditing, the financial statements shall be expressed in Khmer Riel. The statement of profit or loss and other comprehensive income and the statement of cash flows are translated into KHR using the average exchange rates for the year. Assets and liabilities for each statement of financial position presented and shareholders' capital are translated at the closing rates as at the reporting date. Resulting exchange differences arising from the translation of shareholders' capital is recognised directly in equity; all other resulting exchange differences are recognised in the other comprehensive income.

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

2.7 Insurance and investment contracts

Product classification

The Company classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Company to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. Once a contract has been classified as an insurance or investment contract, reclassification is not subsequently performed unless the terms of the agreement are later amended.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.7 Insurance and investment contracts (continued)

Product classification (continued)

The Company's products are divided into the following main categories:

Policy type	Description of benefits payable	Product classification adopted
Loan Repayment Insurance (LRI)	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
Samrab Chivit	Benefits payable are predefined and not at the discretion of the insurer; however, surrender benefits and maturity benefits may increase at the discretion of the insurer taking into account of investment experience	Insurance contract
ComCare	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
Nironn	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
Samrab Koun	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
AIA SoVatePheab Troab	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
AIA Samrab SokaPheap	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
AIA Samrab Naek	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract
AIA Wealth Prestige	Benefits payable are predefined and not at the discretion of the insurer; however, surrender benefits and maturity benefits may increase at the discretion of the insurer taking into account of investment experience	Insurance contract
AIA LoanCare	Benefits payable are predefined and not at the discretion of the insurer	Insurance contract

Definition

(i) Premiums

Premiums from life insurance contracts, including participating policies and annuity policies with life contingencies, are recognised as revenue when due from the policyholder. Benefits and expenses are provided in respect of such revenue so as to recognise profits over the estimated life of the policies.

(ii) Unearned premium reserves (UPR)

Unearned Premium Reserves (UPR) represents the portion of the net premiums of insurance policies written that relate to the unexpired periods of policies at the end of the financial year. In determining UPR at the date of the statement of financial position, time apportionment method for all policies is used to most accurately reflects the actual unearned premiums.

(iii) Benefits and claims

Insurance contract benefits reflect the cost of all maturities, surrenders, withdrawals and claims arising during the period.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.7 Insurance and investment contracts (continued)

Definition (continued)

(iii) Benefits and claims (continued)

Accident and health claims incurred include all losses occurring during the period, whether reported or not, related handling costs, a reduction for recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims, and are included in operating expenses.

(iv) Insurance contract liabilities

Insurance contract liabilities represent the estimated future policy benefits liability plus estimated claims incurred but not reported (IBNR) and reported but not admitted claims (RBNA) for life insurance policies.

Future policy benefits liability for life insurance policies is calculated using a gross premium valuation method which represents the present value of estimated future policy benefits and expense to be paid, less the present value of estimated future gross premiums to be collected from policyholders.

(v) Commissions and other acquisition cost

These are the expenses that are directly related to the acquisition of new insurance contracts and the renewal of existing insurance contracts. As at reporting date, the expenses are not considered recoverable and is recognised in the statement of profit or loss.

(vi) Investment contract liabilities

The Company did not write any investment contract business during this reporting period.

(vii) Reinsurance contract held

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Premiums ceded and claims reimbursed are presented on a gross basis in statement of profit or loss and other comprehensive income and statement of financial position.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.7 Insurance and investment contracts (continued)

Definition (continued)

(vii) Reinsurance contract held (continued)

If a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in the statement of profit or loss and other comprehensive income. A reinsurance asset is impaired if 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 amounts due to it under the terms of the contract, and the impact on the amounts that the Company will receive from the reinsurer can be reliably measured.

2.8 Financial assets

2.8.1 Classification

The Company has financial assets classified as loans and receivables and debt securities. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition. Financial asset is classified into two difference categories, held for trading or held to maturity.

Financial asset is classified as held for trading if

- a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial asset is classified as held-to-maturities are non-derivative financial assets with fixed or determinable payments and fixed maturity that Company has the positive intention and ability to hold to maturity other than

- a) those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity designates as available for sale;
- c) those that meet the definition of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, these are classified as non-current assets. The Company's loans and receivables comprise 'cash and cash equivalents', 'term deposits', 'reinsurance assets' and 'other assets' in the statement of financial position.

Debt securities

Debt securities are securities that represent loans made by an issuer to an investor. The issuer agrees to pay interest and to repay the debt on a specified date in exchange for being granted the loan.

2.8.2 Recognition and measurement

Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. At each reporting date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. Interest income from loans and receivables is recognised in profit or loss and other comprehensive income using the effective interest method.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

2.8.2 Recognition and measurement (continued)

Debt securities with classified as held-to-maturity investment with measured as amortised cost using effective interest rate.

2.9 Financial liabilities

The Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

At initial recognition, the Company measures all financial liabilities at its fair value minus transaction costs that are directly attributable to issuing the financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Impairment of financial assets

Financial assets are assessed for impairment on a regular basis. The Company assess at each reporting date whether there is objective evidence a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For financial assets carried at amortised costs, impairment is considered to have taken place if it is probable that the Company will not be able to collect principal and/or interest due according to the contractual term of the instrument. When impairment is determined to have occurred, the carrying amount is decreased through a charge to profit and loss. The carrying amount of loans or receivables is reduced through the use of an allowance account, and the amount of any allowance is recognised as an impairment loss in the profit or loss.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

AIA (CAMBODIA) LIFE INSURANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalent

Cash and cash equivalent include cash in hand, deposit held at call with banks and others short-term highly liquid investments with maturities at acquisition of three months or less. Cash and cash equivalent are measured at amortisation cost using effective interest method.

2.13 Term deposits

Deposits include time deposits with financial institutions which do not meet the definition of cash and cash equivalents as their maturity at acquisition exceeds three months. Deposits are stated at amortised cost using the effective interest method.

2.14 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost less any residual value over the estimated useful life, generally:

Leasehold improvement	5 years or the life of lease if shorter
Fixtures, fittings and office equipment	5-10 years
Motor vehicle	5 years
Computer hardware	3 years

Assets under construction are not depreciated.

Gain or loss arising from the retirement or disposal of an item of property and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and is recognised as ‘net gains/(losses)’ in the statement of comprehensive income on the date of retirement or disposal. Fully depreciated property and equipment are retained in the financial statements until disposed of or written off.

2.15 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of computer software over the period of 3 to 5 years. The amortisation charge for the year is included in the statement of profit or loss under ‘Operating expenses’.

Acquired the distribution right are capitalised on the basis of the costs associated with acquiring rights to access distribution networks. It is amortised on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the intangible asset. The amortisation charge for rights to access distribution networks for the year is included in the statement of profit or loss under ‘Commission and other acquisition expenses’.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.16 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised in profit or loss.

2.17 Interest income

Finance income is recognised in the profit or loss on a time-proportion basis using the effective interest method.

2.18 Employees benefits

2.18.1 Short-term employee benefits

Short term employee benefits are accrued in the period in which the associated services are rendered by the employees of the Company.

2.18.2 Provident fund

The Company provides its employees with a provident fund (defined benefit plan) which is the Company's internal and unfunded scheme. The Company provides 5% of salary of the year of service for the employee's length of service of less than 8 years and at 7.5% of salary for the employee's length of service of 8 years and above.

