



To: SHAREHOLDERS OF  
"AMAR INSURANCE" LLC

## "БЭСТ ФОРТУНА АУДИТ" ХХК

Улаанбаатар хот, Сүхбаатар дүүрэг, 2-р хороо  
"Урбанек" ХХК-ийн байр 306, 307 тоот  
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2026.03.12 № 42

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### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of "Amar Insurance" LLC which comprise the balance sheet as of 31 December 2025 and the related income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of IFRS and the accounting and reporting regulations approved by the Order of the Minister of Finance of Mongolia so as to give a true and fair view of the financial position of the Company.

#### **Basis**

An audit involves the procedures of assessment of the accounting principles adopted, the methods selected, and the internal control system of the company. We performed audit procedures and other procedures to obtain reasonable evidence that the financial statements are free from material misstatement and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Key audit matters**

Key audit matters are matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. The key audit matters are communicated within the context of the auditor's overall opinion on the financial statements as a whole and the auditor does not express separate opinions on individual key audit matters.

#### **Other information**

Management bears responsibility for "other information" within an annual report, which includes information beyond the financial statements, and the auditor's opinion on the financial statements does not extend to this other information, nor do they express any assurance on it

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view of in accordance with the provisions of International Financial Reporting Standards and Law

on Accounting and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and it is essential to the selection and application of appropriate accounting policies and the fair presentation of financial statements. Those charged with governance are responsible for overseeing the financial reporting process

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement whether due to fraud or error and to prepare audit report that includes our opinion. While audits following International Standards on Auditing aim for reasonable assurance, they don't guarantee detection of all material misstatements, which are those that could influence users' economic decisions based on financial statements. Misstatements are considered material if, either individually or when combined, they could reasonably influence the economic decisions of users relying on the financial statements

Director



*J. Oyuntsetseg* J. Oyuntsetseg

"AMAR INSURANCE" LLC

STATEMENT OF FINANCIAL POSITION

(in MNT)

Line number	Indicators	2024.12.31	2025.12.31
1	<b>ASSETS</b>		
1.1	<b>Cash and cash equivalents</b>		
1.1.1	Cash	94,608,847.46	99,368,667.43
1.1.2	Accounts receivables	1,232,153,285.69	2,004,013,769.31
1.1.3	Other financial assets	0.78	
1.1.5	<b>Total cash and cash equivalents</b>	<b>1,326,762,133.93</b>	<b>2,103,382,436.74</b>
1.2	<b>Insurance receivables</b>		
1.2.1	Insurance premium receivable /net/	3,777,473,279.55	2,328,094,584.65
1.2.2	Indemnification by the accused	327,884,650.50	399,857,271.50
1.2.3	Reinsurance receivables /net/	3,089,077.65	20,605,955.90
1.2.4	<b>Total insurance receivables</b>	<b>4,108,447,007.70</b>	<b>2,748,557,812.05</b>
1.3	<b>Other financial assets</b>		
1.3.1	Other receivables /net/	309,247,861.96	541,564,992.08
1.3.2	<b>Total other financial assets</b>	<b>309,247,861.96</b>	<b>541,564,992.08</b>
1.4	<b>Non-financial assets</b>		
1.4.4	Inventories	63,763,023.98	92,173,456.66
1.4.5	Prepaid payment	409,265,574.68	991,988,198.27
1.4.7	<b>Total non-financial assets</b>	<b>473,028,598.66</b>	<b>1,084,161,654.93</b>
1.5	<b>Investment assets</b>		
1.5.1	Savings, certificate of deposit	9,617,025,983.26	11,388,097,090.32
1.5.2	Securities /net/	9,308,566,267.88	9,961,023,436.85
1.5.5	<b>Total investment assets</b>	<b>18,925,592,251.14</b>	<b>21,349,120,527.17</b>
1.6	<b>Insurance assets</b>		
1.6.1	Deferred reinsurance premiums	3,519,425,640.06	740,213,900.26
1.6.2	Cession in reinsurance	520,923.67	20,853,054.53
1.6.3	Deferred insurance premiums	1,626,620,713.02	1,754,119,945.42
1.6.4	<b>Total insurance assets</b>	<b>5,146,567,276.75</b>	<b>2,515,186,900.21</b>
1.7	<b>Property and equipment /net/</b>	<b>364,854,078.25</b>	<b>444,164,377.29</b>
1.8	<b>Intangible assets /net/</b>	<b>17,304,861.52</b>	<b>5,583,333.39</b>
1.9	Investment properties		
1.10	<b>Total assets</b>	<b>30,671,804,069.91</b>	<b>30,791,722,033.86</b>
2	<b>LIABILITIES AND EQUITY</b>		
2.1	<b>Liabilites</b>		
2.1.1	<b>Insurance payables</b>		
2.1.1.1	Insurance payables	12,570,512.64	51,740,984.52
2.1.1.2	Insurance policy fee payables	307,488,527.01	251,396,338.57
2.1.1.3	Reinsurance payables	2,392,664,509.18	963,575,766.72
2.1.1.4	<b>Total insurance payables</b>	<b>2,712,723,548.83</b>	<b>1,266,713,089.81</b>
2.1.2	<b>Other financial liabilities</b>		
2.1.2.6	Other liabilities	226,499,319.25	274,782,779.13
2.1.2.7	<b>Total other financial liabilities</b>	<b>226,499,319.25</b>	<b>274,782,779.13</b>
2.1.3	<b>Other non-financial liabilities</b>		
2.1.3.1	Salaries payable		
2.1.3.2	SHI payable	-	-

