

CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2023



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Chubb Life Assurance Public Company Limited

I have reviewed the interim financial information of Chubb Life Assurance Public Company Limited, which comprises the statement of financial position as at 30 September 2023, the related statements of comprehensive income for the three-month and nine-month periods then ended, changes in equity, and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', written over a horizontal line.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

9 November 2023

Chubb Life Assurance Public Company Limited
Statement of Financial Position
As at 30 September 2023

		(Unaudited) 30 September 2023 Baht	(Audited and reclassified) 31 December 2022 Baht
	Notes		
Assets			
Cash and cash equivalents	6	954,615,495	1,052,089,620
Premium receivables	7	536,385,387	545,891,422
Accrued investment income		169,554,021	105,726,988
Amount due from reinsurance	8	16,608,338	5,507,881
Invested assets			
Investments in securities	5, 9, 24, 25	16,609,257,356	15,413,654,383
Loans and accrued interest receivables	10	486,779,732	453,327,181
Leasehold improvements and equipment	11	142,382,951	158,988,214
Intangible assets	12	491,304,537	349,582,389
Deferred tax assets	16	7,093,388	7,683,186
Other assets	3, 13, 22	467,373,256	578,445,511
Total assets		19,881,354,461	18,670,896,775

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Chubb Life Assurance Public Company Limited

บริษัท ชับบ์ไลฟ์ แอสซิวรันซ์ จำกัด (มหาชน)



Mr. Sirichai Kaewniyomchaisri

Authorized Person

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2023

		(Unaudited) 30 September 2023 Baht	(Audited and reclassified) 31 December 2022 Baht
	Notes		
Liabilities and equity			
Liabilities			
Insurance liabilities	14	16,747,136,747	15,666,886,504
Amount due to reinsurance	15, 22	130,770,623	107,475,958
Employee benefit obligations	22	209,364,226	187,850,655
Other liabilities	3, 17, 22	279,703,205	294,785,683
Other creditors	22	149,339,471	111,452,658
Accrued commission expenses	22	338,169,459	488,647,364
Accrued expenses	22	500,382,448	446,054,906
Total liabilities		<u>18,354,866,179</u>	<u>17,303,153,728</u>
Equity			
Share capital	18		
Registered			
187,625,000 ordinary shares of Baht 10 per share		<u>1,876,250,000</u>	<u>1,876,250,000</u>
Issued and fully paid-up			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,876,250,000
Deficits		(235,637,178)	(124,688,895)
Other components of equity			
Remeasurements of investments measured at fair value through other comprehensive income - net of tax		(180,142,497)	(430,485,970)
Remeasurements of employee benefit obligations - net of tax		(9,002,305)	(9,002,305)
Other reserve	22	<u>75,020,262</u>	<u>55,670,217</u>
Total equity		<u>1,526,488,282</u>	<u>1,367,743,047</u>
Total liabilities and equity		<u>19,881,354,461</u>	<u>18,670,896,775</u>

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2023

		(Reclassified)	
	Notes	2023 Baht	2022 Baht
Revenue			
Gross written premiums		2,005,138,994	1,849,887,320
<u>Less</u> premiums ceded to reinsurers	22	<u>(61,818,840)</u>	<u>(46,118,181)</u>
Net written premiums		1,943,320,154	1,803,769,139
<u>Less</u> net change in unearned premium reserve		<u>(51,937,271)</u>	<u>(60,986,959)</u>
Net earned premiums		1,891,382,883	1,742,782,180
Fee and commission income		14,026,583	2,827,318
Investment income		146,325,309	142,892,796
Realised gain on investment	9.1	-	86,109,544
Other income		<u>572,221</u>	<u>-</u>
Total revenue		<u>2,052,306,996</u>	<u>1,974,611,838</u>
Expenses			
Change in long-term technical reserve		350,787,277	275,708,709
Gross benefits and claim paid		650,287,463	628,098,954
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(47,289,990)</u>	<u>(28,596,237)</u>
Commissions and brokerages	3, 22	872,873,402	852,232,260
Other underwriting expenses		28,836,103	19,916,078
Operating expenses	3, 19, 22	251,233,035	206,029,237
Other expenses		-	1,144,284
Finance cost		1,396,341	2,372,865
Expected credit loss (reversal)	21	<u>(188,600)</u>	<u>(339,437)</u>
Total expenses		<u>2,107,935,031</u>	<u>1,956,566,713</u>
Profit (loss) before income tax expense		(55,628,035)	18,045,125
Income tax income (expense)		<u>9,129,362</u>	<u>(23,652,217)</u>
Net loss		<u>(46,498,673)</u>	<u>(5,607,092)</u>