The employee is entitled to the scheme based on their length of service as below:

- 0% if the employee decides to leave the company within their first 3 years of service
- 50% if the employee decides to leave the company after completing their service between 3 and 5 years
- 100% if the employee decides to leave the company after 5 years of service

No separate fund is maintained.

The liability is recognised at the present value of defined obligation at the reporting date using the projected unit credit method to better estimate the ultimate cost to the Company of the benefit that employees have earned in return for their service in the current and prior periods. The Company attributes benefit to periods in which the obligation to provide benefit arises. That obligation arises as employees render services in return for provident fund benefits that the Company expects to pay in future reporting periods.

The present value of the provident fund obligations is determined by discounting the estimated future payments by references to the high-quality corporate bond of the currency that the liability is denominated.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. The cost associated with providing these benefits is recognised in the statement of profit or loss so as to spread the cost over the period of employment in which the entitlement to the benefit is earned. Past-service costs are recognised immediately in the statement of profit or loss.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18 Employees benefits (continued)

2.18.3 Share-based compensation plans

AIA Group Limited (AIAGL) launched a number of share-based compensation plans, under which the Company receives services from the qualified employees, directors and officers as consideration for the shares and/or options of AIAGL. These share-based compensation plans comprise the Restricted Share Unit Scheme (RSU Scheme), the Employee Share Purchase Plan (ESPP), and Share Option (SO).

The AIA Group's share compensation plans offered the qualified employees of the Company are equity-settled plans. Under the equity-settled share-based compensation plan, the fair value of the employee services received in exchange for the grant of AIAGL's shares and/or options is recognised as an expense in the statement of profit or loss over the vesting period with a corresponding amount recorded in equity. Any amounts recharged from AIAGL related to equity-settled share-based payment arrangements are offset against the amounts recorded in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value at grant date of the share and/or options granted. Non-market vesting conditions are included in assumptions for the number of shares and/or options that are expected to be vested. At each period date, the Company revises its estimates of the number of shares and/or options that are expected to be vested. Any impact of the revision to original estimates is recognised in the statement of profit or loss corresponding to adjustment to equity. Where awards of share-based payment arrangements have graded vesting terms, each tranche is recognised as a separate award, and therefore the fair value of each tranche is recognised over the applicable vesting period.

The Company estimates the fair value of options using a binomial lattice model. This model requires inputs such as share price, implied volatility, risk free interest rate, expected dividend rate and the expected life of the option.

Where modification or cancellation of an equity-settled share-based compensation plan occurs, the grant date fair value continues to be recognised, together with any incremental value arising on the date of modification if non-market conditions are met.

2.18.4 Group term life insurance

The Company provides group term life insurance to staff which provide coverage up to 24 times of the monthly basic salary for staff against death and dismemberment due to accident.

The cost of insured employee is charge to expense following the similar premium paid to external parties.

2.18.5 Employment seniority payment

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18 Employees benefits (continued)

2.18.6 Pension fund scheme

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

2.19 Leases

The Company as a lessee

The right-of-use asset is measured at cost comprising the amount of initial recognition of lease liability, lease payments made at or before the commencement date less any lease incentives received, other initial indirect cost and restoration cost. It is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. The measurement of lease liabilities includes the net present value of the fixed payments less lease incentive receivable and variable lease payments based on an index or a rate.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the except for low-value lease or short-term lease.

The lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The incremental borrowing rate ranges from 8.13% to 8.32%.

Right-of-use assets in relation to other leased property and equipment are carried at cost less accumulated depreciation. The right-of-use asset in relation to a lease is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company had elected not to recognise right-of-use assets and lease liabilities for short-term leases. Payments associated with short-term leases are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases for apartments for staff with a lease term of twelve months or less.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.20 Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.21 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2.22 Rounding of amounts

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions that affect the reported amount of assets, liabilities, and revenue and expenses. All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results can always differ from those estimates, possibly significantly.

Items that are considered particularly sensitive to changes in estimates and assumptions, and the relevant accounting policies are those which relate to product classification, insurance contract liabilities, taxes, employee benefits, and determination of the lease terms.

3.1 Product classification

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company exercises significant judgment to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Company to pay significant additional benefits to its customers. In the event the Company has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. The judgements exercised in determining the level of insurance risk in product classification affect the amount recognised in the financial statements as insurance and investment contract liabilities. The accounting policy on product classification is described in note 2.7.

3.2 Insurance contract liabilities

The Company calculates the liabilities for insurance contract based on a gross premium valuation method, whereby the liability represents the present value of estimated future policy benefits and expenses to be paid, less the present value of estimated future gross premiums to be collected from policyholders. This method uses best estimated assumptions adjusted for a provision for the risk of adverse deviation for mortality and morbidity. Interest rates assumptions can vary by product. Mortality, surrender and expense assumptions are based on expected experience, modified to allow for variations in policy form. The Company exercises significant judgement in making appropriate assumptions.

The judgments exercised in the valuation of insurance liabilities affect the amounts recognised in the financial statements as insurance contract benefits in the statement of profit or loss and insurance contract liabilities in the statement of financial position. Further details of the related accounting policy, key risk and variables, and sensitivities of assumptions to the key variables in respect of insurance contract liabilities are provided in note 2.7 (iv) and 17.

3.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined by management using a number of assumptions such as salary growth rates, turnover rates and mortality rates. The assumptions used in determining the net cost for employee benefits include discount rate. Any changes in these assumptions will impact the carrying amount of employee benefit obligations. As at 31 December 2025, the Company has accounted for the employee benefit obligations amounting to US\$864,196 (KHR 3,468,018 thousand) in the statement of financial position. Management believes that it is adequate to settle the employee benefit obligations (Note 19).

3.4 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive for the lessee to exercise an extension option, or not exercise a termination option. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.4 Critical judgements in determining the lease term (continued)

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated) by the lessee. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4. NET PREMIUMS INCOME

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Samrab Chivit	14,332,546	57,487,842	17,018,646	69,282,908
ComCare	5,983,552	24,000,027	4,426,674	18,020,991
AIA Samrab Neak	4,576,128	18,354,849	2,032,850	8,275,732
AIA Samrab Sokapheap	1,437,838	5,767,168	1,038,972	4,229,655
Samrab Koun	887,333	3,559,093	899,931	3,663,619
AIA Wealth Prestige	537,714	2,156,771	-	-
Loan repayment insurance	188,554	756,290	214,805	874,471
Nirron	189,878	761,601	194,189	790,543
AIA SoVatePheab Troab	-	-	30	122
Change in unearned premium	(224,126)	(898,969)	(1,377,408)	(5,607,428)
Premium income	27,909,417	111,944,672	24,448,689	99,530,613
Premiums ceded to reinsurers	(2,500,111)	(10,027,945)	(1,474,873)	(6,004,208)
Net premiums income	25,409,306	101,916,727	22,973,816	93,526,405

5. COMMISSION AND OTHER ACQUISITION EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Acquisition expenses	3,955,669	15,866,188	4,723,034	19,227,471
Commission expenses	3,705,040	14,860,915	3,846,003	15,657,078
Others	216,283	867,512	215,090	875,632
	7,876,992	31,594,615	8,784,127	35,760,181

