ཇི་ཨའི་སི་འབྲུག་སླར་བཅོལ་ཚད་འཛིན།
GIC-Bhutan Reinsurance Co. Ltd.
Reinsurance with Professionalism, Trust & Reliability
An ISO/IEC 27001:2022 Certified Company

Director's Report: 2025

Dear Shareholders,

GIC-Bhutan Reinsurance Company Limited (GICB) is pleased to present its Thirteenth Annual Report for the financial year 2025. On behalf of the Board of Directors, I am honored to share with you the Annual Report of GIC-Bhutan Reinsurance Company Limited (GICB) for the financial year ended 31st December 2025. This report highlights the significant achievements of GICB during the year and includes the Audited Financial Statements for the year ended 31st December 2025, prepared in compliance with Bhutanese Accounting Standards (BAS).

GICB marked 12 years of successful operations in 2025, achieving a total business of Nu. 2,229.14 million in 2025 with a total income of Nu. 2,460.48 million, while its total expenditure amounted to Nu. 1,967.03 million. The profit before tax for the year was Nu. 493.45 million.

Brief Snapshot

GICB is a Joint Venture Foreign Direct Investment (FDI) company, promoted by General Insurance Corporation of India (GIC Re) and two Bhutanese promoters. The company's paid-up capital stands at Nu 1,100.00 million. The shareholding structure of the company is as follows:

Local Promotors	**29%**
GIC of India	**26%**
Public	**45%**
Total Share holdings	**100%**

Board of Directors:

As of 31st December 2025, the Board of Directors of GICB consisted of six members, including the Chairperson, one Promoter Director, one GIC-Re India nominee director, two Independent Directors and the CEO as the member secretary. The Board held four quarterly meetings for the financial year 2025, in full compliance with the requirements of the Companies Act of Bhutan, 2016, and the RMA's Corporate Governance Rules & Regulations, 2024. The Board meetings alongside the attendance record of the Board directors is mentioned in the table below. The sitting fees for each Board meetings were Nu. 20,000 per director and other expenses in attending the meeting were also borne by the Company. The company has adhered to the RMA's prudential regulations and the Bhutanese accounting standards in finalizing the Audited Financial Statements for the year 2025. Additionally, the statutory records and documents have been properly maintained in accordance with the requirements of the Companies Act of Bhutan, 2016. Below are the dates and the attendance record of the four Board Meetings held for the FY 2025 and the key financial results for the year 2024 and 2025.

Board Directors	**Q1 Board Meeting (11th March 2025)**	**Q2 Board Meeting (31st July 2025)**	**Q3 Board Meeting (1st Dec 2025)**	**Q4 Board Meeting (12th Jan 2025)**
Aum Damchae Dem	Present	Present	Present	Present
Dasho Sangay Wangchuk	Present	Present	Present	Present
Dasho Tashi Dawa	Present	Present	Present	Present
Mrs. Jayashri Balkrishna	Present	Present	Present	Absent (due to resignation from Board)
Mr. Saroj Kumar Rath	Present	Present	Absent (due to resignation from Board)	Absent (due to resignation from Board)
Mr. Singye Namgyal Dorji	Present	Present	Absent (due to resignation from Board)	Absent (due to resignation from Board)
Mr. Rajesh Khadatare	NA	NA	NA	Present (replacement for Mr. SK Rath)
Mr. Sonam Tashi	NA	NA	NA	Present (replacement for Mr. Singye Namgyal Dorji)

Financial Results (Figures in Million)

Particulars	**2024**	**2025**
Gross Premium	*2,307.88*	*2,229.14*
Net Premium	*2,041.26*	*2,086.03*
Earned Premium	*1,924.63*	*2,111.72*
Incurred Claims	*1,194.59*	*1,440.48*
Commission	*485.44*	*415.64*
Operating Expenses	*73.79*	*81.28*

Particulars	2024	2025
Other Incomes	*0.15*	*2.07*
Underwriting Result	*170.96*	*176.40*
Investment Income	*303.44*	*346.53*
Total Investments	*5,064.20*	*5,208.13*

Profit Before Tax	*451.68*	*493.45*
Provision for Tax	*112.66*	*123.80*
Profit After Tax	*339.02*	*369.65*
Other Comprehensive Income	*(2.15)*	*(1.94)*
Total Comprehensive Income	*336.87*	*367.71*
Dividend	*165.00*	*220.00*
Transfer to Reserve	*639.42*	*789.07*

Claims Ratio	*62.07*	*68.21*
Commission Ratio	*25.22%*	*19.68*
Management Exp. Ratio	*3.38%*	*3.85*
Total Expense Ratio	*29.06%*	*23.53*
Combined Ratio	*91.13%*	*91.75*

GICB maintains a conservative underwriting approach, but in response to the evolving dynamics of the reinsurance market, the company has begun exploring structured solutions. GICB has been actively writing a significant volume of facultative business alongside treaty business. At present, the company covers all classes of business and started writing specialized classes such as liability, credit, and agriculture in small scale. Moving forward, GICB intends to uphold its prudent underwriting strategy, focusing on the careful selection of high-quality risks.

GICB's business strategy is focused on maintaining a strong regional presence while selectively expanding into global markets. The company aims to establish and nurture healthy relationships with clients and ensure the timely settlement of claims. Currently, GICB's primary focus is on the SAARC region. However, with the prospect of obtaining an international rating, the company plans to expand into the ASEAN markets, followed by Central Asia, the MENA region, and selected parts of Africa in specific classes of business. At present, the company operates in approximately 20 countries.

GICB, the first and only reinsurance company in Bhutan, celebrated its 12th anniversary on 5th September 2025. Over the past 12 years, the company has experienced remarkable growth, with gross premiums increasing from Nu. 125.04 million in 2014 to Nu. 2,229.14 million in 2025. This demonstrates a substantial growth trajectory. The company's claims ratio has improved significantly, reducing from 116.74% in 2014 to 68.21% in 2025, reflecting a careful approach to risk selection. Additionally, the Combined Ratio has decreased from 177.58% in 2014 to 91.75% in 2025, indicating a strong improvement in underwriting performance. From 2024 to 2025, GICB's investment income grew by 14.20%, with an average return on investment of approximately 7.06%.

Particulars	**2024**	**2025**
Total Assets	*6,616.46*	*6,827.42*
Growth Rate	*12.96%*	*3.09%*
Net Worth	*1,904.22*	*2,106.93*
Solvency	*1.58 Times*	*2.58 times*

Note: - The solvency ratio for GICB in 2025 stands at 2.58 times. The total assets for the year amounted to Nu. 6,827.42 million, reflecting a growth rate of 3.09% compared to the previous year, 2024. GICB's total investments in 2025 reached Nu. 5,208.13 million, with an average return on investment of 7.06%. The company has also created provisions in accordance with the prudential regulations of the Royal Monetary Authority (RMA).

Provisioning for reserves is essential for maintaining a stable portfolio over the years. Ensuring adequate Claims and Premium Reserves is a significant challenge and a critical aspect for any reinsurance company. GICB, however, has consistently followed a conservative and prudent reserving methodology. As of 31st December 2025, the Outstanding Loss Reserve (OSLR) stands at Nu. 2,751.75 million, with an Incurred But Not Reported (IBNR) Reserve of Nu. 380.41 million and an Unearned Premium Reserve (UPR) of Nu. 698.21 million.

Investment Scenario

GICB is actively diversifying its investment portfolio by exploring a range of investment opportunities, including fixed deposits, bonds, corporate lending through consortium financing, and other instruments such as commercial papers, equities, and inter-institutional borrowing. Despite facing challenges related to the limited availability of investment options, particularly with respect to short-term yields, the company remains committed to adhering to the Prudential Regulations set by the Royal Monetary Authority of Bhutan. These regulations mandate the establishment of provisions to effectively manage associated risks. Investment opportunities are crucial for a reinsurance business as they help diversify revenue sources, improve financial stability, and enhance profitability. By strategically investing in a variety of assets, reinsurance companies can generate returns that supplement underwriting income. These investments also provide a buffer against fluctuations in claims and underwriting results, ensuring the company can maintain adequate capital reserves. Additionally, effective investment management allows reinsurance firms to optimize their balance sheets, support long-term growth, and meet regulatory capital requirements. Ultimately, investment opportunities help reinsurance businesses maintain financial strength and meet their obligations to policyholders.

Rating

Rating plays a crucial role in facilitating business relationships with insurers and reinsurers globally. Although the company does not yet have an international rating, it has successfully established business relationships with insurers and reinsurers from over 20 countries. Currently, the company holds a rating from Credit Analysis and Research Limited (CARE Ratings Limited) in India. The current rating is "A" for Issuer Rating (General Creditworthiness), which is the third-highest rating, following "AAA" and "AA".

With consistent performance over the years, the infusion of additional capital, strategic investments generating higher returns, and the accumulation of reserves, GICB is optimistic about achieving a strong international rating in the future. Obtaining an international rating will significantly enhance the company's business prospects, opening up opportunities for substantial growth.

Other Highlights

GICB have established a state-of-the-art IT infrastructure, supported by our own Data Center hosted at our Corporate Office in Thimphu, Bhutan. Our infrastructure operates on a Dual Stack Network, enabling both IPv6 and IPv4 connectivity to ensure reliability, scalability, and future readiness.

We are proud to be ISO 27001:2022 certified company for our Information Security Management System (ISMS) (Certification No. IS 742090), underscoring our unwavering commitment to safeguarding information assets and maintaining the highest standards of data security and operational excellence.

GICB is among the few financial institutions in Bhutan to own an Autonomous System Number (ASN 137925), along with dedicated IPv4 (/24) and IPv6 (/48) address allocations from APNIC. This distinction reflects our technical capability and strategic investment in digital independence and secure network management.

To ensure business continuity and resilience, we have established a fully operational Disaster Recovery (DR) site at Bhutan Telecom's Data Center in Phuentsholing. Regular Disaster Recovery drills are conducted to ensure seamless failover readiness, with the DR site maintained at par with our primary Data Center to guarantee uninterrupted services during emergencies.

Our IT operations are supported by internationally recognized tools for network monitoring, infrastructure management, and log management, enabling proactive oversight and enhanced system reliability. In the area of risk governance, GICB takes pride in being the first company in Bhutan to fully implement Enterprise Risk Management (ERM) standards. Our ERM framework operates under a comprehensive ERM Policy and Procedures, supported by a structured risk register that captures and monitors all organizational risks. This register is reviewed and updated quarterly at Management Level ERM Committee meetings and subsequently at Board Level ERM Committee meetings to ensure strong oversight and accountability.

Key ERM initiatives include regular fire evacuation drills, first aid training, and business continuity exercises, reinforcing our preparedness for unforeseen events and strengthening our institutional resilience.

Strategy Ahead

GICB has established a strong track record since its inception, with promising business prospects. Premiums have been consistently growing, reflecting the company's solid performance. The current paid-up capital stands at Nu. 1,100 million, and the recent enhancement of this capital has bolstered the company's financial strength while expanding its underwriting capacity. The company is planning to execute disciplined expansion strategy designed to broaden its global footprint while maintaining a high-quality balance sheet. By diversifying across both geographic regions and Lines of Business (LOBs), the company aims to optimize its risk-adjusted returns and reduce earnings volatility. With improved underwriting performance, stronger investment returns, a robust ERM structure, and advanced IT infrastructure, GICB is poised to achieve a favorable international rating in the future. This will enable further diversification and optimization of its portfolio mix.