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 September 2023

	2023	(Reclassified) 2022
	Baht	Baht
Other comprehensive income (loss)		
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Remeasurements of post-employment benefit obligations	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	952,191
Total items that will not be reclassified subsequently to profit or loss	-	952,191
<u>Items that will be reclassified subsequently to profit or loss</u>		
Loss on remeasuring investments measured at fair value through other comprehensive income	(707,654,889)	(208,590,512)
Realised gain on investments measured at fair value through other comprehensive income transferred to profit or loss	-	(86,109,544)
Income tax relating to items that will be reclassified subsequently to profit or loss	99,336,167	58,940,012
Total items that will be reclassified subsequently to profit or loss	(608,318,722)	(235,760,044)
Other comprehensive loss for the period, net of tax	(608,318,722)	(234,807,853)
Total comprehensive loss for the period	(654,817,395)	(240,414,945)
Loss per share		
Basic loss per share	(0.25)	(0.03)

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2023

		(Reclassified)	
	Notes	2023 Baht	2022 Baht
Revenue			
Gross written premiums		5,625,323,045	5,168,201,147
<u>Less</u> premiums ceded to reinsurers	22	<u>(178,255,470)</u>	<u>(111,482,886)</u>
Net written premiums		5,447,067,575	5,056,718,261
<u>Less</u> net change in unearned premium reserve		<u>(185,819,022)</u>	<u>(205,961,498)</u>
Net earned premiums		5,261,248,553	4,850,756,763
Fee and commission income		49,512,775	16,469,507
Investment income		453,881,015	412,060,944
Realised gain on investment	9.1	-	86,109,544
Other income		<u>1,772,493</u>	<u>-</u>
Total revenue		<u>5,766,414,836</u>	<u>5,365,396,758</u>
Expenses			
Change in long-term technical reserve		833,591,023	753,778,470
Gross benefits and claim paid		1,862,432,713	1,681,766,987
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(100,275,155)</u>	<u>(60,179,928)</u>
Commissions and brokerages	3, 22	2,509,128,119	2,377,895,053
Other underwriting expenses		68,503,072	55,783,298
Operating expenses	3, 19, 22	686,066,981	576,824,308
Other expenses		-	2,084,634
Finance cost		5,822,207	2,574,649
Expected credit loss (reversal)	21	<u>(190,926)</u>	<u>(6,886,380)</u>
Total expenses		<u>5,865,078,034</u>	<u>5,383,641,091</u>
Loss before income tax expense		<u>(98,663,198)</u>	<u>(18,244,333)</u>
Income tax expense		<u>(12,285,085)</u>	<u>(22,230,944)</u>
Net loss		<u>(110,948,283)</u>	<u>(40,475,277)</u>

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2023

		(Reclassified)	
	Notes	2023 Baht	2022 Baht
Other comprehensive income (loss)			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	16	-	952,191
Total items that will not be reclassified subsequently to profit or loss		-	952,191
<u>Items that will be reclassified subsequently to profit or loss</u>			
Gain (loss) on remeasuring investments measured at fair value through other comprehensive income		238,648,186	(2,432,600,809)
Realised gain on investments measured at fair value through other comprehensive income transferred to profit or loss	9.1	-	(86,109,544)
Income tax relating to items that will be reclassified subsequently to profit or loss	16	11,695,287	503,742,071
Total items that will be reclassified subsequently to profit or loss		250,343,473	(2,014,968,282)
Other comprehensive income (loss) for the period - net of tax		250,343,473	(2,014,016,091)
Total comprehensive income (loss) for the period		139,395,190	(2,054,491,368)
Loss per share			
Basic loss per share		(0.59)	(0.22)