AIA (CAMBODIA) LIFE INSURANCE PLC

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

6. OPERATING EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Salaries and related expenses (a)	8,889,278	35,654,894	9,370,129	38,145,795
Inter-office re-charge	3,021,843	12,120,612	3,281,603	13,359,406
Amortisation	1,057,014	4,239,683	866,708	3,528,368
Information technology	1,029,032	4,127,447	1,197,344	4,874,387
Depreciation (b)	846,741	3,396,278	890,396	3,624,802
Tax and license expenses	660,598	2,649,659	1,081,234	4,401,704
Corporate advertising	587,889	2,358,023	598,785	2,437,654
Professional service fee	546,499	2,192,007	672,970	2,739,661
Impairment of other receivables	361,184	1,448,709	-	-
Loss on disposal/written off asset	248,861	998,181	12,392	50,448
Travel	236,298	947,791	461,023	1,876,825
Utilities	79,547	319,064	75,022	305,413
Repairs and maintenance	60,722	243,556	97,874	398,445
Operating lease rentals	54,451	218,403	138,613	564,294
Exchange loss	4,075	16,345	37,998	154,691
Other expenses	407,783	1,635,618	345,368	1,405,993
	<u>18,091,815</u>	<u>72,566,270</u>	<u>19,127,459</u>	<u>77,867,886</u>

(a) Salaries and related expenses are summarised below:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Salaries and wages	4,431,280	17,773,864	5,210,849	21,213,366
Short term and long-term employees' benefits	4,329,399	17,365,219	3,645,497	14,840,818
Share-based compensation	128,599	515,811	513,783	2,091,611
	<u>8,889,278</u>	<u>35,654,894</u>	<u>9,370,129</u>	<u>38,145,795</u>

(b) Depreciation charges

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Depreciation charges of:</i>				
Property and equipment	351,648	1,410,460	385,764	1,570,445
Right-of-use assets	495,093	1,985,818	504,632	2,054,357
	<u>846,741</u>	<u>3,396,278</u>	<u>890,396</u>	<u>3,624,802</u>

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

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Statutory audit	61,764	247,735	55,764	227,015

AIA (CAMBODIA) LIFE INSURANCE PLC

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

7. TAXATION

Income tax

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current income taxes	-	-	-	-
Deferred income taxes	-	-	-	-
Income tax	-	-	-	-

Under the Cambodian tax regulations, the Company is subject to 20% Income Tax. The Company is in the taxable loss for the year ended 31 December 2025.

Deferred tax

The Company does not recognise deferred tax asset amounting to approximately US\$10.8 million, which arises mainly from tax loss carry forward.

Tax losses

Tax losses incurred in any tax year can be carried forward up to five years to offset against profit realised in the following years subject to the following conditions:

- The principal business activities of the Company must not have changed; and
- The Company must not have received a unilateral tax re-assessment

Deferred tax assets in respect of tax losses are not recognised in the financial statements because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom or because it is probable that the General Department of Taxation (GDT) may issue a unilateral tax reassessment, the result being an inability to utilise tax losses in the year of reassessment.

The following accumulated unused tax losses are obtained from the Annual Tax on Income Return of the Company that were declared to the Tax Department for the year ended 31 December 2025.

These tax losses are shown and will expire as the following:

Year	Expiry year	Tax losses US\$
2021	2026	9,813,751
2022	2027	11,473,506
2023	2028	4,723,683
2024	2029	15,672,693
2025	2030	8,323,260
		<u>50,006,893</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

7. TAXATION (continued)

Other tax matters

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

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

Updates on the status of tax reassessments

On 25 July 2025, the GDT issued a notification to conduct comprehensive tax reassessments for years 2022 and 2023, which remain in progress. The comprehensive tax reassessments for the years 2017, 2018, and 2019 have been closed.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

8. INTANGIBLE ASSETS

Non-current assets	Computer software US\$	Distribution right US\$	Work in progress US\$	Total US\$
At 1 January 2024				
Cost	4,632,139	1,000,000	2,460,455	8,092,594
Accumulated amortisation	<u>(3,092,624)</u>	<u>(133,334)</u>	-	<u>(3,225,958)</u>
Net book value	<u>1,539,515</u>	<u>866,666</u>	<u>2,460,455</u>	<u>4,866,636</u>
For the year ended 31 December 2024				
Opening net book amount as at 1 January 2024	1,539,515	866,666	2,460,455	4,866,636
Additions	219,637	-	811,250	1,030,887
Transfers	469,359	-	(469,359)	-
Disposal	-	-	-	-
Amortisation charged (*)	<u>(866,708)</u>	<u>(66,666)</u>	-	<u>(933,374)</u>
Closing net book value	<u>1,361,803</u>	<u>800,000</u>	<u>2,802,346</u>	<u>4,964,149</u>
At 31 December 2024				
Cost	5,321,135	1,000,000	2,802,346	9,123,481
Accumulated amortisation	<u>(3,959,332)</u>	<u>(200,000)</u>	-	<u>(4,159,332)</u>
Net book value				
At 31 December 2024	<u>1,361,803</u>	<u>800,000</u>	<u>2,802,346</u>	<u>4,964,149</u>
In KHR'000 equivalent	<u>5,481,257</u>	<u>3,220,000</u>	<u>11,279,443</u>	<u>19,980,700</u>
At 1 January 2025				
Cost	5,321,135	1,000,000	2,802,346	9,123,481
Accumulated amortisation	<u>(3,959,332)</u>	<u>(200,000)</u>	-	<u>(4,159,332)</u>
Net book value	<u>1,361,803</u>	<u>800,000</u>	<u>2,802,346</u>	<u>4,964,149</u>
For the year ended 31 December 2025				
Opening net book amount as at 1 January 2025	1,361,803	800,000	2,802,346	4,964,149
Additions	95,931	2,500,000	156,238	2,752,169
Transfers	2,310,858	-	(2,310,858)	-
Written off/Adjustment	-	-	(249,246)	(249,246)
Amortisation charged (*)	<u>(1,057,014)</u>	<u>(66,667)</u>	-	<u>(1,123,681)</u>
Closing net book value	<u>2,711,578</u>	<u>3,233,333</u>	<u>398,480</u>	<u>6,343,391</u>
At 31 December 2025				
Cost	7,727,924	3,500,000	398,480	11,626,404
Accumulated amortisation	<u>(5,016,346)</u>	<u>(266,667)</u>	-	<u>(5,283,013)</u>
Net book value				
At 31 December 2025	<u>2,711,578</u>	<u>3,233,333</u>	<u>398,480</u>	<u>6,343,391</u>
In KHR'000 equivalent	<u>10,881,563</u>	<u>12,975,365</u>	<u>1,599,100</u>	<u>25,456,028</u>

(*) Amortisation charges of US\$ 1,057,014 (2024: US\$ 866,708) recognised under operating expenses and US\$ 66,666 (2024: US\$ 66,667) recognised under commission and other acquisition expenses.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

8. INTANGIBLE ASSETS (continued)

Reconciled cash used for the purchase of intangible assets:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Additions	2,752,169	11,038,950	1,030,887	4,196,741
Increase in account payables for capital expenditure	(6,444)	(25,847)	(651,101)	(2,650,632)
Payments for intangible assets	<u>2,745,725</u>	<u>11,013,103</u>	<u>379,786</u>	<u>1,546,109</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