Statutory Auditors:

M/S. KASG & Co, a Chartered Accountants firm based in Kolkata, has conducted the audit of the reinsurer's financial statements for the year ended 31st December 2025.

Acknowledgement:

The Board of Directors expresses its sincere gratitude to the Royal Government of Bhutan, the Royal Monetary Authority of Bhutan, the Royal Securities Exchange of Bhutan and other regulators and agencies for their valuable guidance and support. The Board also would like to thank GIC-Re India for their continuous support and all the financial institutions in Bhutan & all the insurance broking partners in India and other countries for their cooperation and patronage. The Board acknowledges the gratifying confidence of the clients and shareholders and wishes to place on record its appreciation for the dedicated services and contribution made by the management and employees of the reinsurer towards its growth and achievement during the year.

Aum Damchae Dem

Chairpserson

INDEPENDENT AUDITOR'S REPORT
To
The Board of Directors of
GIC Bhutan Reinsurance Company Limited
Thimphu, Bhutan

Qualified Opinion

We have audited the accompanying special purpose financial statements of **GIC - BHUTAN REINSURANCE COMPANY LIMITED** (referred to as "the Company"), which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. These Financial Statement have been prepared by the management for the purpose of **Prudential Treatment of "Accrued but Unpaid Interest"** as per the directive issued by **Royal Monetary Authority (RMA)** vide Reference No. **RMA/DFRS/34/2025-26/4832 Dated. 8th April, 2026.**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the **Basis for Qualified Opinion** section of our report, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the aforesaid Special Purpose Financial Reporting Framework.

Basis for Qualified Opinion

Note 4 to the Financial Statements shows that the Company has loans and advances amounting to Nu. 742,407,422. The total loans and advances consist of Nu. 494,847,147 of Consortium Loans and Staff Loans, Nu. 47,560,275 of Commercial Paper and Nu. 200,000,000 of Inter Corporate Borrowing provided to Nubri Capital Pvt. Ltd. and Bhutan Insurance Ltd. AASBB vide its letter no. AASBB/ CNC-09/69 dated 26th August, 2025 issued to the company provided extension till December, 2025 for adoption of BFRS 9 with the ECL model. However, Royal Monetary Authority (RMA) vide its letter no. RMA/DFRS/34/2025-26/2397 dated 9th October, 2025 issued to all the Financial Institutions, instructed to comply with the ECL model of BFRS 9. Despite the Company having loans and advances amounting to Nu. 742,407,422 (as detailed above), the ECL model has not been implemented as of 31st December 2025, as required by BFRS 9 rather the Prudential Regulations as issued by RMA has been followed. In the absence of such an evaluation by the management, we are unable to comment on the impairment, if any, on the value of such loans and the consequential impact thereon based on ECL model of BFRS 9.

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The company is having a significant exposure of the Receivables and Payables from / to ceding companies and brokers arising from reinsurance transactions in the Foreign Currency. As per BAS 21, Foreign Currency Monetary Items should be restated using the closing rate at the end of reporting period. However, the balances under foreign currency monetary items of the company are not restated as per the closing exchange rate as at 31st December 2025. Consequently, we are unable to comment on the impact of such restatement, if any, on the receivables and payables at year end and the consequential impact thereon.

The Company has not recognized any provision nor disclosed any contingent liability in respect of pending adjustment premium relating to retro program as on December 31, 2025. As explained by the Management, adjustment premium is accounted and settled for only upon approval by the lead reinsurer. In our opinion, such accounting treatment is not in accordance with the applicable financial reporting framework, which requires recognition of liabilities on an accrual basis when an obligation exists and can be reasonably estimated. The Management has further represented that the pending adjustment premium liability will be fully settled and accounted for in the financial statements for the year ending December 31, 2026.

We conducted our audit in accordance with **International Standards on Auditing (ISAs)**, as applicable. Our responsibilities under those standards are further described in Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI together with ethical requirements relevant to our audit and have fulfilled our ethical responsibilities in accordance therewith. We believe the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

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Emphasis of Matter

i. We draw attention to the Statement of Comprehensive Income and related disclosures in the financial statements, which indicate that **accrued but unpaid interest** amounting to **Nu. 13,182,114** has been appropriated from profit to the **Accrued but Unpaid Interest Reserve (AUIR)** in compliance with the regulatory directive issued by the **Royal Monetary Authority of Bhutan (RMA).**

ii. We draw attention to Note 4: Loans and Advances of the Financial Statements, which discloses the loan **extended to M/s Ice Beverages Private Limited.** The repayment of this loan has been deferred in accordance with the Standard Operating Procedures (SOP) of Financial Institutions (FIs) for Loan Deferment Post-June 2025 and the Directive on Deferment, FEIF, and Loan Provisioning dated 28th September 2023, issued by the Royal Monetary Authority (RMA) of Bhutan. The restructuring plan for this loan was approved by the RMA on 20th November 2024 and accordingly new Consortium Loan Agreement was executed on 18th December, 2024 with repayment moratorium till June 2026.

The loan restructuring has been approved based on the financial stability of the promoters and has received consent from all financial institutions in the lending consortium, as well as from the RMA. However, there are significant concerns regarding the recoverability of the loan, which are supported by the following factors:

1. Going Concern Uncertainty: The auditor's report for the year ended 31st December 2024 highlighted material uncertainty regarding the company's ability to continue as a going concern.
2. Financial Distress: The borrower is facing severe financial distress, including accumulated losses, non-realisable current assets, negative working capital, and negative net worth.
3. Doubtful Recoverability of Exposure: A significant exposure to the wholly-owned subsidiary remains highly doubtful, considering the weak financial position of the subsidiary and no certainty of recovery of any amount of investment.
4. Inadequate Security Coverage: The market value of total security assets including land is valued at Nu. 880.04 mn. Share of the company in total security assets on the basis of sanction amount as per Consortium Agreement dt. 18.12.2024 is 26.87% i.e. 236.46 mn. Further outstanding exposure of the company in Ice Beverage is 308.91 mn. (Principal O/s 219.70 mn. + FEIF 63.16 mn. + interest o/s till 31.12.2025 - 26.04 mn.). As such, Loan-to-Value (LTV) ratio for the company is arrived at 131% which is higher than 125% as allowed by RMA further leading to insufficient collateral coverage.
5. Unviable Projected Financials: The projected financials submitted with RMA as revival plan shows that the company will not be able to make profit in the next 10 years including negative Free Cash Flow in some years raising concern over the serviceability of the restructured debt.

Due to these concerns, the recovery of the loan remains uncertain. However, as a prudent measure, the company has recognized an additional 10% provision on principal outstanding i.e. a 41% provision on the loan as of 31st December 2025 is being maintained. Further, a 10% provision is also created during the year on FEIF account of the borrower.

iii. We draw attention to Note 25 to the financial statements wherein it is indicated that for FY 2024 & 2025 the management has estimated the provisions for the future payment of leave encashment based on management's judgement, as actuarial assessment has not been undertaken for creating provisions for leave encashment.

Our opinion is not modified in respect of these matters.

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

Other Matter

The actuarial valuation of liability in respect of Claims Incurred But Not Reported (IBNR) as of 31st December 2025 is certified by the Company's appointed Actuaries, and our opinion in so far as it relates to the amounts and disclosures related to such liability is based solely on such report.

Note 4 to the Financial Statements refers to the loans extended to Bhutan Insurance Limited, amounting to Nu. 150,000,000. It is to be noted that a provision of 1%, as required for Standard Assets, has not been maintained, as the loan has been classified by the borrower as an intra-institutional borrowing, based on prior approval obtained from RMA. However, the RMA has prohibited any future renewal of such investments in non-bank entities, as the Company is not authorized to engage in lending activities.

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CHARTERED ACCOUNTANTS
SHASTRI NAGAR

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the **Basis for Qualified Opinion** section, we have determined the matters described below to be the key audit matters for the Company to be communicated in our report.

Why the matter was determined to be a Key Audit Matter	How the matter was addressed in the Audit
a. Revenue Recognition:	
Premium income is the main source of income of the Company and one of the major areas of concern for correct depiction of financial results as per the Company's overall accounting policy described in the significant policies of the Company in respect of the recognition of premium income. The mathematical methods use assumptions concerning premiums, ultimate loss ratios, and run-off patterns, which are based on an expert estimate derived from past experience. The Company recognizes reinsurance premium income based on the statement of accounts or closing statements received from the ceding companies. At the year end, estimates are made for the accounts not received based on the Estimated Premium Income (EPI) agreed upon by both the Company and the Ceding Companies at the time of inception of the treaty or policy slip.	For the purpose of auditing the estimated gross premium, we first evaluated the design of the contribution and estimation process. In that connection, we identified the material key controls and analyzed their design. Based on that analysis, we evaluated the operating effectiveness by testing the effectiveness of the key controls implemented. Understood and tested the governance process in place to determine the re-insurance contract liabilities, including testing the associated financial reporting control framework. Tested the design, implementation, and operating effectiveness of key controls over Revenue Recognition. Verified premium estimation with the guidelines of the Company and performed test of controls, test of details, and analytical review procedures on estimation of income. Verified EPI from the treaty or policy slip and verified actual premium booked from Statement of Accounts or Closing Statements received from the Cedants of the sample cases.
Premium estimation is the differential of EPI and the booked premium for the year by the Company.	We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to recognizing premium income. We assessed the control segregation of premium amongst different business segments broadly fire, engineering, marine and miscellaneous.
The estimation of income can be right only if the factors involved are incorporated in the system and extracted correctly from the system.	Adjustment of Unearned Premium Reserve. In test of details, we critically reviewed the material assumptions underlying an estimate and asked the Company to explain to us the grounds for such estimates. Based on our audit procedures, we were able to satisfy ourselves that the calculation procedures used by them to derive the estimated gross premium are appropriate overall.

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR

Why the matter was determined to be a Key Audit Matter	How the matter was addressed in the Audit
b. Claims Provisioning: Determining the provision for outstanding claims is subject to uncertainty and judgment, as the provision is largely based on estimates and assumptions. It involves a high degree of subjectivity and complexity. Uncertainties in estimation arise from the occurrence, amount, and speed of settlement of major losses, long-term claims development, and special loss scenarios (including third-party liability). We have, therefore, designated the measurement of the provision for outstanding claims as a key audit matter.	We have tested the effectiveness of the controls implemented for ensuring the completeness and accuracy of the recognition and measurement of claims. For assessing the quality of estimates, we analyzed the actual development of the previous year's provision for outstanding claims based on the runoff results. We applied mathematical and statistical methods to generate our own loss projections for certain segments based on risk considerations. In addition, we compared the reserve level at the end of the reporting period with the previous year's level and verified adjustments made to it. Assessing the process and related judgments of the Company in relation to natural catastrophes and other large losses, including using our industry knowledge to assess the reasonableness of market loss estimates and other significant assumptions.
Insurance Claim is the major area of expense for the insurance company. Total incurred claims include paid claims, Outstanding Loss Reserve (OSLR), and Claims Incurred but Not Reported (IBNR).	We have verified the operational guidelines of the Company relating to claim processing, performed test of controls, test of details and analytical review procedures on the outstanding claims. Verified the claim paid and provision on a sample basis with payment proof, Preliminary Loss Advice (PLA) and Statement of Accounts (SOA) received from the Cedant Company/ brokers, and the same is further verified from the surveyor's report. Our audit approach is to understand the systems, procedures, and control over the claims registered at different operating offices and evaluate the implementation design of these essential elements. We focused on these areas because underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims, which are subject to critical judgment.

