

**CAMBODIAN REINSURANCE COMPANY
“CAMBODIA RE”**

(Registration No. Co - 6992/04M)

**Financial Statements
for the year ended 31 December 2022
and
Report of the Independent Auditors**

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of financial position as at 31 December 2022

| | Note | 31 December 2022 | | 31 December 2021 | |
|-------------------------------------|------|-------------------|---------------------|-------------------|---------------------|
| | | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) |
| ASSETS | | | | | |
| Statutory deposit | 5 | 1,400,000 | 5,763,800 | 1,400,000 | 5,703,600 |
| Intangible assets | 6 | 44,675 | 183,927 | 52,805 | 215,128 |
| Property and equipment | 7 | 6,259,645 | 25,770,958 | 6,221,386 | 25,345,927 |
| Investments | 8 | 27,776,068 | 114,354,072 | 26,200,026 | 106,738,906 |
| Insurance receivables | 9 | 6,860,929 | 28,246,445 | 4,714,105 | 19,205,264 |
| Reinsurance assets | 10 | 3,207,035 | 13,203,363 | 2,676,708 | 10,904,908 |
| Other assets | 11 | 14,459 | 59,527 | 18,568 | 75,646 |
| Cash and cash equivalents | 12 | 492,362 | 2,027,054 | 469,281 | 1,911,851 |
| TOTAL ASSETS | | <u>46,055,173</u> | <u>189,609,146</u> | <u>41,752,879</u> | <u>170,101,230</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 13 | 14,000,000 | 56,000,000 | 14,000,000 | 56,000,000 |
| Reserves | 14 | 5,561,063 | 22,417,175 | 5,264,919 | 21,196,460 |
| Revaluation reserve | 15 | 235,385 | 956,135 | 246,062 | 999,772 |
| Retained earnings | | 7,216,274 | 29,408,242 | 6,833,095 | 27,919,762 |
| Currency translation reserves | | - | 2,429,824 | - | 1,209,772 |
| Total equity | | <u>27,012,722</u> | <u>111,211,376</u> | <u>26,344,076</u> | <u>107,325,766</u> |
| Liabilities | | | | | |
| Insurance contract liabilities | 16 | 11,462,611 | 47,191,569 | 10,441,115 | 42,537,103 |
| Insurance payables | 17 | 7,452,593 | 30,682,325 | 4,791,714 | 19,521,443 |
| Other liabilities | 18 | 25,402 | 104,580 | 61,519 | 250,628 |
| Current income tax liabilities | 19 | 101,845 | 419,296 | 114,455 | 466,290 |
| Total liabilities | | <u>19,042,451</u> | <u>78,397,770</u> | <u>15,408,803</u> | <u>62,775,464</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>46,055,173</u> | <u>189,609,146</u> | <u>41,752,879</u> | <u>170,101,230</u> |

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

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2022

| | Note | 2022 | | | KHR'000 (Note 4) |
|--|------|--------------------|------------------|--------------------|---------------------|
| | | Non-life US\$ | Life US\$ | Total US\$ | |
| Gross premiums | 29 | 17,854,410 | 677,654 | 18,532,064 | 75,740,546 |
| Premiums ceded to reinsurers | 20 | (4,020,738) | (103,401) | (4,124,139) | (16,855,356) |
| Change in unearned premiums reserve | 16 | 455,231 | (17,637) | 437,594 | 1,788,447 |
| Net premium revenue | | 14,288,903 | 556,616 | 14,845,519 | 60,673,637 |
| Commission income | 21 | 1,341,850 | 18,027 | 1,359,877 | 5,557,817 |
| Total underwriting income | | 15,630,753 | 574,643 | 16,205,396 | 66,231,454 |
| Gross claims paid | | (5,049,694) | (639,881) | (5,689,575) | (23,253,293) |
| Claims ceded to reinsurers | | 423,644 | 65,093 | 488,737 | 1,997,468 |
| Gross change in other insurance contract liabilities | 16 | (1,296,721) | (278,431) | (1,575,152) | (6,437,646) |
| Change in other insurance contract liabilities to reinsurers | 16 | 596,992 | 49,397 | 646,389 | 2,641,792 |
| Net claims | | (5,325,779) | (803,822) | (6,129,601) | (25,051,679) |
| Commission expense | 23 | (5,498,951) | (2,652) | (5,501,603) | (22,485,051) |
| Contribution fees | | (89,272) | (3,388) | (92,660) | (378,701) |
| Total underwriting expenses | | (10,914,002) | (809,862) | (11,723,864) | (47,915,431) |
| Underwriting profit | | 4,716,751 | (235,219) | 4,481,532 | 18,316,023 |
| Finance and other income | 22 | | | 1,502,390 | 6,140,268 |
| Operating and administrative expenses | 24 | | | (2,092,756) | (8,553,094) |
| Profit before income tax | | | | 3,891,166 | 15,903,197 |
| Income tax expense | 19 | | | (922,154) | (3,768,843) |
| Net profit for the year | | | | 2,969,012 | 12,134,354 |
| Other comprehensive income | | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Fair value loss on available-for- sale financial asset | 15 | | | (10,677) | (43,637) |
| Currency translation differences | | | | - | 1,220,052 |
| Total comprehensive income for the year | | | | 2,958,335 | 13,310,769 |