9. PROPERTY AND EQUIPMENT

Non-current assets	Leasehold improvement US\$	Computer hardware US\$	Motor vehicle US\$	Fixtures, fittings and office equipment US\$	Work in progress US\$	Total US\$
At 1 January 2024						
Cost	1,239,803	1,718,222	289,824	273,148	-	3,520,997
Accumulated depreciation	(555,560)	(1,446,381)	(139,874)	(166,848)	-	(2,308,663)
Net book value	<u>684,243</u>	<u>271,841</u>	<u>149,950</u>	<u>106,300</u>	<u>-</u>	<u>1,212,334</u>
For the year ended 31 December 2024						
Opening net book amount as at 1 January 2024	684,243	271,841	149,950	106,300	-	1,212,334
Additions	-	92,650	-	5,062	-	97,712
Written-off/Disposal	(12,115)	(277)	-	-	-	(12,392)
Depreciation charges	(127,857)	(169,552)	(38,165)	(50,190)	-	(385,764)
Closing net book value	<u>544,271</u>	<u>194,662</u>	<u>111,785</u>	<u>61,172</u>	<u>-</u>	<u>911,890</u>
At 31 December 2024						
Cost	1,182,603	1,782,231	190,824	278,210	-	3,433,868
Accumulated depreciation	(638,332)	(1,587,569)	(79,039)	(217,038)	-	(2,521,978)
Net book value						
At 31 December 2024	<u>544,271</u>	<u>194,662</u>	<u>111,785</u>	<u>61,172</u>	<u>-</u>	<u>911,890</u>
In KHR'000 equivalent	<u>2,190,691</u>	<u>783,514</u>	<u>449,935</u>	<u>246,217</u>	<u>-</u>	<u>3,670,357</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

9. PROPERTY AND EQUIPMENT (continued)

Non-current assets	Leasehold improvement US\$	Computer hardware US\$	Motor vehicle US\$	Fixtures, fittings and office equipment US\$	Work in progress US\$	Total US\$
At 1 January 2025						
Cost	1,182,603	1,782,231	190,824	278,210	-	3,433,868
Accumulated depreciation	(638,332)	(1,587,569)	(79,039)	(217,038)	-	(2,521,978)
Net book value	<u>544,271</u>	<u>194,662</u>	<u>111,785</u>	<u>61,172</u>	<u>-</u>	<u>911,890</u>
For the year ended 31 December 2025						
Opening net book amount as at 1 January 2025	544,271	194,662	111,785	61,172	-	911,890
Additions	162,129	78,222	-	17,373	-	257,724
Written-off/Disposal	-	-	-	(874)	-	(874)
Depreciation charges	(134,838)	(143,865)	(38,165)	(34,780)	-	(351,648)
Closing net book value	<u>571,562</u>	<u>129,019</u>	<u>73,620</u>	<u>42,891</u>	<u>-</u>	<u>817,092</u>
At 31 December 2025						
Cost	1,344,732	1,860,453	190,824	272,145	-	3,668,154
Accumulated depreciation	(773,170)	(1,731,434)	(117,204)	(229,254)	-	(2,851,062)
Net book value						
At 31 December 2025	<u>571,562</u>	<u>129,019</u>	<u>73,620</u>	<u>42,891</u>	<u>-</u>	<u>817,092</u>
In KHR'000 equivalent	<u>2,293,678</u>	<u>517,753</u>	<u>295,437</u>	<u>172,122</u>	<u>-</u>	<u>3,278,990</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

10. LEASE

a) Amounts recognised in the statement of financial position

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Right-of-use assets				
Buildings	3,025,817	12,142,604	3,588,814	14,444,976
Lease liabilities				
Current	440,773	1,768,822	345,636	1,391,187
Non-current	2,924,442	11,735,786	3,460,351	13,927,911
	<u>3,365,215</u>	<u>13,504,608</u>	<u>3,805,987</u>	<u>15,319,098</u>

b) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss shows the following amounts relating to leases:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Depreciation charge of right-of-use assets				
Buildings	495,093	1,985,818	504,632	2,054,357
Interest expense	288,767	1,158,244	278,594	1,134,156
	<u>783,860</u>	<u>3,144,062</u>	<u>783,226</u>	<u>3,188,513</u>

Total cash outflow for leases during the year was US\$440,773 for principal repayments and US\$ 242,339 for interest (2024: US\$345,636 for principal repayments and US\$321,456 for interest).

The Company leases various offices buildings. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options as described in note 3.

11. PREPAYMENTS AND OTHER ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Prepayments of income tax (a)	1,004,530	4,031,179	709,216	2,854,594
Premium due receivables	760,765	3,052,950	366,400	1,474,760
Rental deposit	696,623	2,795,548	653,919	2,632,024
Withholding tax receivables	689,421	2,766,646	547,803	2,204,907
Prepayment advertising fee	220,397	884,453	214,780	864,490
Interco receivable (note 26 (iii))	182,108	730,799	340,110	1,368,943
Other receivables	62,848	252,210	63,936	257,342
	<u>3,616,692</u>	<u>14,513,785</u>	<u>2,896,164</u>	<u>11,657,060</u>
Current	1,226,118	4,920,412	985,226	3,965,535
Non-current	2,390,574	9,593,373	1,910,938	7,691,525
	<u>3,616,692</u>	<u>14,513,785</u>	<u>2,896,164</u>	<u>11,657,060</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

11. PREPAYMENTS AND OTHER ASSETS (continued)

(a) Prepayments of income tax

The Company pays monthly prepayments of income tax. This is a tax credit which may be used against income tax.

The balance represents prepayments of income tax not utilised in liquidating income tax payable as at 31 December 2025 which can be carried forward as a tax credit against future income tax payments and is subject to the assessment of the tax authorities.

12. STATUTORY DEPOSIT – NON-CURRENT

This represents statutory deposit required by the Ministry of Economy and Finance and maintained with the National Bank of Cambodia under the National Treasury's account. The deposit, which is not available for use for day-to-day operations, is refundable should the Company ceases its operations in Cambodia.

13. TERM DEPOSITS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current	4,706,763	18,888,240	7,987,065	32,147,937
Non-current	23,417,275	93,973,524	20,150,343	81,105,130
	<u>28,124,038</u>	<u>112,861,764</u>	<u>28,137,408</u>	<u>113,253,067</u>

These represent term deposits at local banks with original maturities more than 90 days and earn interest ranging between 3.50% to 9.50% per annum (2024: 4.25% to 9.50% per annum).

14. REINSURANCE ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Reinsurers' share of insurance contract liabilities	<u>6,157,144</u>	<u>24,708,619</u>	<u>6,189,270</u>	<u>24,911,812</u>
Current	652,851	2,619,891	678,944	2,732,750
Non-current	<u>5,504,293</u>	<u>22,088,728</u>	<u>5,510,326</u>	<u>22,179,062</u>
	<u>6,157,144</u>	<u>24,708,619</u>	<u>6,189,270</u>	<u>24,911,812</u>

Reinsurance assets consist of amounts receivable in respect of ceded insurance liabilities. Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsured insurance liabilities or benefits paid and in accordance with the relevant reinsurance contract.

As of 31 December 2025, there were no reinsurance assets past due or impaired (2024: nil).

The Company does not hold any collateral as security against potential default by reinsurance counterparties.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

15. DEBT SECURITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Non-current</i>				
<i>Debt securities at amortised cost:</i>				
<i>Unlisted corporate bond</i>				
Cambodia Airport Investment Co., Ltd	1,054,500	4,231,709	1,054,500	4,244,363
Total debt investment at amortised cost	1,054,500	4,231,709	1,054,500	4,244,363

16. CASH AND CASH EQUIVALENTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Cash at banks:				
Current accounts	11,074,069	44,440,239	4,063,644	16,356,167
Savings deposits	833,424	3,344,530	619,054	2,491,692
Term deposits (three months or less)	-	-	1,000,000	4,025,000
Total – current	11,907,493	47,784,769	5,682,698	22,872,859

The local savings and term deposits earn interest ranging from 0% to 3.50% per annum (2024: 0% to 3.75% per annum).