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CHARTERED ACCOUNTANTS
SHASTRI NAGAR DHANBAD

	For the claim cases which has been incurred but not reported are captured by the Actuary appointed by the Company. The actuarial valuation of liability in respect of Claims Incurred But Not Reported (IBNR) as at 31st December 2025 is as certified by the Company's appointed Actuary and we had verified the amounts and the related liability based on such report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, along with Corporate Overview, Key Highlights, Board of Director's Report, Report on Corporate Governance, Management Discussion & Analysis Report, and Business Responsibility Report 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 during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Bhutanese Accounting Standards (BAS/BFRS), including ensuring compliance with the applicable directives issued by the Royal Monetary Authority (RMA) in the preparation and presentation of these financial statements for special purposes, and for implementing 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.

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

Auditor's Responsibilities for the Audit of the Special Purpose 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 the International Standards on Auditing 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.

For KASG & Co.
Chartered Accountants
Firm Registration Number: 002228C

KASG & CO. ★ CHARTERED ACCOUNTANTS ★ SH. STRI NAGAR, DHANBAD

CA. Keshaw Kumar Harodia
Partner
Membership No. 034751
Place: DHANBAD

Date: 27/04/2026

UDIN: 26034751ATXLDB3393

GIC - BHUTAN REINSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

(Amount in Nu.)

Particulars	Note	As on 31-12-2025	As on 31-12-2024
Assets			
Cash and Cash Equivalents	1	101,000,428	130,173,256
Other Bank Balances	2	1,145,001,000	461,750,571
Insurance Receivables	3	1,420,005,247	1,406,653,535
Loans and Advances	4	742,407,422	1,198,199,112
Other Financial Assets	5	237,021,920	221,214,684
Investments	6	3,083,699,760	3,183,287,229
Property and Equipment	8	93,967,061	10,607,812
Intangible Assets	8	986,633	1,632,986
Deferred Tax Assets (Net)	12	569,610	119,302
Other Assets	9	2,756,693	2,824,112
TOTAL ASSETS :		**6,827,415,775**	**6,616,462,599**
Financial Liabilities			
Reinsurance Contract Liabilities	10	610,890,699	792,232,933
Current Tax Liabilities	7	108,610,623	102,526,097
Trade and Other Payables	11	1,815,368	2,874,921
Provisions	13	3,999,172,312	3,814,609,233
Total Liabilities		**4,720,489,002**	**4,712,243,184**
Equity			
Share Capital	22	1,100,000,000	1,100,000,000
Other Equity	23		
General Reserve		728,535,589	639,418,789
Accrued but Unpaid Interest Reserve		13,182,114	
Retained Earnings		267,350,398	165,000,000
Net Unrealized Gains/ (Losses)		(2,141,327)	(199,374)
Total Equity		**2,106,926,773**	**1,904,219,415**
TOTAL LIABILITIES AND EQUITY		**6,827,415,775**	**6,616,462,599**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For K A S G & Co.
Chartered Accountants

K K Harodia
Partner

K A S G & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR, DHANBAD

PLACE: DHANBAD
DATE: 27/04/2026
UDIN: 26034751ATXLDB3393

For and on behalf of the Board of Directors

Chairman
Chairperson
GIC Bhutan Reinsurance co ltd

CEO
Kesang Wangdi
Chief Executive Officer
GIC Bhutan Reinsurance Co. Ltd

Place : Thimphu

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME

(Amount in Nu.)

Particulars	Note	For the year 2025	For the year 2024
INCOME			
Revenue from Operations	14	2,111,717,968	1,924,632,597
Other Income	15	348,758,090	303,599,916
TOTAL INCOME		2,460,476,059	2,228,232,513
EXPENSES			
Direct Expenses	16	1,856,119,090	1,680,041,995
Employee Benefit Expenses	17	39,959,804	34,672,508
Other Expenses	18	67,675,303	57,410,683
Depreciation	8	3,273,340	4,427,120
TOTAL EXPENSES		1,967,027,537	1,776,552,306
Profit Before Tax		493,448,521	451,680,207
Tax Expense	19		
Current Tax		122,884,580	112,898,200
Deferred Tax		197,011	(240,519)
For Earlier Years		717,618	-
Profit for the year		369,649,312	339,022,526
Accrued but Unpaid Interest Reserve		13,182,114	
Net Profit After AUIR		356,467,198	
Other Comprehensive Income	20		
Items that will not be reclassified to Profit & Loss:			
a. Equity Investments through Other Comprehensive Income		(815,602)	(919,632)
b. Remeasurements of the Defined Benefit Plans		(1,126,352)	(1,226,658)
Other Comprehensive Income for the year (Net of Tax)		(1,941,953)	(2,146,290)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		367,707,359	336,876,235
APPROPRIATIONS			
Transferred to Retained Earnings		267,350,399	169,511,263
Transferred to Accrued but Unpaid Interest Reserve		13,182,114	
Transferred to General Reserve		89,116,800	169,511,263
TOTAL APPROPRIATIONS		369,649,312	339,022,526
Earnings per Share:	21		
Basic Earning Per Share		3.36	3.08
Diluted Earning Per Share		3.36	3.08
Earnings per Share- Continuing Operation	21		
Basic Earning Per Share		3.36	3.08
Diluted Earning Per Share		3.36	3.08

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For K A S G & Co.
Chartered Accountants

K K Harodia
Partner

For and on behalf of the Board of Directors

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

Chairman
Chairperson
GIC Bhutan Reinsurance co ltd

CEO
Kesang Wangdi
Chief Executive Officer
GIC Bhutan Reinsurance Co. Ltd

Place : Thimphu

GIC BHUTAN REINSURANCE CO. LTD.

PLACE: DHANBAD
DATE: 27/04/2026
UDIN: 26034751ATXLDB3393

GIC - BHUTAN REINSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31st December, 2025

(Amount in Nu.)

Particulars	Share Capital	Net Unrealized Gains/ (Losses)	General Reserve	Retained Earnings	Total Shareholders' Funds
Balances as at 31st December 2023	1,100,000,000	1,946,916	439,972,207	135,424,057	1,677,343,180
Dividend for the year 2023	-	-		(110,000,000)	(110,000,000)
Net Profit for the year	-	-	169,511,263	169,511,263	339,022,526
Other Comprehensive Income	-	(2,146,290)			(2,146,290)
Transfer from Retained Earnings to General Reserve	-	-	29,935,320	(29,935,320)	-
Balance at the beginning of the reporting year	1,100,000,000	(199,374)	639,418,790	165,000,000	1,904,219,415
Net Profit for the year	-	-	89,116,800	267,350,399	356,467,198
Other Comprehensive Income	-	(1,941,953)			(1,941,953)
Dividend for the year 2024	-	-	-	(165,000,000)	(165,000,000)
Transfer from Retained Earnings to General Reserve			-	-	-
Balances as at 31st December 2025	1,100,000,000	(2,141,327)	728,535,589	267,350,398	2,093,744,660

The accompanying notes form an integral part of these financial statements

K A S G & CO.
CHARTERED ACCOUNTANTS
SH. STRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
CASH FLOW STATEMENT

(Amount in Nu.)

	Particulars	For the year ended 2025	For the year ended 2024
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit Before Tax for the period	493,448,521	451,680,207
	Fixed Assets written off	26,644	-
	Profit Before Tax and Extra-ordinary items	493,475,165	451,680,207
	Adjustment for non-cash and non-operating items to reconcile profit before tax to net cash flows:		
	Depreciation	3,273,340	4,427,120
	Income From Bond	(21,915,884)	(21,884,116)
	Income From Dividend	(554,831)	(832,247)
	Income From Fixed Deposit	(244,991,774)	(193,671,152)
	Income from Other Investments	(77,893,093)	(84,466,161)
	Provision for Employee Benefits	1,234,221	1,063,309
	Operating profit before working capital changes	152,627,144	156,316,960
	Movement in Working Capital:		
	Change in Reinsurance Receivables	(13,351,712)	(12,953,331)
	Change in Loan & Advances	455,791,689	(23,816,329)
	Change in Other Financial Assets	(15,807,236)	(36,129,665)
	Change in Other Current Assets	67,419	693,452
	Change in Reinsurance Contract Liabilities	(181,342,234)	(61,112,213)
	Change in Trade and Other Payables	(1,059,553)	1,374,151
	Change in Short Term Provision	181,827,056	547,782,665
	Cash Generated from Operating Activities	578,752,574	572,155,690
	Corporate Tax Paid	117,517,672	70,438,193
	Net Cash Flow From Operating Activities (A):	461,234,901	501,717,497
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	(Purchase)/ Sale of Property & Equipment	(86,012,881)	(575,858)
	Net Change in Fixed Deposit	(683,500,000)	218,500,000
	Net Change in Investment	98,500,000	(948,500,000)
	Income From Bond	21,915,884	21,884,116
	Income From Dividend	554,831	832,247
	Income From Fixed Deposit	244,991,774	193,671,152
	Income from Other Investments	77,893,093	84,466,161
	Net Cash Flow From/ (Used) in Investing Activities (B):	(325,657,299)	(429,722,182)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Dividend paid during the year	(165,000,000)	(110,000,000)
	Unclaimed Dividend for the year	0	(81,788)
	Unclaimed Dividend paid for prior years	249,570	485,098
	Net Cash Flow From/ (Used) in Financing Activities (C):	(164,750,430)	(109,596,690)
	Net Increase/ (Decrease) in Cash & Cash Equivalents [A + B + C]	(29,172,827)	(37,601,376)
	Opening Balance of Cash and Cash Equivalents	130,173,256	167,774,632
	Closing Balance of Cash and Cash Equivalents	101,000,428	130,173,256

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For K A S G & Co.
Chartered Accountants

K K Harodia
Partner

K A S G & Co. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

For and on behalf of the Board of Directors

Chairperson
GIC Bhutan Reinsurance co ltd

Place : Thimphu

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1. GENERAL CORPORATE INFORMATION:

The principal activities of GIC - Bhutan Reinsurance Co. Ltd (the "Company" or "GICB") cover all significant operations that have taken place within Bhutan.

The company is a limited liability company incorporated and domiciled in Bhutan. The address of its principal place of business is Thimphu, Bhutan.

The Company was incorporated on 16th May, 2013 vide registration no. U20130516THI0406, where the foreign investors hold 26% shareholding of the Company. The Company has taken following Trade License

License No.	Nature of Activity
1029965	General Reinsurance Business

These financial statements relate to the year ended 31st December, 2025.