2.1.3.3	CIT payable	116,834,572.60	137,952,269.01
2.1.3.4	Deferred tax liabilities	51,863,094.03	64,860,186.55
2.1.3.5	Unearned revenue	140,367,638.41	544,221,605.88
2.1.3.10	Other non-financial liabilities	64,928,648.59	69,561,447.81
2.1.3.12	<b>Total other non-financial liabilities</b>	<b>373,993,953.63</b>	<b>816,595,509.25</b>
2.1.6	<b>Unearned premium reserves</b>	<b>11,670,863,015.70</b>	<b>9,382,566,766.94</b>
2.1.7	<b>Premium /reserves/</b>		
2.1.7.1	Incurred but not reported LRF	1,436,575,058.90	1,910,117,863.43
2.1.7.2	Reported but not settled LRF	814,133,489.19	693,462,551.22
2.1.7.3	Contingency LRF	699,725,445.17	324,772,946.96
2.1.7.4	Special reserve fund	391,780,450.20	391,780,450.20
2.1.7.5	<b>Total premium reserves</b>	<b>3,342,214,443.46</b>	<b>3,320,133,811.81</b>
2.1.8	<b>TOTAL LIABILITIES</b>	<b>18,326,294,280.87</b>	<b>15,060,791,956.94</b>
2.2	<b>EQUITY</b>		
2.2.1	Share capital	5,000,000,000.00	5,000,000,000.00
2.2.5	Reavualation surplus	-	45,814,566.22
2.2.7	Other share capital	-	-
2.2.8	Retained earnings /loss/	7,345,509,789.04	10,685,115,510.70
2.2.9	<b>Total equity</b>	<b>12,345,509,789.04</b>	<b>15,730,930,076.92</b>
2.3	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>30,671,804,069.91</b>	<b>30,791,722,033.86</b>



"AMAR INSURANCE" LLC

STATEMENT OF COMPREHENSIVE INCOME

(in MNT)