17. INSURANCE CONTRACT LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Beginning balance	21,522,660	86,628,707	11,096,273	45,328,275
Movement	9,086,964	36,447,813	10,426,387	42,445,821
Currency translation differences	-	(240,099)	-	(1,145,389)
As at 31 December	30,609,624	122,836,421	21,522,660	86,628,707

Insurance contract liabilities can also be analysed as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Liabilities for future policyholder benefits	27,277,304	109,463,821	18,407,867	74,091,665
Claims incurred but not reported (IBNR)	285,602	1,146,121	289,164	1,163,885
Claims reported but not admitted (RBNA)	3,412	13,692	6,448	25,953
Unearned Premium Reserve (UPR)	3,043,306	12,212,787	2,819,181	11,347,204
	30,609,624	122,836,421	21,522,660	86,628,707

AIA (CAMBODIA) LIFE INSURANCE PLC

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

17. INSURANCE CONTRACT LIABILITIES (continued)

Business description

The table below summarises the key variables on which insurance contract cash flow depends.

Policy type	Material terms and conditions	Nature of benefits and compensation for claims	Factors affecting contract cash flows
Loan repayment insurance	Benefits paid on death or dismemberment that are fixed and guaranteed and not at the discretion of the insurer	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapses • Expenses
Samrab Chivit	Samrab Chivit include protection and savings elements. The basic sum assured, payable on death or maturity, maybe enhanced by non- guaranteed interest, the timing or amount of which are at the discretion of the insurer taking into account of investment experience	Minimum benefits may be enhanced based on investment experience	<ul style="list-style-type: none"> • Investment performance • Crediting rates • Lapses • Expenses • Mortality • Morbidity
AIA SoVatePheab Troab	Benefits paid on death or dismemberment that are fixed and guaranteed and not at the discretion of insurer	Benefits, defined the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Expense
ComCare	Benefits paid on death or dismemberment that are fixed and guaranteed and not at the discretion of the insurer	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapses • Expenses
Nirron	Nirron include protection and savings elements. The basic sum assured, payable on death or maturity, maybe enhanced by non- guaranteed interest, the timing or amount of which are at the discretion of the insurer taking into account of investment experience	Minimum benefits may be enhanced based on investment experience	<ul style="list-style-type: none"> • Investment performance • Crediting rates • Lapses • Expenses • Mortality • Morbidity
Samrab Koun	AIA Samrab Koun provides coverage on death due to all causes, total and permanent disability due to all causes, education and graduation supports. This basic product targets individual customer who is looking for a protection and savings plan to secure their child's future financial need.	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Crediting rates • Lapses • Expenses • Mortality • Morbidity

AIA (CAMBODIA) LIFE INSURANCE PLC

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

17. INSURANCE CONTRACT LIABILITIES (continued)

Business description (continued)

Policy type	Material terms and conditions	Nature of benefits and compensation for claims	Factors affecting contract cash flows
AIA Samrab Sokhaphheap	AIA Samrab Sokhaphheap include protection and medical plan. The benefit paid on death and disability is fixed and guaranteed and not discretion of insurer. Medical benefit is reimbursed from illness or injury, subject to co-payment or deductibles.	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapses • Expense • Medical • Inflation
AIA Samrab Naek	AIA Samrab Naek provides coverage on death and total and permanent disability. This basic product targets individual customers who are looking for short to medium term protection with affordable premium.	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapses • Expense
AIA Wealth Prestige	AIA Wealth Prestige include protection and savings elements. The basic sum assured, payable on death or maturity, maybe enhanced by non- guaranteed interest, the timing or amount of which are at the discretion of the insurer taking into account of investment experience	Minimum benefits may be enhanced based on investment experience	<ul style="list-style-type: none"> • Investment performance • Crediting rates • Lapses • Expenses • Mortality • Morbidity
AIA LoanCare	Benefits paid on death or dismemberment that are fixed and guaranteed and not at the discretion of the insurer	Benefits, defined in the insurance contract, are determined by the contract and are not affected by the performance of the contract as whole	<ul style="list-style-type: none"> • Mortality • Morbidity • Lapses • Expense

17. INSURANCE CONTRACT LIABILITIES (continued)

Methodology and assumptions

The most significant items to which profit for the period and shareholders' equity are sensitive are market, insurance and lapse risks which are shown in the table below.

Type of contract	Market and credit risk				Significant insurance and lapse risks
	Direct exposure			Indirect exposure	
	Insurance contract liabilities	Risks associated with related investment portfolio			
Loan repayment insurance	<ul style="list-style-type: none"> Guarantees Asset-liability mismatch risk 	<ul style="list-style-type: none"> Investment performance Asset-liability mismatch risk Credit risk 		<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Mortality Morbidity Persistency
Samrab Chivit	<ul style="list-style-type: none"> Guarantees Asset-liability mismatch risk 	<ul style="list-style-type: none"> Investment performance Asset-liability mismatch risk Credit risk 		<ul style="list-style-type: none"> Spread between earned rate and crediting rate to policyholders 	<ul style="list-style-type: none"> Mortality Morbidity Persistency
ComCare	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable 		<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Mortality Morbidity Persistency
Nirron	<ul style="list-style-type: none"> Guarantees Asset-liability mismatch risk 	<ul style="list-style-type: none"> Investment performance Asset-liability mismatch risk Credit risk 		<ul style="list-style-type: none"> Spread between earned rate and crediting rate to policyholders 	<ul style="list-style-type: none"> Mortality Morbidity Persistency
Samrab Koun	<ul style="list-style-type: none"> Guarantees Asset-liability mismatch risk 	<ul style="list-style-type: none"> Asset-liability mismatch risk Credit risk 		<ul style="list-style-type: none"> Spread between earned rate and crediting rate to policyholders 	<ul style="list-style-type: none"> Mortality Morbidity Persistency
AIA SoVatePheab Troab	<ul style="list-style-type: none"> Guarantee Asset-liability mismatch risk 	<ul style="list-style-type: none"> Investment performance Asset-liability mismatch risk Credit risk 		<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Mortality Morbidity
AIA Samrab Sokhapheap	<ul style="list-style-type: none"> Guarantees Asset-liability mismatch risk 	<ul style="list-style-type: none"> Not applicable 		<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Mortality Morbidity Persistency

AIA (CAMBODIA) LIFE INSURANCE PLC

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

17. INSURANCE CONTRACT LIABILITIES (continued)

Methodology and assumptions (continued)

Market and credit risk				
Direct exposure				
Type of contract	Insurance contract liabilities	Risks associated with related investment portfolio	Indirect exposure	Significant insurance and lapse risks
AIA Samrab Naek	<ul style="list-style-type: none"> • Guarantees • Asset-liability mismatch risk 	<ul style="list-style-type: none"> • Investment performance mismatch • Asset-liability risk • Credit risk 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Mortality • Morbidity • Persistency
AIA Wealth Prestige	<ul style="list-style-type: none"> • Guarantees • Asset-liability mismatch risk 	<ul style="list-style-type: none"> • Investment performance mismatch • Asset-liability risk • Credit risk 	<ul style="list-style-type: none"> • Spread between earned rate and crediting rate to policyholders 	<ul style="list-style-type: none"> • Mortality • Morbidity • Persistency
AIA LoanCare	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Mortality • Morbidity • Persistency

Valuation interest rates

As at 31 December 2025, the applicable valuation interest rate is ranging from 4%-4.5% (2024: 4%-4.5%).