The Company is listed in Royal Securities Exchange of Bhutan Limited.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation

The Balance Sheet and the Profit and Loss Account are drawn up in accordance with the Regulation for Establishment of Reinsurance Business in Bhutan, Financial Services Act of Bhutan and the Bhutanese Accounting Standard (BAS) as notified by the Accounting and Auditing Standards Board of Bhutan ("AASBB"). The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in Bhutan.

2.2 Functional Currency

The functional currency of preparation is Bhutanese Ngultrum (Nu.)

2.3 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes:

a) Incurred But Not Reported (IBNR)
b) Unearned Premium
c) Employee Benefit

2.4 Going Concern

The management of the Company has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. APPLICATION OF BHUTANESE ACCOUNTING STANDARDS:

The Financial Statements have been prepared in line with Bhutanese Accounting Standards.

The summarized impact of the introduction of BAS is:

a) The Company has presented Statements of Comprehensive Income and Changes in Equity as required by BAS 1. These statements show information that was previously disclosed in the schedules to the financial statements.

b) The Company has complied with relevant Bhutanese Accounting Standards and RMA guidelines in preparation of its financial statements.

4. SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

5. EQUITY MOVEMENTS

5.1 Ordinary Share Capital

The Company has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity, net of tax.

5.2 Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.
Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

6. REINSURANCE BUSINESS:

6.1 Reinsurance Revenues

Reinsurance Revenues Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for net of discounts, returns and taxes. The Company recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Company.

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

Various provisions have been made based on industry policy of Reinsurance business.

Premium Receivable represents the amount receivable as per term of premium payments warranty contracts with brokers. Any subsequent revision to or cancellation of premium are recognized in the year in which they occur.

6.2 Reserve for Unearned Premium (UPR)

The UPR provisions are made as under:

a) 30% of the Accounted premium for the period for all classes of business have been recognized as Unearned Premium for annual closing.

6.3 Brokerage & Commission:

Brokerage & Commission has been taken as expenditure as per terms of the policy and calculated based on premium received for different types of Insurance.

6.4 Reinsurance Ceded:

Re-Insurance Cessions are accounted for on actual or estimated wherever actual are not available.

6.5 Outstanding Claims

a. OSLR (Outstanding Loss Reserve)

Estimated liability for outstanding claims in respect of Reinsurance business carried out in Bhutan is based on advice received as of different dates up to the date of finalization of claim figures in the books and wherever such advices are not received, on estimates based on available information, current trends and past underwriting experience of the management.

b. IBNR (Incurred But Not Reported)

Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary based on accepted actuarial methods.

6.6 Receivables and Advances

Receivables and Advances 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 end of the reporting period. These are classified as non-current assets. The Company's Receivables and Advances comprise "Trade & Other Receivables", "Financial Assets", and "Cash & Cash Equivalents" in the Statement of Financial Position.

6.7 Trade Payables:

Trade payables are initially recognized at the fair value of the amounts to be paid. 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.

6.8 Trade Receivables:

Trade receivables are initially recognized at the fair value of the amounts to be received. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are reviewed regularly for impairment.

CHARTERED ACCOUNTANTS
SRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

6.9 Cash and Cash Equivalents:

In the Statement of Cash Flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

7. FOREIGN CURRENCY TRANSACTIONS:

a) Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from XE.COM.

b) Monetary items such as balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.

c) Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Income.

8. FINANCIAL INSTRUMENTS

8.1. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at settlement date.

8.2. Subsequent measurement

Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is assessed on an instrument-by-instrument basis and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(vi) The SPPI test

As a second step of its classification process the Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

8.3 Derecognition of financial assets and liabilities

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The entity generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

8.4 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to the profit and loss account.

8.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

9. PROPERTY PLANT AND EQUIPMENT

A) Property, Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment.

B) Depreciation on other acquired assets during the year is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives (evaluated by the management), as follows:

Plant and machinery and other equipment	6 years
Furniture and fixtures	10 years
Computers and office equipment	6 years
Vehicles	10 years
Electronic Equipment	4 years
Land and Building	70 Years

C) The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Comprehensive Income/ (Loss) as the case may be, in the income statement.

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

D) Intangible Assets:

Intangible Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as six years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

E) Impairment of Assets:

Fixed assets are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset of future net discounted cash flows expected to be generated by the asset.

If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. There is no impairment of assets in current financial year.

10. INVESTMENTS:

a) Prudential norms prescribed by Royal Monetary Authority of Bhutan are followed regarding:
   1. Revenue recognition.
   2. Classification of assets into performing and non- performing; and
   3. Provisioning against performing and non-performing assets.

b) Purchases and sales of bonds, debentures and Government securities are accounted for on the date of settlement.

c) The cost of investments includes brokerage, premium on acquisition, Securities Transaction Tax, Goods & Service tax, and their related expenses.

d) Income from fixed deposits is accounted when accrued.

e) All debt securities including Government securities have been measured at amortized cost.

11. CURRENT AND DEFERRED INCOME TAX:

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in Other Comprehensive Income. In this case, the tax is also recognized in other comprehensive income. The current income tax charge is calculated on the basis of the tax laws enacted at the Statement of Financial Position date in Bhutan. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, 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 at the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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CHARTERED ACCOUNTANTS
SH. STRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

12. EMPLOYEE BENEFITS:

12.1 Retirement Benefits

Defined Contribution Scheme
Employees Retirement Benefits belong to a defined contribution Benefit plan managed by a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined Benefit Scheme
A defined benefit plan is any post-employment benefit plan other than a defined contribution plan. The Company makes retirement payments based on the final salary and years of service. The Company contributes the last drawn basic salary of all employees present at year end into a gratuity fund which is maintained by a separate entity, i.e. Bhutan Insurance Limited.

12.2 Other Benefits

Other benefits such as leave encashment etc. are accrued at year end without actuarial valuation.

13 EARNINGS PER SHARE

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

14 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the indirect method. Interest received, interest paid and dividend received are classified as operating cash flows while dividends paid is classified as financing cash flow. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Contingent Assets are recorded in the financial statements when it is virtually certain that future economic benefit will flow to the entity in respect of such contingencies.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

KASG & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR, DHANBAD

16 EVENTS AFTER BALANCE SHEET DATE:

The Board of Directors has proposed dividend for the financial year 2025.

17 COMPARATIVE INFORMATION:

Where necessary certain comparative information has been reclassified in order to provide a more appropriate basis for comparison.

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(Amount in Nu)

1. Cash and Cash Equivalents	As on 31-12-2025	As on 31-12-2024
Balances with Bank in Current Account		
In foreign currency		
Druk PNB Bank Ltd.		
- USD Account	17,687,030	22,775,849
- INR Account	18,940,925	41,638,505
In local currency		
Bank Of Bhutan Ltd.	350,040	302,070
Bhutan Development Bank Ltd.	1,357	1,257
Bhutan National Bank Ltd.	99,600	123,025
Druk PNB Bank Ltd.	63,822,808	65,009,332
T bank Ltd.	60,034	276,325
	100,961,794	**130,126,364**
Cash in Hand	**38,634**	**46,892**
Grand Total	**101,000,428**	**130,173,256**

2. Other Bank Balances	As on 31-12-2025	As on 31-12-2024
(i) In Fixed Deposit Accounts		
Druk PNB Bank Ltd.	400,000,000	311,500,000
T bank Ltd.	170,000,000	150,000,000
Bank Of Bhutan Ltd.	450,000,000	-
Bhutan National Bank Ltd.	125,000,000	-
Bhutan Development Bank Ltd.	-	-
(ii) In Unpaid Dividend Account	1,000	250,571
Grand Total	**1,145,001,000**	**461,750,571**

3. Insurance Receivables	As on 31-12-2025	As on 31-12-2024
Unsecured, considered good	917,970,828	1,367,306,746
Net Reserve (Retained)	518,859,576	56,171,947
Impairment on Insurance Receivables	(16,825,157)	(16,825,157)
Grand Total	**1,420,005,247**	**1,406,653,535**

K A S G & CO.
CHARTERED ACCOUNTANTS
SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

4. Loans and Advances	As on 31-12-2025	As on 31-12-2024
Considered Good		
A. Non- Current		
Unsecured		
Bhutan Insurance Ltd.	-	400,000,000
Secured		
Ice Beverages Private Limited*	219,701,941	219,701,941
Thundrel Apartment	-	150,000,000
Druk Hydro Energy Limited		
- Suchhu Hydro Power Project	28,270,000	28,270,000
- Burgangchhu Hydro Power Project	48,100,000	16,220,000
- Yungichhu Hydro Power Project	49,380,000	30,080,000
M/s Acrologic Cable Pvt.Ltd 15042025_15042050	20,000,000	-
MS Green Ferro Alloy Private 2702025_27022050	40,000,000	-
FDMP23072025_23082028		-
FE 001 2035_2046	63,164,431	-
DVFA08082025_08082041	22,880,000	-
DRUK FERRO 22082025_22052026 (Commercial Paper)	47,560,275	-
Loans to employees against hypothecation of Vehicles	95,003	179,743
Staff Personal Loan	3,255,772	3,747,427
Total Fund	**542,407,422**	**848,199,112**
a. Shareholders Fund	**140,979,571**	**230,684,095**
b. Policy holder Fund	**401,427,851**	**617,515,016**
A. Total Non- Current Financial Assets	**542,407,422**	**848,199,112**
B. Current		
Secured		
Nubri Capital Pvt. Ltd.	50,000,000	50,000,000
Unsecured		
Bhutan Insurance Ltd.	150,000,000	300,000,000
Total Fund	**200,000,000**	**350,000,000**
a. Shareholders Fund	**51,982,906**	**95,189,245**
b. Policyholder Fund	**148,017,094**	**254,810,755**
B. Total Current Financial Assets	**200,000,000**	**350,000,000**
Grand Total [A + B]	**742,407,422**	**1,198,199,112**

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

5. Other Financial Assets	As on 31-12-2025	As on 31-12-2024
Interest accrued on Fixed Deposits	175,018,324	108,786,408
Interest accrued on Investments	14,488,767	13,297,540
Interest accrued on Loans and Advances	47,514,829	99,130,736
Grand Total	**237,021,920**	**221,214,684**

6. Investments	As on 31-12-2025	As on 31-12-2024
Long Term Investments		
Bonds		
T Bank Ltd.	35,000,000	35,000,000
Tashi Air	100,000,000	100,000,000
Bank of Bhutan Ltd.	100,000,000	100,000,000
Druk Wang Alloy	50,000,000	50,000,000
Equity Shares		
Druk PNB Ltd.	17,199,760	18,287,229
Fixed Deposit with Banks:		
Druk PNB Ltd.	680,000,000	1,080,000,000
FDMP23072025_23082028	5,000,000	-
T bank Ltd.	275,000,000	445,000,000
Bank Of Bhutan Ltd.	300,000,000	750,000,000
Bhutan National Bank Ltd.	1,521,500,000	605,000,000
Grand Total	**3,083,699,760**	**3,183,287,229**