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2023

	Notes	Other components of equity									
		Issued and fully paid-up share capital		Deficits		Remeasurements of investments measured at fair value through other comprehensive income, net of tax		Remeasurements of post-employment benefit obligations, net of tax		Total other components of equity	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2023		1,876,250,000	(124,688,895)	(430,485,970)	(9,002,305)	55,670,217	(383,818,058)	1,367,743,047			
Net loss		-	(110,948,283)	-	-	-	-	(110,948,283)			
Equity-settled share-based payment	22	-	-	-	-	19,350,045	-	19,350,045			
Gain on remeasuring investments measured at fair value through other comprehensive income		-	-	250,343,473	-	-	-	250,343,473			
Ending balance as at 30 September 2023		<u>1,876,250,000</u>	<u>(235,637,178)</u>	<u>(180,142,497)</u>	<u>(9,002,305)</u>	<u>75,020,262</u>	<u>(114,124,540)</u>	<u>1,526,488,282</u>			
Beginning balance as at 1 January 2022		1,876,250,000	(105,352,321)	975,400,014	(4,760,954)	37,883,993	1,008,523,053	2,779,420,732			
Net loss		-	(40,475,277)	-	-	-	-	(40,475,277)			
Equity-settled share-based payment		-	-	-	-	21,766,113	-	21,766,113			
Remeasurements of post-employment benefit obligations		-	-	-	-	952,191	-	952,191			
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(1,946,080,647)	-	-	-	(1,946,080,647)			
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss		-	-	(68,887,635)	-	-	-	(68,887,635)			
Ending balance as at 30 September 2022		<u>1,876,250,000</u>	<u>(145,827,598)</u>	<u>(1,039,568,268)</u>	<u>(3,808,763)</u>	<u>59,650,106</u>	<u>(983,726,925)</u>	<u>746,695,477</u>			

The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

Chubb Life Assurance Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2023

		(Reclassified)
	2023	2022
	Baht	Baht
	Notes	
Cash flows provided by (used in) operating activities		
Written premium received from direct insurance	5,600,644,505	5,150,646,997
Cash received (paid) to reinsurance	(16,273,331)	174,891
Investment income	411,318,797	355,249,109
Other income (expenses)	1,727,495	(1,150,347)
Gross benefits and claim paid from direct insurance	(1,817,498,188)	(1,668,620,947)
Commissions and brokerages from direct insurance	(2,677,894,909)	(2,278,081,288)
Other underwriting expenses	(70,985,812)	(57,621,432)
Operating expenses	(351,632,149)	(452,363,372)
Income tax expense	(4,345,892)	(3,802,402)
Cash received for investment in securities	209,000,000	3,102,611,660
Cash paid for investment in securities	(1,178,215,946)	(3,932,113,677)
Cash received from loan repayments	126,596,381	120,242,407
Cash paid for loan drawdowns	(116,178,059)	(72,533,302)
Net cash provided by operating activities	<u>116,262,892</u>	<u>262,638,297</u>
Cash flows provided by (used in) investing activities		
Cash received in relation to equipment	-	75,269
Cash paid in relation to equipment	(6,110,752)	(121,348,069)
Cash paid in relation to computer software	12 (178,932,792)	(101,444,841)
Net cash used in investing activities	<u>(185,043,544)</u>	<u>(222,717,641)</u>
Cash flows provided by (used in) financing activities		
Cash paid for lease liabilities	(28,693,473)	(28,316,334)
Net cash used in financing activities	<u>(28,693,473)</u>	<u>(28,316,334)</u>
Net increase (decrease) in cash and cash equivalents	(97,474,125)	11,604,322
Cash and cash equivalents at beginning of the period	6 1,052,089,620	853,220,570
Cash and cash equivalents at the end of the period	<u>954,615,495</u>	<u>864,824,892</u>

Non-cash transaction

The Company had the significant non-cash transaction as follows:

Payable from purchasing equipment	-	1,474,995
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The accompanying condensed notes to interim financial information are an integral part of this interim financial information.