18. EFFECT OF CHANGES IN ASSUMPTIONS AND ESTIMATES

The table below sets out the sensitivities of the assumptions in respect of insurance and investment contracts with discretionary participation features (DPF) to key variables. This disclosure only allows for the impact on liabilities and related assets, such as reinsurance, and deferred acquisition costs and does not allow for offsetting movements in the fair value of financial assets backing those liabilities.

	2025 US\$	2024 US\$
(Increase)/decrease in insurance contract liabilities, increase/ (decrease) in equity and profit before tax		
0.5 pps increase in investment return	138,425	139,203
0.5 pps decrease in investment return	(1,038,564)	(1,120,087)
10% increase in mortality	(1,358,373)	(1,108,285)
10% increase in expenses	(821,307)	(796,442)
10% increase in lapse/discontinuance rate	(586,544)	(552,927)

The carrying amount of life insurance liabilities is based on the gross premium valuation method, which represents the present value of estimated future policy benefits and expenses to be paid.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

19. EMPLOYEE BENEFIT OBLIGATIONS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Provident fund	864,196	3,468,018	809,643	3,258,813
Total – non-current	864,196	3,468,018	809,643	3,258,813

Balance sheet amounts

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Beginning balance	809,643	3,258,813	701,265	2,864,668
Current service cost	151,955	609,492	203,533	828,583
Interest expense	43,464	174,334	35,707	145,363
Total amount recognised in profit or loss	195,419	783,826	239,240	973,946
<i>Remeasurements</i>				
Gain/loss from change in financial assumptions	33,194	133,141	(42,586)	(173,368)
Currency translation differences	-	(9,607)	-	(47,061)
Total amount recognised in other comprehensive income	33,194	123,534	(42,586)	(220,429)
Benefits paid	(174,060)	(698,155)	(88,276)	(359,372)
As at 31 December	864,196	3,468,018	809,643	3,258,813

20. TRADE AND OTHER PAYABLES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Policy related payable	2,628,233	10,547,099	3,057,988	12,308,402
Accrual bonus	1,688,136	6,774,490	1,034,042	4,162,019
Reinsurance payable	867,896	3,482,867	562,627	2,264,574
Accrual for campaign	595,840	2,391,106	789,005	3,175,745
Business operation payables	505,464	2,028,427	608,818	2,450,492
Trade payables	304,369	1,221,433	398,635	1,604,506
Intercompany payables	274,089	1,099,919	1,154,400	4,646,460
Provision for loss damage	221,662	889,530	-	-
Other tax payable	200,332	803,932	117,165	471,589
Accrual prizes and awards for agencies	215,175	863,497	306,735	1,234,608
Accrual for commission expenses	166,272	667,250	148,772	598,807
Accrual software expenses	125,384	503,166	814,824	3,279,667
Other payables	670,306	2,689,937	344,616	1,387,078
Total – current	8,463,158	33,962,653	9,337,627	37,583,947

AIA (CAMBODIA) LIFE INSURANCE PLC

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

21. SHARE- BASED COMPENSATION

Restricted Share Unit (RSU) Scheme

The AIA Group made grants of restricted share units to certain employees, directors and officers of the Company under the Restricted Share Unit (RSU) Scheme.

Under the RSU Scheme, the vesting of the granted RSUs is conditional upon the eligible participants remaining in employment with the Company during the respective vesting periods. RSU grants are vested either entirely after a specific period of time or in tranches over the vesting period. If the RSU grants are vested in tranches, each vesting tranche is accounted for as a separate grant for the purposes of recognising the expense over the vesting period. For certain RSUs, performance conditions are also attached which include both market and non-market conditions. RSUs subject to performance conditions are released to the employees at the end of vesting period depending on the actual achievement of the performance conditions. During the vesting period, the eligible participants are not entitled to dividends of the underlying shares.

Grant date	Expiry date	No. of share	Weighted average fair value
17 March 2022	17 March 2025	60,504	US\$8.19
17 March 2023	17 March 2026	68,594	US\$8.15
19 March 2024	19 March 2027	131,907	US\$5.21
20 March 2025	20 March 2028	72,332	US\$6.96

	2025	2024
<i>Number of share – Restricted Share Unit</i>		
Outstanding as at 1 January	252,204	209,352
Award	72,332	131,907
Exercised	(28,323)	(23,218)
Forfeited	(29,661)	(35,578)
Transfer in	-	4,463
Transfer out	(102,631)	(34,722)
Outstanding at end of financial year	<u>163,921</u>	<u>252,204</u>

At the date the RSU was exercised, the weighted average share price of the Group was HK\$49.72 for the year ended 31 December 2025 (2024: HK\$53.33).

Share option (SO)

The AIA Group made grants of share option units to eligible participants. Share option (SO) awards are vested either entirely after a specific period of time or in tranches over the vesting period approximately three to five years, during which, the eligible participants are required to remain in employment with the Company. For SO awards vested in tranches, each vesting tranche is accounted for as a separate award for the purposes of recognising the expense over the vesting period. The awarded share options expire 10 years from the date of grant and each share option entitles the eligible participant to subscribe for one ordinary share. The grant date of SO was on 20 March 2025 and the expiry date is 20 March 2035 (last exercisable date: 19 March 2035).

AIA (CAMBODIA) LIFE INSURANCE PLC

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

21. SHARE- BASED COMPENSATION (continued)

	For the year ended 31 December 2025	Weighted average fair value
<i>Number of share – Share Option</i>		
Outstanding as at 1 January	53,111	
Awarded	12,158	
Transfer Out	(40,345)	2.56
	<u>24,924</u>	
Outstanding at end of financial year	<u>24,924</u>	
	For the year ended 31 December 2024	Weighted average fair value
<i>Number of share – Share Option</i>		
Outstanding as at 1 January	23,523	
Awarded	29,588	2.23
	<u>53,111</u>	

ESPP

Under the plan, eligible employees of the Company can purchase ordinary shares of the AIA Group with qualified employee contributions, and the Company will award one matching restricted stock purchase unit to them at the end of the vesting period for each two shares purchased through the qualified employee contributions (contribution shares). Contribution shares are purchased from the open market. During the vesting period, the eligible employees must hold the contribution shares purchased during the plan cycle and remain employed by the Group. The level of qualified employee contribution is limited to not more than 10 percent of the annual basic salary subject to a maximum of approximately US\$ 19,500 (HK\$150,000) per annum. The awarded matching restricted stock purchase units are expected to be settled in equity. For the year ended 31 December 2025, eligible employees paid HK\$520,950 to purchase 7,471 ordinary shares of the AIA Group.

Recognised compensation cost

The total recognised compensation cost (net of expected forfeitures) related to various share-based compensation awards made under the RSU Scheme, SO, and ESPP by the Group for the year ended 31 December 2025 is US\$ 120,841 (2024: US\$513,783).