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

7. Current Tax Assets / (Liabilities)	As on 31-12-2025	As on 31-12-2024
A. Current Tax Assets		
Advance Tax - Opening Balance	10,086,521	30,002,424
Add: TDS Credit during the year at source	12,642,479	9,038,217
Add: Advance Tax paid during the year	1,345,897	1,048,304
	24,074,897	**40,088,946**
Less: Adjustments made during the year	10,086,521	30,002,424
A. Closing balance of Current Tax Assets	**13,988,376**	**10,086,521**
B. Current Tax Liability		
Provision for Corporate Tax - Opening Balance	112,612,618	90,068,516
Add: Provision made during the year	122,884,580	112,898,200
	235,497,198	**202,966,715**
Less: Tax Paid during the year	105,165,910	60,442,544
Less: Adjustments made during the year	7,732,290	29,911,553
B. Closing balance of Current Tax Liability	**122,598,998**	**112,612,618**
Net Current Asset / (Liabilities) [A - B]	**(108,610,623)**	**(102,526,097)**

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

8. Property and Equipment as per BAS (Useful Life)

Particulars	Gross Carrying Amount (in Nu.)				Depreciation / Amortisation (in Nu.)				Net Carrying Amount (in Nu.)	
	As on 31-12-2024	Additions in the year	Deletions in the year	As on 31-12-2025	As on 31-12-2024	Depreciation for the year	Adjust. in the year	As on 31-12-2025	As on 31-12-2025	As on 31-12-2024
	A	B	C	D = A + B - C	E	F	G	H = E + F - G	I = D - H	J = A - E
1 Property Plants & Equipments										
i) Computer Equipments	14,531,560	184,178		14,715,738	12,190,505	1,055,040		13,245,545	1,470,192	2,341,054
ii) Electronic Equipment	344,524	147,999		492,523	210,458	81,068		291,526	200,997	134,066
iii) Furniture & Fixtures	7,307,862	17,500		7,325,362	2,269,002	721,016		2,990,018	4,335,344	5,038,860
iv) Gym Equipment	424,462	-		424,462	372,890	50,178		423,068	1,393	51,571
v) Office Building	-	85,490,000		85,490,000	-	70,219		70,219	85,419,781	-
vi) Motor Vehicles	6,840,429	-	26,644	6,813,785	4,261,945	470,988	12,147	4,720,785	2,093,000	2,578,484
vii) Office Equipments	2,538,093	173,204		2,711,297	2,074,317	190,625		2,264,942	446,355	463,776
2. Intangible Assets	7,966,715	-		7,966,715	6,333,729	646,354		6,980,082	986,633	1,632,986
A. Total Fixed Assets	39,953,644	86,012,881		125,939,881	27,712,846	3,285,487	12,147	30,986,186	94,953,695	12,240,798
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
B. Total CWIP	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A + B)	39,953,644	86,012,881	-	125,939,881	27,712,846	3,285,487	12,147	30,986,186	94,953,695	12,240,798
PREVIOUS YEAR 2024	39,377,786	575,858	-	39,953,544	23,285,726	4,427,120	-	27,712,846	12,240,798	16,092,060

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

9.Other Assets	As on 31-12-2025	As on 31-12-2024
Current Assets		
Prepaid Expenses	1,942,262	2,063,362
Miscellaneous Receivables	124,430	70,750
Total	2,066,693	2,134,112
Non-Current		
Security Deposits (House Rent)	690,000	690,000
Total	690,000	690,000
Grand Total	2,756,693	2,824,112

10. Reinsurance Contract Liabilities	As on 31-12-2025	As on 31-12-2024
Reinsurance Contract Liabilities	610,890,699	792,232,933
Grand Total	610,890,699	792,232,933

11. Trade and Other Payables	As on 31-12-2025	As on 31-12-2024
Actuarial & Audit Fees Liability	668,500	339,500
Outstanding Expense	520,247	368,439
Liability Ac	11,054	
Policyholders payment in advance		1,647,781
TDS Payable	615,197	270,094
Unclaimed Dividend	370	249,107
Grand Total	1,815,368	2,874,921

12. Deferred Tax Assets/ (Liabilities) (Net)	As on 31-12-2025	As on 31-12-2024
Deferred Tax Asset		
Remeasurements of the Defined Benefit Plans	1,358,719	674,713
Deferred Tax Asset:	1,358,719	674,713
Deferred Tax Liabilities		
Timing Difference on account of Property & Equipment	718,549	212,983
Equity Investment at Fair Value through Other Comprehensive Income	70,561	342,428
Deferred Tax Liabilities:	789,109	555,411
Deferred Tax Assets /(Liabilities) (Net)	569,610	119,302
Grand Total	569,610	119,302

13. Provisions	As on 31-12-2025	As on 31-12-2024
Claims Outstanding (OSLR)	2,751,746,514	2,489,398,865
Incurred But Not Reported (IBNR)	380,413,928	455,175,694
Un-Earned Premium Reserve (UPR)	698,212,024	723,904,620
Provision for Retro Premium	67,549,777	73,038,627
Total	3,897,922,243	3,741,517,806
Employee Benefit Liabilities		
Gratuity		
Defined Benefit Obligation	6,878,122	6,371,875
Less: Fair Value of Plan Assets	(4,142,099)	(3,673,021)
Net Employee Benefit Liabilities	2,736,023	2,698,854
Provision Against Standard Asset	98,514,047	70,392,574
Grand Total	3,999,172,312	3,814,609,233

K A S G & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

14. Revenue from Operations	For the year 2025	For the year 2024
Gross Re-Insurance Premium Accepted	2,229,142,042	2,307,888,670
Less: Premium on Re-Insurance Ceded	(143,116,670)	(266,616,519)
Add: Adjustment for Change in Un-Earned Premium Reserve	25,692,597	(116,639,554)
Grand Total	2,111,717,968	1,924,632,597

15. Other Income	For the year 2025	For the year 2024
Income From Bond	21,915,884	21,884,116
Income From Dividend	554,831	832,247
Income From Fixed Deposit	244,991,774	193,671,152
Income From Investment	1,175,342	2,589,039
Income From Rental	157,150	-
Income from Loans and Advances	77,893,093	84,466,161
Miscellaneous Income	4,658	157,202
Exchange Gain	559,594	
Reversal of Provision	1,505,764	
Grand Total	348,758,090	303,599,916

16. Direct Expenses	For the year 2025	For the year 2024
Claims Paid	1,252,892,661	825,297,508
Change in IBNR	(74,761,766)	(78,463,744)
Change in OSLR	262,347,649	447,763,617
Commission	411,434,707	480,504,351
Other Expenses - Direct	4,205,840	4,940,264
Grand Total	1,856,119,090	1,680,041,995

17. Employee Benefit Expenses	For the year 2025	For the year 2024
Salary and Wages	29,058,500	27,457,962
Bonus	5,872,237	3,266,043
Contribution to Fund	2,081,009	1,766,925
Gratuity	1,234,221	1,063,309
Post Service Benefit	100,000	-
Staff Welfare Expenses	377,698	416,468
Training Expenses	1,236,140	701,801
Grand Total	39,959,804	34,672,508

18. Other Expenses	For the year 2025	For the year 2024
Actuarial Fees	400,000	359,000
Advertisement & Publicity Expenses	183,400	154,640
Audit Fees & Expenses	954,863	602,354
Bank Charges	943,593	877,530
Contribution to GCSC Capital Fund	350,000	350,000
CSR Expenses	585,160	501,800
Electricity Charges	182,892	162,682
Entertainment Expenses	285,962	19,055
Exchange Difference	112,063	3,832,045
Fee, Charges & Subscription - General	3,516,554	3,429,876
Fee, Charges & Subscription - IT	4,077,805	3,924,279
General & Office Expenses	797,277	745,097
Insurance on Property & Equipment	26,246	25,535
ISO Certification & Audit Fees	691,705	853,968
Meeting Expenses	531,437	508,060
Miscellaneous Expenses	-	180,227
Printing and Stationery	264,953	608,474
Provision Against Standard Asset	29,627,237	22,715,894
Rating Fees & Expenses	4,092,460	3,903,140
Rental Expense	6,542,250	5,856,600
Repairs & Maintenance	377,012	266,288
Sitting Fees	925,000	774,000
Telephone Fax & Internet	930,170	964,566
Travelling Expenses	10,950,583	5,430,701
Vehicle Expenses	326,681	364,872
Grand Total	67,675,303	57,410,683

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

(Amount in Nu.)

19. Tax Expense	For the year 2025	For the year 2024
Current Tax Expense for:		
- Current Year	122,884,580	112,898,200
- Earlier Years	717,618	-
Deferred Tax Expense	197,011	(240,519)
Tax expenses on Continuing Operations	123,799,209	112,657,681
Taxes on Discontinuing Operations		
Taxes on Comprehensive income		-
Grand Total	**123,799,209**	**112,657,681**

Reconciliation of effective tax rate:

The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit Before Tax	493,448,521	451,680,207
Tax Rate	25%	25%
Income Tax Expense calculated at the effective rate	123,362,130	112,920,052
Income Tax relating to earlier years	717,618	-
Deferred Tax Expense/ (Income)	197,011	(240,519)
Income Tax for other adjustments	(477,550)	-21,852
Tax Expense as per Profit and Loss Statement	**123,799,209**	**112,657,681**
Deferred Tax Asset for taxable temporary differences:		
On Account of Property and Equipment	(718,549)	(212,983)
On Fair Value gain on equity investment (FVOCI)	(70,561)	(342,428)
On Remeasurement of Defined Benefit Plans	1,358,719	674,713
Deferred Tax Assets (Net)	**569,610**	**119,302**

20. Other Comprehensive Income	For the year 2025	For the year 2024
Items that will not be reclassified to Profit & Loss:		
Fair Value gain on Equity Investments (Net of Tax)	(815,602)	(919,632)
Remeasurements of the Defined Benefit Plans (Net of Tax)	(1,126,352)	(1,226,658)
Grand Total	**(1,941,953)**	**(2,146,290)**

21. Earnings per Share	For the year 2025	For the year 2024
A. Absolute no. of Shares	110,000,000	110,000,000
B. Diluted no. of Shares	110,000,000	110,000,000
C. Profit attributable to the Equity holders	369,649,312	339,022,526
D. Income from Continuing Operations for the year	369,649,312	339,022,526
Basic Earnings Per Share	3.36	3.08
Diluted Earnings Per Share	3.36	3.08
Basic Continuing Earnings Per Share	3.36	3.08
Diluted Continuing Earnings Per Share	3.36	3.08

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR

GIC-BHUTAN REINSURANCE CO. LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

22. Share Capital:

a. The Company has only one class of shares as equity shares having a par value Nu. 10.00
b. Holders of equity shares is entitled to one vote per share. Details are as follows:

Particulars	As on 31-12-2025		As on 31-12-2024	
	No. of Shares	Amount in Nu.	No. of Shares	Amount in Nu.
Authorised Share Capital	500,000,000	5,000,000,000	500,000,000	5,000,000,000
Issued, Subscribed and Fully paid up Equity Shares	110,000,000	1,100,000,000	110,000,000	1,100,000,000
TOTAL	110,000,000	1,100,000,000	110,000,000	1,100,000,000

b. List of shares in the Company held by it's associates are as follows:

Sl No.	Name of the Shareholders	No. of Shares	
		As on 31-12-2025	As on 31-12-2024
1	Bhutanese (74%)	81,400,000	81,400,000
2	Foreigner (26%)	28,600,000	28,600,000
TOTAL		110,000,000	110,000,000

22.1 Reconciliation of the shares outstanding at the beginning and at the end of the year-

Particulars	No. of Shares	
	As on 31-12-2025	As on 31-12-2024
As at the beginning of the year	110,000,000	110,000,000
Add: Issued during the year	-	-
As at the end of the year	110,000,000	110,000,000

22.2 Rights, preferences and restrictions attached to ordinary equity shares

The Company has issued ordinary Equity Shares having face value of BTN 10 per share. Each holder of such class of Equity Shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

23. Other Equity:	Amount in Nu.	
	As on 31-12-2025	As on 31-12-2024
General Reserve		
Balance at the beginning of the year	639,418,789	439,972,206
Add: Profit for the year	89,116,800	169,511,263
Add: Transfer from Retained Earnings	-	29,935,320
Balance at the end of the year	728,535,589	639,418,789
Retained Earnings		
Balance at the beginning of the year	165,000,000	135,424,057
Add: Profit for the year	267,350,399	169,511,263
Less: Dividend paid	(165,000,000)	(110,000,000)
Less: Transfer to General Reserve	-	(29,935,320)
Balance at the end of the year	267,350,398	165,000,000

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

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Net Unrealized Gains/ (Losses)		
Balance at the beginning of the year	(199,374)	1,946,916
Add: Fair Value gain on Equity Instruments (Net of Income Tax effect)	(815,602)	(919,632)
Add: Remeasurement of Defined Benefit Plans	(1,126,352)	(1,226,658)
Balance at the end of the year	**(2,141,327)**	**(199,374)**

Movement in Deferred Tax Liabilities and Assets during the year:

Particulars	Opening Balance	Recognised in statement of P&L	Recognised in OCI	Closing Balance
As at 31st December 2025				
Deferred Tax Asset				
Remeasurements of the Defined Benefit Plans	674,713	308,555	375,451	1,358,719
	674,713	308,555	375,451	1,358,719
Deferred Tax Liabilities				
Timing Difference on account of Property & Equipment	212,983	505,566	-	718,549
Equity Investment at Fair Value through Other Comprehensive Income	342,428	-	(271,867)	70,561
	555,411	505,566	(271,867)	789,109
	119,302	**(197,011)**	**647,318**	**569,610**

Calculation of Deferred Tax Liability on account of Property & Equipment:

Particulars	As per BAS	As per IT Act	Temporary Timing Diff.	Deferred Tax Liability/asset
As on 31-12-2024				
WDV of Property & Equipment	12,240,798	11,388,866	(851,932)	(212,983)
A. Deferred Tax Assets/ (Liabilities):				(212,983)
As on 31-12-2025				
WDV of Property & Equipment	94,953,695	92,079,500	(2,874,195)	(718,549)
B. Deferred Tax Assets/(Liabilities):				(718,549)
		(Increase)/Decrease in DTL[B-A] :		(505,566)

K A S G & CO. ★ CHARTERED ACCOUNTANTS ★ SH. SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

24. Impairment Loss on Trade Receivables:

As per accounting policy of the Company an amount of Nu. NIL has been provided as Impairment Loss on Trade Receivables.

25. Employee Benefits:

Gratuity:

Particulars	As on 31-12-2025	As on 31-12-2024
A. Present value of DBO in the beginning	6,371,875	3,465,879
Difference in opening figure	-	978,895
Current Service Cost	1,139,762	1,282,138
Past Service Cost	-	-
Interest Expense or Cost	358,731	311,134
Benefits paid by the plan	(2,494,279)	-
Benefits paid directly by thn Company during the year	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
Experience Adjustment (i.e., actual experience vs assumptions)	1,502,033	333,829
Change in Demographic Assumptions	-	-
Change in Financial Assumptions	-	-
Present value of DBO at the end	**6,878,122**	**6,371,875**
B. Fair value of plan assets in the beginning	3,673,021	2,242,451
Difference in opening figure	-	1,223,427
Contributions paid into the plan	2,698,854	1,223,427
Expected Return on the plan assets	264,272	285,431
Benefits paid from the plan	(2,494,279)	-
Return on plan assets greater or (less) than discount rate	231	(1,301,715)
Fair value of plan assets in the end	**4,142,099**	**3,673,021**
Defined benefit obligation at the year end	(6,878,122)	(6,371,875)
Plan assets at the year end	4,142,099	3,673,021
Net Employee Benefit Assets/ (Liabilities) [A-B]	**(2,736,023)**	**(2,698,854)**
C. Bifurcation of liability		
Current liability	-	-
Non - Current Asset/ (Liability)	(2,736,023)	(2,698,854)
Net Asset/(Liability)	**(2,736,023)**	**(2,698,854)**
D. Expenses recognised in the Statement of Profit or Loss		
Difference in opening figure	-	(244,532)
Current Service Cost	1,139,762	1,282,138
Past Service Cost	-	-
Net Interest Income / (Cost) on the Net Defined Benefit Liability (Asset)	94,459	25,703
Expenses recognised in the Statement of Profit or Loss	**1,234,221**	**1,063,309**
E. Other Comprehensive Income		
Actuarial (gains)/ losses due to Liability Experience	1,502,033	333,829
Actuarial (gains)/ losses due to Liability Assumption Changes	-	-
Return on plan assets (greater) or less than Discount Rate	(231)	1,301,715
Remeasurement (gains)/ losses recognized in OCI	**1,501,802**	**1,635,544**

F. Reconciliation of Net Financial Position		
Net Defined Benefit Liability/ (Asset) in the beginning of the current period	2,698,854	1,223,427
Amount recognized in the Income Statement	1,234,221	1,063,309
Amount recognized in the OCI	1,501,801	1,635,544
Contributions paid into the plan	(2,698,854)	(1,223,427)
Benefits paid by employer	-	-
Net Defined Benefit Liability/ (Asset) in the end of the current period	**2,736,022**	**2,698,854**
G. Acturial Assumptions		
Financial Assumptions:		
Discount Rate per annum	7.00%	7.00%
Salary Escalation per annum	6.50%	6.50%
Demographic Assumptions:		
Mortality Rate (of IALM 2012-2014)	100%	100%
Attrition Rate per annum	8%	8%

Note 1: The company contributes the last drawn monthly basic salary of all employees present at year end into a gratuity fund maintained by Bhutan Insurance Limited

Note 2: For financial year 2024 and 2025 the management had estimated the provisions for the future leave encashment based on management's judgement rather than an actorial assessment.

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

26. Segment Reporting:

Operating Segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker

a. Identification of Report Segments:

The Group has two operating and reporting segments; viz. Reinsurance Department and Investments Department
The operational segments are identified by the Management based on the nature of activities
Financial information about each of the operating activities segment is sent to the Board

b. Primary Segment Information (Business Segment):

Operating Segment Income Statement for the year ended 31st December 2025 — Figures in Nu.

Particulars	For the year ended 31st December, 2025		Total
	Reinsurance	Investments	
Gross Written Premiums	2,229,142,042	-	2,229,142,042
Premium Ceded to Reinsurers	(143,116,670)	-	(143,116,670)
Net Written Premiums	**2,086,025,371**	-	**2,086,025,371**
Net Change in Reserve for Unearned Premium	25,692,597	-	25,692,597
Net Earned Premium	**2,111,717,968**	-	**2,111,717,968**
Fee and Commission Income - External	-	-	-
Fee and Commission Expense - External	(415,640,546)	-	(415,640,546)
Net Fee & Commission Income	**(415,640,546)**	-	**(415,640,546)**
Interest Income - External	-	348,758,090	348,758,090
Less: Interest Expense - External	-	-	-
Net Interest Income	-	348,758,090	348,758,090
Total Revenue	**1,696,077,422**	**348,758,090**	**2,044,835,512**
Gross Benefit and Claims paid	(1,605,250,181)	-	(1,605,250,181)
Claims Ceded to Reinsurers	164,771,637	-	164,771,637
Net Benefit and Claims	**(1,440,478,544)**	-	**(1,440,478,544)**
Expenses relating to private Provident Fund	(1,723,520)	(357,489)	(2,081,009)
Other Operating and Administrative Expense	(74,322,349)	(34,505,090)	(108,827,439)
Profit Before Tax	**179,553,009**	**313,895,512**	**493,448,521**
Income Tax Expense	(45,047,294)	(78,751,915)	(123,799,209)
Profit After Tax	**134,505,715**	**235,143,597**	**369,649,312**
Other Comprehensive Income/ (Expenses):			
a. Equity Investments through Other Comprehensive Income	-	(815,602)	(815,602)
b. Remeasurements of the Defined Benefit Plans	-	(1,126,352)	(1,126,352)
Total Other Comprehensive Income	-	**(1,941,953)**	**(1,941,953)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**134,505,715**	**233,201,644**	**367,707,359**

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Statement of Financial Position as at 31 December 2025

Particulars	As at 31st December, 2025		Total
	Reinsurance	Investments	
Assets			
Cash and Cash Equivalents	1,246,001,428	-	1,246,001,428
Insurance Receivables	1,420,005,247	-	1,420,005,247
Loans and Advances	742,407,422	-	742,407,422
Other Financials Assets	-	237,021,920	237,021,920
Investments	-	3,083,699,760	3,083,699,760
Property and Equipment	93,967,061		93,967,061
Intangible Assets	986,633	-	986,633
Deferred Tax Asset	640,170	(70,561)	569,610
Other Assets	2,756,693	-	2,756,693
TOTAL ASSETS	**3,506,764,655**	**3,320,651,120**	**6,827,415,775**
Liabilities			
Reinsurance Contract Liabilities	610,890,699	-	610,890,699
Trade and Other Payables	1,815,368	-	1,815,368
Tax Payable	108,610,623	-	108,610,623
Provisions	3,900,658,265	98,514,047	3,999,172,312
TOTAL LIABILITIES	**4,621,974,955**	**98,514,047**	**4,720,489,002**
Equity			
Share Capital	-	-	1,100,000,000
Other Reserves:			
General Reserve	-	-	728,535,589
Retained Earnings	-	-	267,350,398
Net Unrealized Gains/ (Losses)	-	-	(2,141,327)
TOTAL EQUITY	-	-	**2,093,744,660**

K A S G & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Income Statement for the year ended 31st December 2024

Figures in Nu.