1 General information

Chubb Life Assurance Public Company Limited ("the Company") was registered as a limited company under the law of Thailand on 23 June 1997. The Company was converted to a public company limited and registered with the Ministry of Commerce on 16 October 2012.

The address of its registered office is as follows:

21st - 22nd floor, 130 - 132 Sindhorn Tower 3, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The principal business operation of the Company is to provide life insurance.

The major shareholder of the Company is Eksupsiri Company Limited, a local Thai affiliate of Chubb Limited, which is incorporated in Switzerland.

The interim financial information was authorised for issue by the Board of Directors on 9 November 2023.

The interim financial information has been reviewed, but not audited.

2 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation is based on the formats of life insurance interim financial information attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company B.E. 2566" dated on 8 February 2023 ("OIC Notification"). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2022.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3 Accounting policies, adoption of new and amended financial reporting standards and reclassification

3.1 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Company.

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and relevant to the Company.

Amendment to TAS 1 - Presentation of financial statements revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

The Company's management is currently assessing the impact on the amendments of these standards.

3.3 Amended financial reporting standard that is effective for the accounting period beginning on or after 1 January 2024 but does not have significant impact on the Company.

Amendment to TAS 12 - Income taxes require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

3 Accounting policies, adoption of new and amended financial reporting standards and reclassification (Cont'd)

3.4 Reclassification

The comparative amounts have been reclassified to conform to the current period presentation of the financial information for the current period as follows:

	(Audited) 31 December 2022		
	As previously reported Baht	Reclassification Baht	Reclassified Baht
Statement of financial position			
Assets			
Other assets	595,472,829	(17,027,318)	578,445,511
Liabilities			
Other liabilities	311,813,001	(17,027,318)	294,785,683
	(Unaudited) For the three-month period ended 30 September 2022		
	As previously reported Baht	Reclassification Baht	Reclassified Baht
Statement of comprehensive income			
Expenses			
Commissions and brokerages	826,675,123	25,557,137	852,232,260
Operating expenses	231,586,374	(25,557,137)	206,029,237
	(Unaudited) For the nine-month period ended 30 September 2022		
	As previously reported Baht	Reclassification Baht	Reclassified Baht
Statement of comprehensive income			
Expenses			
Commissions and brokerages	2,307,010,903	70,884,150	2,377,895,053
Operating expenses	647,708,458	(70,884,150)	576,824,308

4 Estimates

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022.

5 Fair value

5.1 Fair value estimation

Financial assets carried at fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the last bid price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Chubb Life Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2023

5 Fair value (Cont'd)

5.1 Fair value estimation (Cont'd)

The following table presents the Company's assets that are measured at fair value as at 30 September 2023 and 31 December 2022.

	30 September 2023 (Unaudited)			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	11,599,968,737	-	11,599,968,737
- Private enterprise securities	12,599,974	4,996,688,645	-	5,009,288,619
Total assets	12,599,974	16,596,657,382	-	16,609,257,356
	31 December 2022 (Audited)			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,646,782,736	-	10,646,782,736
- Private enterprise securities	15,884,599	4,750,987,048	-	4,766,871,647
Total assets	15,884,599	15,397,769,784	-	15,413,654,383

There were no transfers between levels during the period.

5.2 Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments in level one is based on the last bid price at the statement of financial position date. The last bid price used for financial assets held by the Company is obtained from the Stock Exchange of Thailand.

5.3 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments of marketable securities are fair valued using discounted cash flow model based on individual debt instrument's yield curve published by the Thai Bond Market Association at the close of business on the statements of financial position date.

5.4 Fair value estimation of assets and liabilities not carried at fair value but for which the fair value is disclosed.

Other financial instruments not carried at fair value are typically short-term. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accrued investment income, receivable from sale of investments, other assets, lease liabilities, other liabilities, other creditors and payable for purchase of investments.