22. SHARE CAPITAL

The Company's registered capital pursuant to its registration with the Ministry of Commerce amounts to US\$125,500,000, comprising 125,500,000 shares of US\$1 per share (2024: US\$114,000,000, comprising 114,000,000 shares of US\$1 per share). The Company's amended Memorandum and Articles of Association was approved by the Ministry of Commerce on 23 January 2026.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

22. SHARE CAPITAL (continued)

	<u>2025 Shares</u>	<u>2024 Shares</u>
Ordinary shares	125,500,000	114,000,000

The Company's holders named below have contributed to the registered in cash as follow:

	<u>2025 Shares</u>	<u>2024 Shares</u>
AIA Holdings Pte. Limited	125,499,999	113,999,999
Mr. Mitchell David New	<u>1</u>	<u>1</u>
	<u>125,500,000</u>	<u>114,000,000</u>

All registered and authorised capital have been fully paid.

An additional capital injection during the year of US\$11,500,000 (2024: US\$10,000,000) was fully paid in cash.

	<u>2025</u>		<u>2024</u>	
	<u>US\$</u>	<u>KHR'000</u>	<u>US\$</u>	<u>KHR'000</u>
AIA Holdings Pte. Limited	125,499,999	503,631,496	113,999,999	458,849,996
Mr. Mitchell David New	<u>1</u>	<u>4</u>	<u>1</u>	<u>4</u>
	<u>125,500,000</u>	<u>503,631,500</u>	<u>114,000,000</u>	<u>458,850,000</u>

23. CAPITAL STRUCTURE

Capital management approach

The Company's capital management objectives focus on maintaining a strong capital base to support the development of its business, maintain the ability to move capital freely and to satisfy regulatory capital requirements at all times.

The Company's capital management function oversees all capital-related activities of the Company and assists senior management in making capital decisions. The capital management function participates in decisions concerning asset-liability management, strategic asset allocation and on going solvency management. This includes ensuring capital considerations are paramount in the strategy and business planning processes and when determining the Company capacity to pay dividends to shareholders.

Regulatory solvency

The Company is required to follow the solvency, capital and adequacy requirements applied by its regulators.

24. RISK MANAGEMENT FRAMEWORK

The Company recognises the importance of sound risk management in every aspect of its business and for all its stakeholders. The Risk Management Framework (RMF) provides the structure of identifying, quantifying and mitigating risk across the Company. An effective RMF is the key to avoiding the financial and reputational damage that arises from inadequate or ineffective control of the risk in the business.

Insurance risk

Insurance risk is the risk arising from changes in claims experience as well as more general exposure relating to the acquisition and persistency of insurance business. This also includes changes to assumptions regarding future experience for these risks.

Lapse

The rate of policy termination deviating from the Company's expectation.

Ensuring customers buy products that meet their needs is central to the Company's Operating Philosophy. Through effective implementation of the Business Quality Framework, comprehensive sales training programmes and active monitoring of sales activities and persistency, the Company seeks to ensure that appropriate products are sold by qualified sales representatives and that standards of service consistently meet our customers' needs.

Expenses

The risk of the cost of selling new business and administering the in-force book exceeding the assumptions made in pricing.

Daily operations follow a disciplined budgeting and control process that allows for the management of expenses based on the Company's experience within the market in which it operates.

Morbidity and Mortality

The occurrence and /or amount of medical/death claims are higher than the assumptions made in pricing or reserving.

The Company adheres to defined market-oriented underwriting and claims guidelines and practices that have been developed based on experience of other markets within the region and with the assistance of professional reinsurers.

The Company's actuarial team conducts regular experience studies of all the insurance risk factors in its in-force book. These internal studies together with external data are used to identify emerging trends which can then be used to inform product design, pricing, underwriting, claims management and reinsurance needs.

Through monitoring and development of both local and global trends in medical technology, health and wellness, the impact of legislation and general social, political and economic conditions the Company seeks to anticipate and respond promptly to potential adverse experience impacts on its products.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

25. FINANCIAL RISK MANAGEMENT

The Company's activities may expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(a) Market risks

(i) Foreign exchange risk

The Company transacts primarily in US\$, the Company's functional and presentation currency, for its normal course of business, so the Company is not exposed to significant risk of changes in foreign currencies. The sensitivity of profit or loss to changes in the exchange rate arising from foreign currencies would not have material effect on the Company.

As the foreign exchange gains/losses are not material, there is no policy on foreign currency protection against the volatility of foreign exchange currency.

(ii) Price risk

The Company has no commodity price risk or securities price risk.

(iii) Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

The Company's fixed rate term deposits and non-interest bearing financial assets and financial liabilities are not subject to cash flow interest rate risk, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Exposure to interest rate risk

	Variables interest rate US\$	Fixed interest rate US\$	Non-interest bearing US\$	Total US\$	Total KHR'000
31 December 2025					
Financial assets					
Other assets	-	-	3,088,388	3,088,388	12,393,701
Term deposits	-	28,124,038	-	28,124,038	112,861,764
Debt securities	-	1,054,500	-	1,054,500	4,231,709
Reinsurance assets	-	-	6,157,144	6,157,144	24,708,619
Cash and cash equivalents	-	8,808,574	3,098,919	11,907,493	47,784,769
Total financial assets	-	37,987,112	12,344,451	50,331,563	201,980,562
Financial and insurance contract liabilities					
Insurance contract liabilities	-	-	30,609,624	30,609,624	122,836,421
Lease liabilities	-	3,365,215	-	3,365,215	13,504,608
Trade and other payables	-	-	8,463,158	8,463,158	33,962,653
Total financial liabilities	-	3,365,215	39,072,782	42,437,997	170,303,682

AIA (CAMBODIA) LIFE INSURANCE PLC

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

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risks (continued)

(iii) Interest rate risk (continued)

Exposure to interest rate risk (continued)

	Variables interest rate US\$	Fixed interest rate US\$	Non-interest bearing US\$	Total US\$	Total KHR'000
31 December 2024					
Financial assets					
Other assets	-	-	1,424,365	1,424,365	5,733,069
Term deposits	-	28,137,408	-	28,137,408	113,253,067
Debt securities	-	1,054,500	-	1,054,500	4,244,363
Reinsurance assets	-	-	6,189,270	6,189,270	24,911,812
Cash and cash equivalents	-	4,906,790	775,908	5,682,698	22,872,859
Total financial assets	-	34,098,698	8,389,543	42,488,241	171,015,170
Financial and insurance contract liabilities					
Insurance contract liabilities	-	-	21,522,660	21,522,660	86,628,707
Lease liabilities	-	3,805,987	-	3,805,987	15,319,098
Trade and other payables	-	-	9,337,627	9,337,627	37,583,947
Total financial liabilities	-	3,805,987	30,860,287	34,666,274	139,531,752

(b) Credit risk

Financial instruments that potentially subject the Company to credit concentration risk are primarily cash and cash equivalents, reinsurance assets and deposits in banks. The counter-parties, which the Company deals with, are large financial institutions. Management does not believe there is significant risk of non-performance by these counter-parties.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet its obligations when due and to close out market positions.

The Company has no borrowing from financial institutions, and relies on funding from its parent company through capital contribution.