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of profit or loss and other comprehensive income (continued) for the year ended 31 December 2022

| | Note | 2021 | | | Total KHR'000 (Note 4) |
|--|------|--------------------|------------------|--------------------|------------------------------|
| | | Non-life US\$ | Life US\$ | US\$ | |
| Gross premiums | 30 | 17,074,689 | 665,005 | 17,739,694 | 72,165,075 |
| Premiums ceded to reinsurers | 20 | (3,972,304) | (126,481) | (4,098,785) | (16,673,857) |
| Change in unearned premiums reserve | 16 | (1,561,118) | (15,196) | (1,576,314) | (6,412,445) |
| Net premium revenue | | 11,541,267 | 523,328 | 12,064,595 | 49,078,773 |
| Commission income | 21 | 1,185,158 | 14,378 | 1,199,536 | 4,879,712 |
| Total underwriting income | | 12,726,425 | 537,706 | 13,264,131 | 53,958,485 |
| Gross claims paid | | (4,181,075) | (586,310) | (4,767,385) | (19,393,722) |
| Claims ceded to reinsurers | | 811,503 | 106,151 | 917,654 | 3,733,016 |
| Gross change in other insurance contract liabilities | 16 | 1,373,202 | 349,558 | 1,722,760 | 7,008,188 |
| Change in other insurance contract liabilities to reinsurers | 16 | (1,292,911) | (141,678) | (1,434,589) | (5,835,908) |
| Net claims | | (3,289,281) | (272,279) | (3,561,560) | (14,488,426) |
| Commission expense | 23 | (4,747,191) | (8,692) | (4,755,883) | (19,346,932) |
| Contribution fees | | (83,980) | (3,325) | (87,305) | (355,157) |
| Total underwriting expenses | | (8,120,452) | (284,296) | (8,404,748) | (34,190,515) |
| Underwriting profit | | 4,605,973 | 253,410 | 4,859,383 | 19,767,970 |
| Finance and other income | 22 | | | 1,671,747 | 6,800,667 |
| Operating and administrative expenses | 24 | | | (1,517,584) | (6,173,532) |
| Profit before income tax | | | | 5,013,546 | 20,395,105 |
| Income tax expense | 19 | | | (931,985) | (3,791,315) |
| Net profit for the year | | | | 4,081,561 | 16,603,790 |
| Other comprehensive income | | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Fair value loss on available-for-sale financial asset | 15 | | | (25,607) | (104,169) |
| Currency translation differences | | | | - | 716,127 |
| Total comprehensive income for the year | | | | 4,055,954 | 17,215,748 |