Chubb Life Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2023

6 Cash and cash equivalents

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Cash	269,200	226,100
Deposits held at call with bank	954,346,295	1,051,863,520
Total cash and cash equivalents	<u>954,615,495</u>	<u>1,052,089,620</u>

7 Premium receivable

As at 30 September 2023 and 31 December 2022, the balances of premium receivable are aged as follows:

	From direct insurance	
	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Current	536,385,387	545,891,422
Overdue not over 30 days	-	-
Overdue 31 - 60 days	-	-
Overdue 61 - 90 days	-	-
Overdue 91 days - 1 year	-	-
Overdue over 1 year	394,064	394,064
Total	536,779,451	546,285,486
Less Allowance for doubtful accounts	(394,064)	(394,064)
Total premium receivable	<u>536,385,387</u>	<u>545,891,422</u>

8 Amount due from reinsurance

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Due from reinsurers	16,608,338	5,507,881
Total amount due from reinsurance	<u>16,608,338</u>	<u>5,507,881</u>

Chubb Life Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2023

9 Investments in securities

The details of investments in securities are as follows:

	(Unaudited) 30 September 2023		
	Cost Baht	Unrealised gain (loss) Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
- Government bonds	11,575,220,773	24,747,964	11,599,968,737
- Debentures	-	-	-
Private enterprise debt securities			
- Debentures	5,195,141,068	(198,452,423)	4,996,688,645
Equity securities	18,250,000	(5,650,026)	12,599,974
Total investments measured at fair value through other comprehensive income	<u>16,788,611,841</u>	<u>(179,354,485)</u>	<u>16,609,257,356</u>
	(Audited) 31 December 2022		
	Cost Baht	Unrealised gain (loss) Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
- Government bonds	10,937,960,588	(340,363,539)	10,597,597,049
- Debentures	30,000,000	19,185,687	49,185,687
Private enterprise debt securities			
- Debentures	4,845,637,392	(94,650,344)	4,750,987,048
Equity securities	18,250,000	(2,365,401)	15,884,599
Total investments measured at fair value through other comprehensive income	<u>15,831,847,980</u>	<u>(418,193,597)</u>	<u>15,413,654,383</u>

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9 Investments in securities (Cont'd)

9.1 Debt securities that are measured at fair value through other comprehensive income

	(Unaudited) 30 September 2023		(Audited) 31 December 2022	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	15,939,192,677	1,931,120	14,723,468,250	1,474,995
Investment in debt securities which credit risk has significantly increased (Stage 2)	657,464,705	4,988,756	674,301,534	5,635,807
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-
Total	16,596,657,382	6,919,876	15,397,769,784	7,110,802

The Company disclosed information regarding the restricted amount of investments in Notes 24 and 25.

For the three-month and nine-month periods ended 30 September 2023, the Company recognised interest income amounted to Baht 160,847,499 and 474,687,062, respectively. (For the three-month and nine-month periods ended 30 September 2022: Baht 146,545,505 and Baht 421,496,916, respectively)

For the three-month and nine-months periods ended 30 September 2023, the Company has no sales of investments measured at fair value through other comprehensive Income. (For the three-month and nine-month periods ended 30 September 2022: the Company has received cash from selling investment amounted to Baht 1,784,147,134 and gain from selling such investment amounted to Baht 86,109,544).

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10 Loans and accrued interest receivables

The details of loans and accrued interest receivables are as follows:

	(Unaudited) 30 September 2023			(Audited) 31 December 2022		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
<u>Policy loans</u>						
Current	424,917,029	61,862,703	486,779,732	385,020,635	68,306,546	453,327,181
Overdue	-	-	-	-	-	-
Total	424,917,029	61,862,703	486,779,732	385,020,635	68,306,546	453,327,181
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
Policy loans - net	<u>424,917,029</u>	<u>61,862,703</u>	<u>486,779,732</u>	<u>385,020,635</u>	<u>68,306,546</u>	<u>453,327,181</u>

Cash values of insurance policies were used as collateral of the policy loans.