Line number	Indicators	2024.12.31	2025.12.31
1	<b>Premium</b>		
2	Gross written premiums	26,544,083,203.53	24,947,118,515.91
3	Premiums refunded	491,485,408.77	2,059,733,635.57
4	Reinsurance premium expense	9,953,573,364.06	2,299,522,120.75
5	<b>Net written premium</b>	<b>16,099,024,430.70</b>	<b>20,587,862,759.59</b>
6	Change in unearned premium reserve	3,672,364,549.20	(2,288,296,248.76)
7	Change in deferred reinsurance premiums	1,324,482,799.96	(2,779,211,739.80)
8	<b>Earned premiums</b>	<b>13,751,142,681.46</b>	<b>20,096,947,268.55</b>
9	Gross claims paid	5,399,304,894.57	7,622,266,618.67
10	Claims paid reinsurers' share	32,645,344.00	73,014,698.55
11	Indemnification by the accused	300,334,375.50	95,074,935.00
12	<b>Net claims paid</b>	<b>5,066,325,175.07</b>	<b>7,454,176,985.12</b>
13	Change in loss provision	991,338,061.48	352,871,866.56
14	Change in reinsurers' share of loss provision	27,111,110.75	(20,332,130.86)
15	Change in unexpired risk reserve	70,789,101.74	(374,952,498.21)
16	<b>Claims expense</b>	<b>6,155,563,449.04</b>	<b>7,411,764,222.61</b>
17	Insurance contract expense	3,388,218,480.26	4,563,259,405.43
18	Commission income of reinsurance	393,755,265.49	2,302,268.57
19	Investment income	2,742,276,758.49	3,429,755,758.59
20	<b>Profit (loss) from insurance operations</b>	<b>7,343,392,776.14</b>	<b>11,553,981,667.67</b>
21	Rental income	-	-
22	Interest and royalty income	4,231,520.56	8,718,293.52
23	Other income	158,940,773.56	85,657,422.45
24	General and administrative expenses	2,122,230,154.11	5,170,675,852.08
25	Sales and marketing expenses	1,338,641,289.54	
26	Financial expense		
27	Other expenses	333,199,597.04	260,675,627.53
28	Gain on foreign exchange difference	19,995,527.36	29,211,521.22
29	Gains (losses) on disposal of tangible and intangible assets	(2,027,198.86)	-
30	<b>Other profit (loss)</b>	<b>(3,612,930,418.06)</b>	<b>(5,307,764,242.42)</b>
31	<b>Profit (loss) before tax</b>	<b>3,730,462,358.08</b>	<b>6,246,217,425.25</b>
32	Income tax expense	366,328,721.17	610,311,703.59
33	<b>Profit (loss) after tax</b>	<b>3,364,133,636.91</b>	<b>5,635,905,721.66</b>
34	<b>Profit (loss) after tax from discontinued operations</b>	-	-
35	<b>Net profit (loss) for the reporting period</b>	<b>3,364,133,636.91</b>	<b>5,635,905,721.66</b>



"AMAR INSURANCE" LLC

STATEMENT OF CHANGES IN EQUITY

(in MNT)

Indicator	Share capital	Revaluation surplus	Foreign currency translation reserve	Other equity	Retained earnings/loss	Total amount
<b>As of December 31, 2023</b>	<b>5,000,000,000.00</b>	-	-	-	<b>4,746,376,152.13</b>	<b>9,746,376,152.13</b>
Impact of changes in accounting policy and correction of errors						-
Adjusted balance	5,000,000,000.00	-	-	-	4,746,376,152.13	9,746,376,152.13
Net profit (loss) for the reporting period					3,364,133,636.91	3,364,133,636.91
Other comprehensive income					-	-
Change in equity					-	-
Dividends					(765,000,000.00)	(765,000,000.00)
Revaluation surplus						
<b>Balance as of December 31, 2024</b>	<b>5,000,000,000.00</b>	-	-	-	<b>7,345,509,789.04</b>	<b>12,345,509,789.04</b>
Impact of changes in accounting policy and correction of errors						-
Adjusted balance	5,000,000,000.00	-	-	-	7,345,509,789.04	12,345,509,789.04
Net profit (loss) for the reporting period					5,635,905,721.66	5,635,905,721.66
Other comprehensive income		45,814,566.22			(1,500,000,000.00)	45,814,566.22
Change in equity					(796,300,000.00)	(1,500,000,000.00)
Dividends						
Revaluation surplus						
<b>Balance as of December 31, 2025</b>	<b>5,000,000,000.00</b>	<b>45,814,566.22</b>	-	-	<b>10,685,115,510.70</b>	<b>15,730,830,076.92</b>

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**"AMAR INSURANCE" LLC**  
**STATEMENT OF CASH FLOWS**

Financial statements for the year ended December 31, 2025

(in MNT)