Particulars	For the year ended 31st December, 2024		Total
	Reinsurance	Investments	
Gross Written Premiums	2,307,888,670	-	2,307,888,670
Premium Ceded to Reinsurers	(266,616,519)	-	(266,616,519)
Net Written Premiums	**2,041,272,151**	-	**2,041,272,151**
Net Change in Reserve for Unearned Premium	(116,639,554)	-	(116,639,554)
Net Earned Premium	**1,924,632,597**	-	**1,924,632,597**
Fee and Commission Income - External	-	-	-
Fee and Commission Expense - External	(485,444,615)	-	(485,444,615)
Net Fee & Commission Income	**(485,444,615)**	-	**(485,444,615)**
Interest Income - External	-	303,599,916	303,599,916
Less: Interest Expense - External	-	-	-
Net Interest Income	-	**303,599,916**	**303,599,916**
Total Revenue	**1,439,187,981**	**303,599,916**	**1,742,787,898**
Gross Benefit and Claims paid	(1,363,449,239)	-	(1,363,449,239)
Claims Ceded to Reinsurers	168,851,859	-	168,851,859
Net Benefit and Claims	**(1,194,597,380)**	-	**(1,194,597,380)**
Expenses relating to private Provident Fund	(1,424,355)	(342,570)	(1,766,925)
Other Operating and Administrative Expense	(67,544,040)	(27,199,346)	(94,743,386)
Profit Before Tax	**175,622,206**	**276,058,000**	**451,680,207**
Income Tax Expense	(43,803,537)	(68,854,144)	(112,657,681)
Profit After Tax	**131,818,670**	**207,203,856**	**339,022,526**
Other Comprehensive Income/ (Expenses):			
a. Equity Investments through Other Comprehensive Income	-	(919,632)	(919,632)
b. Remeasurements of the Defined Benefit Plans		(1,226,658)	(1,226,658)
Total Other Comprehensive Income	-	**(2,146,290)**	**(2,146,290)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**131,818,670**	**205,057,566**	**336,876,235**

K A S G & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

Operating Segment Statement of Financial Position as at 31 December 2024

Particulars	For the year ended 31st December, 2024		Total
	Reinsurance	Investments	
Assets			
Cash and Cash Equivalents	591,923,826	-	591,923,826
Investment in equity,bonds & others	-	-	-
Insurance Receivables	1,406,653,535	-	1,406,653,535
Loans and Advances	1,198,199,112	-	1,198,199,112
Investment in associate	-	-	-
Other Financials Assets	-	221,214,684	221,214,684
Investments	-	3,183,287,229	3,183,287,229
Property and Equipment	10,607,812	-	10,607,812
Deferred Tax Asset	461,730	(342,428)	119,302
Intangible Assets	1,632,986	-	1,632,986
Other Assets	2,824,112	-	2,824,112
TOTAL ASSETS	**3,212,303,113**	**3,404,159,486**	**6,616,462,599**
Liabilities			
Investment contract liabilities	-	-	-
Contribution received by private provident fund	-	-	-
Insurance contract liabilities	-	-	-
Reinsurance Contract Liabilities	73,038,627	-	73,038,627
Trade and Other Payables	795,107,854	-	795,107,854
Tax Payable	102,526,097	-	102,526,097
Insurance Payable	-	-	-
Debt issued and otherborrowed funds	-	-	-
Employee benefitobligation	-	-	-
Deferred Tax Liability	-	-	-
Provisions	3,671,178,033	70,392,574	3,741,570,607
TOTAL LIABILITIES	**4,641,850,611**	**70,392,574**	**4,712,243,184**
Equity			
Capital & Reserves			
Share Capital	-	-	1,100,000,000
Other Reserves:			
General Reserve	-	-	634,907,526
Retained Earnings	-	-	169,511,263
Net Unrealized Gains/ (Losses)	-	-	(199,374)
TOTAL EQUITY	-	-	**1,904,219,415**

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

27. Related Party Transactions:

The Company carries out transactions in the ordinary course of business with the parties who are defined as Related Parties in the Bhutanese Accounting Standard - BAS 24 (Related Party Disclosures), the details of which are reported below. The pricing applicable to such transactions is based on the assessment of risk of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

27.1 Transactions with Key Managerial Personnel (KMPs)

According to Bhutanese Accounting Standard - BAS 24 (Related Party Disclosures) Key Managerial Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity. Such KMPs include the Board of Directors of the Company (including both Executive and Non Executive Directors), key employees who are holding directorship in Subsidiary Companies of the Company.

Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependents of the KMPs and the KMPs domestic partner.

Name of Board of Directors:

1 Aum Damchae Dem (Chairperson - Promoter)

2 Dasho Sangay Wangchuk (Director - Promoter)

3 Mr. Soroj Kumar Rath (GIC Re)

4 Mrs. Jayashri Balkrishna (GIC Re)

5 Mr. Kesang Wangdi (Chief Executive Officer)

27.2 Remuneration of KMP:

Key Management Personnel Expenses include:

Sl No.	Name	Nature of Transactions/ Loan Facility	As on 31.12.2025	As on 31.12.2024
1	Mr. Kesang Wangdi	Remuneration & Benefits	4,200,000	4,020,000
		Bonus	1,560,000	600,000
		Leave Encashment	315,000	300,000
		Leave Travel Concession	20,000	20,000
		Sitting Fees	230,000	180,000
2	Dasho Sangay Wangchuk	Sitting Fees	120,000	111,000
3	Aum Damchae Dem	Sitting Fees	120,000	111,000
4	Bharat Gurung	Remuneration & Benefits	1,471,575	1,259,625
		Sitting Fees	20,000	15,500
		Bonus	264,600	189,000
		Leave Encashment	90,000	
		Leave Travel Concession	20,000	20,000
5	Jigme Penjor	Remuneration & Benefits	771,769	739,875
		Bonus	148,838	106,313
		Leave Encashment	37,209	35,438
		Leave Travel Concession	20,000	20,000
		Sitting Fees	60,000	55,500
6	Singye Namgayel Dorji	Sitting Fees	140,000	128,000

K A S G & CO. CHARTERED ACCOUNTANTS

GIC-BHUTAN REINSURANCE CO.LTD.

Sl No.	Name	Nature of Transactions/ Loan Facility	As on 31.12.2025	As on 31.12.2024
7	Dasho Tashi Dawa	Sitting Fees	180,000	142,000
8	Sonam Wangyel	Remuneration & Benefits	588,300	564,000
		Bonus	113,400	81,000
		Leave Encashment	28,350	27,000
		Leave Travel Concession	20,000	20,000
		Sitting Fees	25,000	15,500
9	Loday Zangpo	Remuneration & Benefits	825,770	805,257
		Bonus	164,093	117,210
		Leave Encashment	41,023	39,070
		Leave Travel Concession	20,000	20,000
		Sitting Fees	25,000	15,500
10	Dendup	Leave Travel Concession	822,829	-
		Sitting Fees	5,000	-
11	Visey Dolkar	Remuneration & Benefits	-	-
		Sitting Fees	-	-

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

28. STATEMENT OF SIGNIFICANT RATIOS

	FINANCIAL RATIOS		2025	2024
A	**STABILITY RATIOS**			
1	Capital Adequacy Ratio	(%)	66%	63%
2	Net Worth to Total Liabilities	(%)	44.63	40.41
3	Equity Investments to (Net Worth + Insurance Fund)	(%)	0.32%	0.38%
B	**PROFITABILITY RATIOS**			
1	Operating Income to NetWorth- Net	(%)	23.42	23.72
2	Operating Income to Total Assets	(%)	7.23	6.83
3	Net Profit (After Tax) to Net Worth	(%)	17.54	17.80
4	Net Profit (After Tax) to Total Assets	(%)	5.41	5.12
5	Return on Core Equity (Profit After Tax)	(%)	17.64	17.80
C	**STRUCTURAL RATIOS**			
1	Debt/Core Equity Ratio		NA	NA
2	Long Term Debt to Net Worth		NA	NA
3	Net Fixed Assets to Long Term Debt		NA	NA
4	Net Fixed Assets to Net Worth	(%)	4.51	0.64

KASG & CO. CHARTERED ACCOUNTANTS SH. STRI NAGAR

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

29. Financial Instruments and Related Disclosures

29.1 Determination of fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3

Financial Assets and Liabilities as at 31st December 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Insurance Receivables	-	-	1,420,005,247	1,420,005,247
Loans & Advances	-	-	742,407,422	742,407,422
Cash & Cash Equivalent	-	-	101,000,428	101,000,428
Other Bank Balances	-	-	1,145,001,000	1,145,001,000
TOTAL :	-	-	**3,408,414,098**	**3,408,414,098**
Investments				
Fixed Deposit with Bank	-	-	2,781,500,000	2,781,500,000
Bond	-	-	285,000,000	285,000,000
Equity Shares		282,242	16,917,518	17,199,760
TOTAL :	-	282,242	3,083,417,518	3,083,699,760
Other Financial Assets				
Other Financial Assets	-	-	237,021,920	237,021,920
TOTAL :	-	-	**237,021,920**	**237,021,920**
Financial Liability				
Reinsurance Contract Liabilities	-	-	610,890,699	610,890,699
Trade & Other Payables			1,815,368	1,815,368
TOTAL :	-	-	612,706,067	612,706,067

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO. LTD.

Financial Assets and Liabilities as at 31st December 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Insurance Receivables	-	-	1,406,653,535	1,406,653,535
Loans & Advances	-	-	1,198,199,112	1,198,199,112
Cash & Cash Equivalents	-	-	130,173,256	130,173,256
Other Bank Balances	-	-	461,750,571	461,750,571
TOTAL :	-	-	3,196,776,473	3,196,776,473
Investments				
Fixed Deposit with Bank		-	2,880,000,000	2,880,000,000
Bonds		-	285,000,000	285,000,000
Equity Shares		1,369,710	16,917,518	18,287,229
TOTAL :	-	1,369,710	3,181,917,518	3,183,287,229
Other Financial Assets				
Other Financial Assets	-	-	221,214,684	221,214,684
TOTAL :	-	-	221,214,684	221,214,684
Financial Liability				
Reinsurance Contract Liabilities	-	-	792,232,933	792,232,933
Trade & Other Payables			2,874,921	2,874,921
TOTAL :	-	-	795,107,854	795,107,854

29.2 Financial Instruments by Category

The following table shows fair values of financial assets and liabilities together with the carrying amounts shown in the Statement of Financial Position. The table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Assets and Liabilities as at 31st December 2025	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
Financial Assets					
Insurance Receivables	-	-	1,420,005,247	1,420,005,247	-
Loans & Advances	-	-	742,407,422	742,407,422	-
Cash & Cash Equivalent	-	-	101,000,428	101,000,428	-
Other Bank Balances	-	-	1,145,001,000	1,145,001,000	-
TOTAL :	-	-	**3,408,414,098**	**3,408,414,098**	-
Investments					
Fixed Deposit with Bank	-	-	2,781,500,000	2,781,500,000	-
Bond	-	-	285,000,000	285,000,000	-
Equity Shares	16,917,518	282,242	-	17,199,760	17,199,760
TOTAL :	**16,917,518**	**282,242**	**3,066,500,000**	**3,083,699,760**	**17,199,760**
Other Financial Assets					
Other Financial Assets	237,021,920	-	-	237,021,920	-
TOTAL :	**237,021,920**	-	-	**237,021,920**	-
Financial Liability					
Reinsurance Contract Liabilities	610,890,699	-	-	610,890,699	-
Trade & Other Payables	1,815,368			1,815,368	
TOTAL :	**612,706,067**	-	-	**612,706,067**	-

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

Financial Assets and Liabilities as at 31st December 2024	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
Financial Assets					
Insurance Receivables	1,406,653,535	-	-	1,406,653,535	-
Loans & Advances	1,198,199,112	-	-	1,198,199,112	-
Cash & Cash Equivalents	130,173,256	-	-	130,173,256	-
Other Bank Balances	461,750,571	-	-	461,750,571	-
TOTAL :	3,196,776,473	-	-	3,196,776,473	-
Investments					
Fixed Deposit with Bank	2,880,000,000	-	-	2,880,000,000	-
Bond	285,000,000	-	-	285,000,000	-
Equity Shares	16,917,518	1,369,710	-	18,287,229	18,287,229
TOTAL :	3,181,917,518	1,369,710	-	3,183,287,229	18,287,229
Other Financial Assets					
Other Financial Assets	221,214,684	-	-	221,214,684	-
TOTAL :	221,214,684	-	-	221,214,684	-
Financial Liability					
Reinsurance Contract Liabilities	792,232,933	-	-	792,232,933	-
Trade & Other Payables	2,355,720			2,355,720	
TOTAL :	794,588,653	-	-	794,588,653	-

KASG & CO. CHARTERED ACCOUNTANTS SH. ISTRI NAGAR, DHANBAD

GIC-BHUTAN REINSURANCE CO.LTD.