The table below categorises the Company's financial liabilities into maturity categories based on the remaining period at the statement of financial position date until the maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

25. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Less than 1 year US\$	1-5 years US\$	More than 5 years US\$	Total US\$	Total KHR'000
31 December 2025					
Financial assets					
Other assets	2,296,388	792,000	-	3,088,388	12,393,701
Term deposits	6,081,344	14,691,247	23,342,235	44,114,826	177,032,797
Debt securities	60,000	1,300,000	-	1,360,000	5,457,680
Reinsurance assets	1,567,103	4,535,629	6,883,855	12,986,587	52,115,174
Cash and cash equivalents	11,907,493	-	-	11,907,493	47,784,769
Total financial assets	21,912,328	21,318,876	30,226,090	73,457,294	294,784,121
Financial and insurance contract liabilities					
Insurance contract liabilities	4,683,805	20,896,795	170,234,043	195,814,643	785,804,162
Lease liabilities	664,684	6,022,892	657,492	7,345,068	29,475,758
Trade and other payables	8,463,158	-	-	8,463,158	33,962,653
Total financial liabilities	13,811,647	26,919,687	170,891,535	211,622,869	849,242,573
	Less than 1 year US\$	1-5 years US\$	More than 5 years US\$	Total US\$	Total KHR'000
31 December 2024					
Financial assets					
Other assets	678,365	746,000	-	1,424,365	5,733,069
Term deposits	9,342,000	9,276,541	25,473,510	44,092,051	177,470,505
Debt securities	60,000	300,000	1,120,000	1,480,000	5,957,000
Reinsurance assets	1,491,148	4,599,148	7,168,075	13,258,371	53,364,943
Cash and cash equivalents	5,682,698	-	-	5,682,698	22,872,859
Total financial assets	17,254,211	14,921,689	33,761,585	65,937,485	265,398,376
Financial and insurance contract liabilities					
Insurance contract liabilities	3,837,579	17,973,196	160,908,712	182,719,487	735,445,935
Lease liabilities	674,014	7,444,021	675,625	8,793,660	35,394,482
Trade and other payables	9,337,627	-	-	9,337,627	37,583,947
Total financial liabilities	13,849,220	25,417,217	161,584,337	200,850,774	808,424,364

(d) Fair value measurement

The following methods and assumptions were used by the Company to estimate the fair value of financial instruments and properties.

Loans and receivable

For loans and advance that are repriced frequently and have not had any significant changes in credit risk, carrying amounts represent a reasonable estimate of fair values.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

25. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value measurement (continued)

Debt securities

The carrying amount of debt securities is measured as amortised cost less any impairment loss and their fair value approximates their carrying amount because the interest rate is similar to the prevailing market rate.

Cash and cash equivalents

The carrying amount of cash approximates its fair value.

Reinsurance assets

The carrying amount of amounts receivables from reinsurers is not considered materially different to their fair value.

Other assets

The carrying amount of other financial assets is not materially different to their fair value. The fair values of deposits with banks are generally based on quoted market prices or, if unquoted, on estimates based on discounting future cash flows using available market interest rates offered for receivables with similar characteristics.

Other liabilities

The fair values of other unquoted financial liabilities is estimated by discounting expected future cash flows using current market rates applicable to their yield, credit quality and maturity, except for those without stated maturity, where the carrying value approximates to fair value.

(e) Fair value hierarchy

The Company categorises a financial asset or a financial liability measured at fair value at the same level of fair value hierarchy as the lowest-level input that is significant to the entire measurement.

Financial instruments measured at fair value are analysed into the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company does not hold any listed securities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). This is the case for unlisted equity securities.

The Company's policy has classified its financial instruments as level three under the fair value hierarchy levels as at the end of the reporting period.

AIA (CAMBODIA) LIFE INSURANCE PLC

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

26. RELATED PARTY TRANSACTIONS

i) Related parties and relationships

The Company is a subsidiary of AIA Holdings Pte. Limited, incorporated in Singapore and its ultimate holding company is AIA Group Limited, a company incorporated in Hong Kong.

Below is the lists of related parties and their relationship to the Company:

Related parties	Relationship
AIA Group Limited	Global ultimate parent
AIA Holdings Pte. Limited	Immediate parent
AIA Company Limited	Fellow subsidiary
AIA Singapore Private Limited	Fellow subsidiary
AIA Bhd.	Fellow subsidiary
AIA Information Technology (Chengdu) Co., Ltd	Fellow subsidiary
AIA Information Technology (Beijing) Co., Ltd.	Fellow subsidiary
AIA Information Technology (Guangzhou) Co., Ltd	Fellow subsidiary
AIA Shared Services (Hong Kong) Limited	Fellow subsidiary
AIA Shared Services Snd. Bhd.	Fellow subsidiary
AIA Company Limited (AIA - Thailand)	Fellow subsidiary
AIA IT (M) SDN. BHD.	Fellow subsidiary
AIA Myanmar Life Insurance Company Limited	Fellow subsidiary
Key management personnel	The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel of the Company include all Directors and members of senior management of the Company.

(ii) Transactions with other related parties

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Purchases of goods and services				
Group recharges	847,224	3,398,215	1,010,667	4,114,425
Information service and management fee	2,445,706	9,809,727	2,625,448	10,688,199
Internal reinsurance	171,539	688,043	74,123	301,755
	<u>3,464,469</u>	<u>13,895,985</u>	<u>3,710,238</u>	<u>15,104,379</u>
Payment on behalf	428,793	1,719,889	984,441	4,007,659
	<u>3,893,262</u>	<u>15,615,874</u>	<u>4,694,679</u>	<u>19,112,038</u>

(iii) Outstanding balances arising from purchases of goods and services

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Receivable from related parties</i>				
Receivables - AIA Holdings Pte. Limited	182,108	730,799	128,003	515,212
Receivables - AIA Myanmar Life Insurance Company Limited	-	-	212,107	853,731
	<u>182,108</u>	<u>730,799</u>	<u>340,110</u>	<u>1,368,943</u>

AIA (CAMBODIA) LIFE INSURANCE PLC

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

26. RELATED PARTY TRANSACTIONS (continued)

(iii) Outstanding balances arising from purchases of goods and services (continued)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Payables/(receivables) to related parties</i>				
AIA Shared Services.	66,579	267,182	-	-
AIA Group Limited	64,416	258,501	134,645	541,946
AIAIT (Guangzhou) Co. Ltd.	53,880	216,220	103,978	418,511
AIA Shared Services Sdn. Bhd.	37,446	150,271	84,281	339,231
AIAIT (Beijing) Co. Ltd	31,567	126,678	89,976	362,153
AIAIT Chengdu	13,112	52,618	25,768	103,716
AIA Company Limited	12,612	50,612	159,773	643,086
AIA Holdings Pte Limited	4,515	18,119	513,003	2,064,838
AIA Invest Mgt Pte Ltd	2,467	9,900	-	-
AIA Information Technology	(1,396)	(5,602)	2,381	9,584
AIA IT (M) SDN. BHD.	(11,109)	(44,580)	16,833	67,753
AIA Shared Services (Hong Kong) Limited	-	-	23,762	95,642
	<u>274,089</u>	<u>1,099,919</u>	<u>1,154,400</u>	<u>4,646,460</u>

The payables to related parties are mainly group recharges on information service and management fees. The payables have no fixed terms of repayment, are unsecured in nature, and bear no interest.

(iv) Key management compensation

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Short-term employee benefits	2,620,068	10,509,092	2,336,664	9,512,560
Post-employment benefits	364,238	1,460,958	203,143	826,996
Share-based payments	199,082	798,518	162,646	662,134
Seniority payments	70,837	284,129	65,334	265,975
	<u>3,254,225</u>	<u>13,052,697</u>	<u>2,767,787</u>	<u>11,267,665</u>

27. COMMITMENTS

Capital commitments

There were no significant capital commitments as at 31 December 2025 (2024: nil).