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11 Leasehold improvements and equipment

	30 September 2023 (Unaudited)						31 December 2022 (Audited)					
	Cost			Accumulated depreciation			Cost			Accumulated depreciation		
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Ending balance Baht	Net balance Baht
Leasehold improvements	108,183,687	326,317	-	-	-	108,510,004	14,081,887	8,735,125	-	-	22,817,012	85,692,992
Leasehold in progress	885,475	-	-	-	-	885,475	-	-	-	-	-	885,475
Office equipment	7,333,727	32,496	-	-	-	7,366,223	2,599,225	849,097	-	-	3,448,322	3,917,901
Furniture & fixtures	21,362,716	131,890	-	(37,450)	-	21,457,156	3,283,614	3,098,574	-	(37,449)	6,344,739	15,112,417
Computers	76,197,246	5,248,648	-	-	4,359,605	85,805,499	39,309,970	9,721,363	-	-	49,031,333	36,774,166
Hardware	4,300,059	59,546	-	-	(4,359,605)	-	-	-	-	-	-	-
in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	218,262,910	5,798,897	-	(37,450)	-	224,024,357	59,274,696	22,404,159	-	(37,449)	81,641,406	142,382,951

	30 September 2023 (Unaudited)						31 December 2022 (Audited)					
	Cost			Accumulated depreciation			Cost			Accumulated depreciation		
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Ending balance Baht	Net balance Baht
Leasehold improvements	37,192,822	837,798	-	(31,184,596)	101,337,663	108,183,687	36,530,588	8,769,690	-	(31,218,391)	14,081,887	94,101,800
Leasehold in progress	35,935,031	97,914,299	-	-	(132,963,855)	885,475	-	-	-	-	-	885,475
Office equipment	18,534,262	300,832	(623,957)	(15,630,725)	4,753,315	7,333,727	17,846,906	1,144,917	(603,500)	(15,789,098)	2,599,225	4,734,502
Furniture & fixtures	6,535,181	159,629	-	(5,428,427)	20,096,333	21,362,716	5,601,122	3,110,913	-	(5,428,421)	3,283,614	18,079,102
Computers	65,164,558	19,401,627	(4,389,354)	(13,120,351)	9,140,766	76,197,246	44,941,040	10,697,374	(3,375,877)	(12,952,567)	39,309,970	36,887,276
Hardware	1,400,215	5,254,066	-	-	(2,364,222)	4,300,059	-	-	-	-	-	4,300,059
in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	164,762,069	123,878,251	(5,013,311)	(65,364,099)	-	218,262,910	104,919,656	23,722,894	(3,979,377)	(65,388,477)	59,274,696	158,988,214

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12 Intangible assets

Intangible assets as at 30 September 2023 and 31 December 2022 comprised:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Computer software beginning balance	123,983,726	108,858,275
Additions	-	96,000
Transfer in	100,894,578	56,380,404
Amortisation charges	(37,210,644)	(41,350,953)
Computer software ending balance	<u>187,667,660</u>	<u>123,983,726</u>
Computer software in progress beginning balance	225,598,663	115,808,832
Additions	178,932,792	166,170,235
Transfer out	(100,894,578)	(56,380,404)
Computer software in progress ending balance	<u>303,636,877</u>	<u>225,598,663</u>
Total intangible assets	<u>491,304,537</u>	<u>349,582,389</u>

13 Other assets

Other assets as at 30 September 2023 and 31 December 2022 comprised:

	(Unaudited) 30 September 2023 Baht	(Audited and reclassified) 31 December 2022 Baht
Security and deposits	13,382,998	13,335,918
Prepaid tax	15,976,522	11,630,630
Prepaid expense	178,533,441	266,459,816
Right-of-use assets	238,113,343	261,696,089
Others	21,366,952	25,323,058
Total other assets	<u>467,373,256</u>	<u>578,445,511</u>