GIC - BHUTAN REINSURANCE COMPANY LIMITED
NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Continued)

29.3 Maturity Analysis (Contractual Undiscounted Cash Flow basis)

Particulars	As at 31 December 2025		As at 31 December 2024	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial Assets				
Insurance Receivables	1,420,005,247	-	1,406,653,535	-
Loans & Advances	200,000,000	542,407,422	350,000,000	848,199,112
Cash & Cash Equivalent	101,000,428	-	130,173,256	-
Other Bank Balances	1,145,001,000	-	461,750,571	-
TOTAL :	**2,866,006,675**	**542,407,422**	**2,348,577,362**	**848,199,112**
Investments				
Fixed Deposit with Bank	-	2,781,500,000	-	2,880,000,000
Bond	-	285,000,000	-	285,000,000
Equity Shares	-	17,199,760	-	18,287,229
TOTAL :	-	**3,083,699,760**	-	**3,183,287,229**
Other Financial Assets				
Other Financial Assets	46,007,474	191,014,449	58,590,675	162,624,009
TOTAL :	**46,007,474**	**191,014,449**	**58,590,675**	**162,624,009**
Financial Liability				
Reinsurance Contract Liabilities	610,890,699	-	792,232,933	-
Trade Payables	1,815,368	-	2,355,720	-
TOTAL :	**612,706,067**	-	**794,588,653**	-

KASG & CO. ★ CHARTERED ACCOUNTANTS ★ SHASTRI NAGAR

GIC-BHUTAN REINSURANCE CO.LTD.

30. FINANCIAL RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This

a) Re-insurance Risk
b) Credit Risk
c) Liquidity Risk
d) Market Risk
e) Operational Risk
f) Geographical Risk

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

Risk Management Framework

The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company, through its training and

a) Re-insurance Risk

The principal re-insurance risk the Company faces is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and

The Company considered re-insurance risk to be a combination of the following components of risks:

Product Design Risk: The Company principally issues the following main types of Non- Life Insurance contracts-

*Engineering
*Motor
*Fire
*Marine
*Miscellaneous

The significant risk arising under the Non- Life Insurance portfolio emanates from changes in the climate leading to natural disasters, behavioural trends of people due to change in life

The above risk exposure is mitigated by the diversification across a large portfolio of re-insurance contracts. The variability of risks is improved by careful selection and

Furthermore, a strict claim review process to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as using reinsurance arrangements with GIC Re India (Credit Rating by

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes.

The Company uses its own risk management framework to a risk that the assumptions and techniques used in these assessments could fail or that claims arising from an unassessed

b) Credit Risk

Credit risk is counter-party default risk, and includes the risk of failure of financial institutions with which the Company has placed deposits/ investments to meet obligations. It also

c) Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liability. The Company maintains portfolio of highly marketable

The following table shows the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts reported are on gross and undiscounted

31st December 2025	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Insurance Receivables		809,518,356	610,486,891	-	-	1,420,005,247
Loans & Advances	-	-	247,560,275	3,350,775	491,496,373	742,407,422
Investments	17,199,760		1,430,911,050	2,781,500,000	741,496,373	4,971,107,183
Other Financial Assets		-	46,007,474	134,676,820	56,337,630	237,021,923
Reinsurance Contract Liabilities	-	581,021,799	29,868,900	-	-	610,890,699
Trade & Other Payables		1,815,368	-	-	-	1,815,368
Other Financial Liabilities		2,736,023	-	-	-	2,736,023

31st December 2024	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Insurance Receivables		1,256,025,122	150,628,413	-	-	1,406,653,535
Loans & Advances	-	150,000,000	200,000,000	407,897,035	440,302,077	1,198,199,112
Investments	18,287,229		461,500,000	2,915,000,000	250,000,000	3,644,787,229
Other Financial Assets		31,832,341	26,758,333	49,030,027	113,593,983	221,214,684
Reinsurance Contract Liabilities	-	764,165,487	28,586,647	-	-	792,752,134
Trade & Other Payables	-	2,355,720	-	-	-	2,355,720
Other Financial Liabilities	-	5,573,774	-	-	-	5,573,774

KASG & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR

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d) Market Risk

Market Risk refers to the risk of possible adverse movements in the value of assets due to changes in market factors including currency, equity price and interest rate. The current

(i) Interest Rate Risk

The risk of interest rate volatility adversely affects the market value of the investment portfolio. In an increasing interest rate environment, there will be a drop in the value of

a) Interest Rate Risk Exposure

The Company's Investment in interest rate sensititive instruments at the end of reporting period is as follows:

Financial Assets	31-Dec-25	31-Dec-24
Investments in Bonds	285,000,000	285,000,000
Fixed Deposits with Banks	2,776,500,000	2,880,000,000
Loans and Advances	742,407,422	1,198,199,112
	3,803,907,422	4,363,199,112

b) Interest Rate Sensitivity Analysis

Profit or Loss is sensitive to higher/ lower interest income from investments as a result of changes in interest rate

	Impact on Profit Before Tax	
Particulars	31-Dec-25	31-Dec-24
Interest Rates - Increase by 50 basis points (50 bps) *	19,019,537	21,815,996
Interest Rates - Decrease by 50 basis points (50 bps) *	(19,019,537)	(21,815,996)

* Holding all other variable constant

(ii) Currency Risk

Currency Risk is the risk of fluctuation of fair values or future cash flows of a financial instrument due to change in exchange rates. The Company's principal transactions are carried

e) Operational Risk

This is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external

- Requirements for having appropriate segregation of duties including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation including reinsurance where this is cost effective.

f) Geographical Risk

Geographical Risk is the risk that an occurrence within a geographical locations have an adverse effect on the bank directly by impairing the value through an obligors ability to meet

B. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share-holders of the Company.

K A S G & CO. CHARTERED ACCOUNTANTS SHASTRI NAGAR ★ HEAD

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NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

A. The Company has received/paid following foreign currency during the year under different heads:

Inflows:			
Insurance Premium Received	USD	2,107,127.32	Received
Outflows:			
Insurance Claims	USD	894,740.91	Paid
Insurance Premium (Retro)	USD	270,499.63	Paid
Bank Charges	USD	3,702.93	Paid
Fees Charges & Subscription	USD	78,205.07	Paid
General Travelling Expenses	USD	28,463.97	Paid

B. **LOANS AND ADVANCES**

Provision Against Standard Assets

The company had made provision of Nu. 98,514,046.82 towards Ice Beverage loan, Staff Personal Loan (SPL), Staff Vehicle Loan (SVL) and and other loans.

The following transactions were discussed and agreed to incorporate in the books.

1. To provide provision against the Loan to Ms. Ice Beverage Co. Ltd @ 41%
2. To provide provision to staff loan @ 1%
3. To provide provision to Burgangchu Hydro Power Project @1%
4. To provide provision to Suchu Hydro Power Project @1%
5. To provide provision to Yungichu Hydro Power Project @1%
6. To provide provision to Druk Venture Ferro Alloys @1%
7. To provide provision to Acrologic Cables Private @1%
8. To provide provision to Green Ferro Alloys @1%
9. To provide provision to FEIF @10%

Particulars	Principal Outstanding	Provision
M/s Ice Beverage Pvt. Ltd	219,701,941.31	90,077,795.93
Loan to Staff	3,350,774.40	33,507.74
Druk Venture	22,880,000.00	228,800.00
Burgangchu Hydro Power Project	48,100,000.00	481,000.00
Suchu Hydro Power Project	28,270,000.00	282,700.00
Yungichu Hydro Power Project	49,380,000.00	493,800.00
Green Ferro	40,000,000.00	400,000.00
Acrologic Cables	20,000,000.00	200,000.00
FEIF	63,164,431.47	6,316,443.15
Total	**494,847,147.18**	**98,514,046.82**

C. The company has not entered into any contract with directors in which director has direct or indirect material interest.

KASG & CO. CHARTERED ACCOUNTANTS

GIC-BHUTAN REINSURANCE CO. LTD.

D. SITTING FEES

Directors of the company has been paid Nu. 925,000.00 as sitting fees during the year.

E. UNCLAIMED DIVIDEND

2017

The Dividend which was declared in the Financial Year 2017 still have balance unclaimed of nu. 15.00

Dividend Declared	Nu. 15,000,000.00
Less: Dividend Paid out	Nu. 14,999,985.00
Balance Unclaimed	Nu. 15.00

2022

The Dividend which was declared in the Financial Year 2022 still have balance unclaimed of nu. 34.75

Dividend Declared	Nu. 76,450,000.00
Less: Dividend Paid Out	Nu. 76,449,965.25
Balance Unclaimed:	Nu. 34.75

2023

The Dividend which was declared in the Financial Year 2023 still have balance unclaimed of nu. 50.00

Dividend Declared	Nu. 110,000,000.00
Less: Dividend Paid Out	Nu. 109,999,950.00
Balance Unclaimed:	Nu. 50.00

2024

The Dividend which was declared in the Financial Year 2023 still have balance unclaimed of nu. 81,788.00

Dividend Declared	Nu. 165,000,000.00
Less: Dividend Paid Out	Nu. 164,999,730.00
Balance Unclaimed:	Nu. 270.00

The balance is still remaining unclaimed as the shareholders did not update their contact and banking details after several announcement.

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F. Previous year's figures have been reclassified/ regrouped / rearranged wherever necessary. The accompanying notes are an integral part of these financial statements.

As per our report of even date

As per our report of even date attached

For K A S G & Co.

Chartered Accountants

K K Harodia

Partner

For and on behalf of the Board of Directors

Chairman

Chairperson

GIC Bhutan Reinsurance co ltd

CEO

Kesang Wangdi

Chief Executive Offi

GIC Bhutan Reinsurance