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

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of changes in equity for the year ended 31 December 2022

| 2022 | Share capital | | Reserves | | Revaluation reserve | | Retained earnings | | Currency translation reserves | | Total | |
|--|---------------|---------------------|-----------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------------------|---------------------|-------------|---------------------|
| | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) |
| As at 1 January 2022 | 14,000,000 | 56,000,000 | 5,264,919 | 21,196,460 | 246,062 | 999,772 | 6,833,095 | 27,919,762 | - | 1,209,772 | 26,344,076 | 107,325,766 |
| Transactions recognised directly in equity | | | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | (2,240,000) | (9,222,080) | - | - | (2,240,000) | (9,222,080) |
| Transfer to catastrophe reserve | - | - | 345,833 | 1,423,794 | - | - | (345,833) | (1,423,794) | - | - | - | - |
| Use of social reserve fund (Note 14) | - | - | (49,689) | (203,079) | - | - | - | - | - | - | (49,689) | (203,079) |
| | - | - | 296,144 | 1,220,715 | - | - | (2,585,833) | (10,645,874) | - | - | (2,289,689) | (9,425,159) |
| Total comprehensive income: | | | | | | | | | | | | |
| Net profit for the year | - | - | - | - | - | - | 2,969,012 | 12,134,354 | - | - | 2,969,012 | 12,134,354 |
| <i>Other comprehensive income</i> | | | | | | | | | | | | |
| Fair value loss on available-for-sale financial asset | - | - | - | - | (10,677) | (43,637) | - | - | - | - | (10,677) | (43,637) |
| Currency translation differences | - | - | - | - | - | - | - | - | - | 1,220,052 | - | 1,220,052 |
| Total comprehensive income for the year | - | - | - | - | (10,677) | (43,637) | 2,969,012 | 12,134,354 | - | 1,220,052 | 2,958,335 | 13,310,769 |
| As at 31 December 2022 | 14,000,000 | 56,000,000 | 5,561,063 | 22,417,175 | 235,385 | 956,135 | 7,216,274 | 29,408,242 | - | 2,429,824 | 27,012,722 | 111,211,376 |

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of changes in equity (continued) for the year ended 31 December 2022

| | Share capital | | Reserves | | Revaluation reserve | | Retained earnings | | Currency translation reserves | | Total | |
|--|---------------|---------------------|-----------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------------------|---------------------|-------------|---------------------|
| | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) |
| 2021 | | | | | | | | | | | | |
| As at 1 January 2021 | 14,000,000 | 56,000,000 | 4,842,836 | 19,476,893 | 271,669 | 1,103,941 | 5,139,690 | 21,033,740 | - | 493,645 | 24,254,195 | 98,108,219 |
| Transactions recognised directly in equity | | | | | | | | | | | | |
| Transfer to catastrophe reserve | - | - | 458,156 | 1,866,528 | - | - | (458,156) | (1,866,528) | - | - | - | - |
| Use of social reserve fund | - | - | (36,073) | (146,961) | - | - | - | - | - | - | (36,072) | (146,961) |
| Dividends | - | - | - | - | - | - | (1,680,000) | (6,834,240) | - | - | (1,680,000) | (6,834,240) |
| Employees' incentive fund (Note 14) | - | - | - | - | - | - | (250,000) | (1,017,000) | - | - | (250,000) | (1,017,000) |
| | - | - | 422,083 | 1,719,567 | - | - | (2,388,156) | (9,717,768) | - | - | (1,966,072) | (7,998,201) |
| Total comprehensive income: | | | | | | | | | | | | |
| Net profit for the year | - | - | - | - | - | - | 4,081,561 | 16,603,790 | - | - | 4,081,562 | 16,603,790 |
| <i>Other comprehensive income</i> | | | | | | | | | | | | |
| Fair value loss on available-for-sale financial asset | - | - | - | - | (25,607) | (104,169) | - | - | - | - | (25,607) | (104,169) |
| Currency translation differences | - | - | - | - | - | - | - | - | - | 716,127 | - | 716,127 |
| Total comprehensive income for the year | - | - | - | - | (25,607) | (104,169) | 4,081,561 | 16,603,790 | - | 716,127 | 4,055,954 | 17,215,748 |
| As at 31 December 2021 | 14,000,000 | 56,000,000 | 5,264,919 | 21,196,460 | 246,062 | 999,772 | 6,833,095 | 27,919,762 | - | 1,209,772 | 26,344,076 | 107,325,766 |