No.	Indicators	2024.12.31	2025.12.31
1	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
1.1	<b>Total cash inflow</b>	<b>23,005,958,881.67</b>	<b>24,261,364,185.67</b>
1.1.1	Insurance premiums	22,809,534,366.83	24,029,005,420.56
1.1.2	Reinsurance claims	103,684,563.20	35,000,000.00
1.1.3	Revenue from royalties, fees, and payments		
1.1.4	Cash received from insurance claims	-	-
1.1.5	Tax refunded		
1.1.6	Subsidy funding income		
1.1.7	Other operating cash inflow	92,739,951.64	197,358,765.11
1.2	<b>Total cash outflow</b>	<b>21,084,430,384.86</b>	<b>24,990,174,818.49</b>
1.2.1	Paid to employees	1,487,284,977.93	2,063,666,362.04
1.2.2	Payments to social insurance administration	427,719,167.10	617,001,829.57
1.2.3	Acquisition of inventory	-	-
1.2.4	Paid for utilities	10,584,130.54	103,770,051.00
1.2.5	Reinsurance premium paid to reinsurer	7,938,956,671.15	2,536,982,725.80
1.2.6	Indemnification	5,269,428,348.36	7,490,684,424.28
1.2.7	Including: Voluntary insurance	4,239,999,344.51	6,776,018,065.73
1.2.8	Mandatory insurance compensation	1,029,429,003.85	714,666,358.55
1.2.9	Insurance agent commission	2,298,968,700.37	3,398,886,165.52
1.2.10	Paid to insurance brokers	1,050,124,280.33	1,250,257,710.93
1.2.11	Paid to insurance loss assessor	-	-
1.2.12	Paid for fuel, transportation and spare parts	21,596,990.00	19,138,303.00
1.2.13	Paid for interest	-	-
1.2.14	Paid to taxation administration	419,797,257.32	819,353,266.73
1.2.15	Paid for insurance claims	-	47,569,723.00
1.2.16	Other cash outflow	2,159,969,861.76	6,642,864,256.62
1.3	<b>Net cash flow from operating activities</b>	<b>1,921,528,496.81</b>	<b>(728,810,632.82)</b>
2	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
2.1	<b>Total cash inflow</b>	<b>10,961,003,455.98</b>	<b>13,386,501,101.19</b>
2.1.1	Proceeds from disposal of property and equipment	-	-
2.1.2	Income from sale of intangible assets		
2.1.3	Proceeds from disposal of investment	8,991,952,527.25	11,000,000,000.00
2.1.6	Interest received	1,969,050,928.73	2,386,501,101.19
2.1.7	Dividends received		
2.2	<b>Cash outflow</b>	<b>12,966,891,716.42</b>	<b>11,250,672,628.46</b>
2.2.1	Paid to acquire property and equipment	217,208,959.42	193,394,329.00
2.2.2	Paid to acquire intangible assets	-	-
2.2.3	Paid to acquire investment	12,749,682,757.00	11,057,278,299.46
2.2.4	Paid to acquire other long-term assets		
2.3	<b>Net cash flow from investing activities</b>	<b>(2,005,888,260.44)</b>	<b>2,135,828,472.73</b>
3	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
3.1	<b>Cash inflow</b>	<b>2,419,665.02</b>	<b>9,868,558.90</b>
3.1.1	Loan received, securities issued		
3.1.2	Shares and other securities issued	-	-
3.1.3	Various donations	2,419,665.02	9,868,558.90
3.2	<b>Cash outflow</b>	<b>640,399,344.62</b>	<b>640,073,568.75</b>
3.2.1	Paid for loan and security fees	-	-
3.2.2	Dividends paid	638,500,000.00	636,670,000.00
3.2.5	Other	1,899,344.62	3,403,568.75
3.3	<b>Net cash flow from financial activities</b>	<b>(637,979,679.60)</b>	<b>(630,205,009.85)</b>
4	<b>TOTAL NET CASH FLOWS</b>	<b>(722,339,443.23)</b>	<b>776,812,830.06</b>
5	<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,048,909,049.91</b>	<b>1,326,569,606.68</b>
6	<b>Cash and cash equivalents at the end of the year</b>	<b>1,326,569,606.68</b>	<b>2,103,382,436.74</b>

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