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

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of cash flows for the year ended 31 December 2022

| | Note | 2022 | | 2021 | |
|---|------|------------------|---------------------|--------------------|---------------------|
| | | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) |
| Operating activities | | | | | |
| Net profit for the year | | 2,969,012 | 12,134,354 | 4,081,561 | 16,603,790 |
| Adjustments for: | | | | | |
| Interest income | 22 | (1,502,390) | (6,140,268) | (1,659,742) | (6,751,830) |
| Depreciation and amortisation | 24 | 66,743 | 272,779 | 73,551 | 299,205 |
| Income tax expense | 19 | 922,154 | 3,768,843 | 931,985 | 3,791,315 |
| Loss on disposal of property and equipment | | 955 | 3,903 | - | - |
| Changes in: | | | | | |
| Insurance receivables | | (2,146,824) | (8,774,070) | 2,082,523 | 8,471,704 |
| Reinsurance assets | | (530,327) | (2,167,447) | 1,784,237 | 7,258,276 |
| Other receivables | | 4,109 | 16,793 | 26,148 | 106,370 |
| Insurance payables | | 2,660,879 | 10,875,012 | (747,904) | (3,042,473) |
| Insurance contract liabilities | | 1,021,496 | 4,174,854 | (496,094) | (2,018,110) |
| Other liabilities | | (36,117) | (147,610) | (110,734) | (450,466) |
| Cash generated from operations | | 3,429,690 | 14,017,143 | 5,965,531 | 24,267,781 |
| Employees' incentive fund | | - | - | (250,000) | (1,017,000) |
| Income tax paid | 19 | (934,764) | (3,820,380) | (847,955) | (3,449,481) |
| Net cash generated from operating activities | | <u>2,494,926</u> | <u>10,196,763</u> | <u>4,867,576</u> | <u>19,801,300</u> |
| Investing activities | | | | | |
| Purchase of property and equipment | 7 | (97,994) | (400,501) | (5,311,801) | (21,608,406) |
| Placements with financial institutions | | (2,298,957) | (9,395,838) | (441,171) | (1,794,684) |
| Interest received | | 1,664,185 | 6,801,523 | 1,836,964 | 7,472,770 |
| Proceeds from disposal of property and equipment | | 167 | 683 | - | - |
| Purchase of corporate bonds | | (146,807) | (600,000) | - | - |
| Redemption from corporate bonds | | 697,250 | 2,849,661 | 707,662 | 2,878,769 |
| Net cash used in investing activities | | <u>(182,156)</u> | <u>(744,472)</u> | <u>(3,208,346)</u> | <u>(13,051,551)</u> |

Cambodian Reinsurance Company “Cambodia Re”

(Registration No.: Co - 6992/04M)

Statement of cash flows (continued) for the year ended 31 December 2022

| | Note | 2022 | | 2021 | |
|---|------|-----------------------|-------------------------|-----------------------|-------------------------|
| | | US\$ | KHR'000 (Note 4) | US\$ | KHR'000 (Note 4) |
| Financing activities | | | | | |
| Dividends paid | | (2,240,000) | (9,154,880) | (1,680,000) | (6,834,240) |
| Use of social reserve fund | 14 | <u>(49,689)</u> | <u>(203,079)</u> | <u>(36,073)</u> | <u>(146,745)</u> |
| Net cash used in financing activities | | <u>(2,289,689)</u> | <u>(9,357,959)</u> | <u>(1,716,073)</u> | <u>(6,980,985)</u> |
| Net increase/(decrease) in cash and cash equivalents | | | | | |
| | | 23,081 | 94,332 | (56,843) | (231,236) |
| Cash and cash equivalents at beginning of the year | | | | | |
| | | 469,281 | 1,911,851 | 526,124 | 2,128,172 |
| Currency translation differences | | <u>-</u> | <u>20,871</u> | <u>-</u> | <u>14,915</u> |
| Cash and cash equivalents at end of the year | 12 | <u><u>492,362</u></u> | <u><u>2,027,054</u></u> | <u><u>469,281</u></u> | <u><u>1,911,851</u></u> |

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