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14 Insurance liabilities

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Long-term technical reserves	15,024,032,698	-	15,024,032,698	14,190,441,674	-	14,190,441,674
Claim liability						
- Reported claim	241,509,477	(103,320,171)	138,189,306	188,209,843	(59,311,791)	128,898,052
- Claims incurred but not reported	101,225,023	-	101,225,023	99,419,953	-	99,419,953
Premium liability						
- Unearned premium reserve	1,067,191,096	-	1,067,191,096	881,372,074	-	881,372,074
Unpaid policy benefits	246,389,777	(120,079,458)	126,310,319	257,894,822	(102,981,673)	154,913,149
Due to insured	66,788,676	-	66,788,676	49,548,138	-	49,548,138
Total	16,747,136,747	(223,399,629)	16,523,737,118	15,666,886,504	(162,293,464)	15,504,593,040

The Company's unexpired risk reserve (URR) is lower than unearned premium reserve (UPR), so no disclosure for unexpired risk reserve required.

14 Insurance liabilities (Cont'd)

14.1 Long-term technical reserves

The movement of long-term technical reserves are as follows:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Beginning balance for the period/year	14,190,441,674	13,014,233,725
Policy reserve movement for new policies and inforce policies during the period/year	1,455,720,743	2,216,517,728
Net movement in benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	<u>(622,129,719)</u>	<u>(1,040,309,779)</u>
Closing balance at the end of period/year	<u>15,024,032,698</u>	<u>14,190,441,674</u>

14.2 Short-term technical reserves

14.2.1 Claim liability

The movement of claim liability are as follows:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Beginning balance for the period/year	287,629,796	243,819,784
Insurance claims and loss adjustment expenses incurred during the period/year	949,564,011	999,247,453
Change in claim reserve and assumptions	1,805,070	6,948,564
Insurance claims and loss adjustment expenses paid during the period/year	<u>(896,264,377)</u>	<u>(962,386,005)</u>
Closing balance at the end of period/year	<u>342,734,500</u>	<u>287,629,796</u>

14.2.2 Unearned premium reserve

The movement of unearned premium reserve are as follows:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Beginning balance for the period/year	881,372,074	605,569,962
Premium written for the period/year	2,954,315,637	3,556,576,536
Premium earned in the period/year	<u>(2,768,496,615)</u>	<u>(3,280,774,424)</u>
Closing balance at the end of period/year	<u>1,067,191,096</u>	<u>881,372,074</u>

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14 Insurance liabilities (Cont'd)

14.3 Unpaid policy benefits

The details of unpaid policy benefits are as follows:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Death benefits	57,454,016	56,886,711
Coupon	163,405,905	174,530,497
Expired cheque	25,529,856	26,477,614
Total	246,389,777	257,894,822

15 Amount due to reinsurance

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Outward premium payable	130,770,623	107,475,958
Total amount due to reinsurance	130,770,623	107,475,958

16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Deferred tax assets	46,717,944	78,753,027
Deferred tax liabilities	(39,624,556)	(71,069,841)
Deferred tax assets (liabilities) - net	7,093,388	7,683,186

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16 Deferred income taxes (Cont'd)

The movement in deferred tax assets and deferred tax liabilities during the period/year is as follows:

	At 1 January 2023 Baht	Transactions in profit or loss Baht	Transactions in other comprehensive income Baht	At 30 September 2023 Baht
Deferred tax assets				
- Employee benefit	6,229,498	(1,527,212)	-	4,702,286
- Accrued commission expenses	14,268,888	(1,352,070)	-	12,916,818
- IBNR	23,402,391	(23,402,391)	-	-
- Expected credit loss	294,999	91,225	-	386,224
- Allowance for doubtful accounts	78,813	-	-	78,813
- Lease liabilities	445,719	407,288	-	853,007
- Tax losses	34,032,719	(6,251,923)	-	27,780,796
	<u>78,753,027</u>	<u>(32,035,083)</u>	<u>-</u>	<u>46,717,944</u>
Deferred tax liabilities				
- Unrealised gains on change in fair value of investments	(19,403,174)	-	11,695,287	(7,707,887)
- Prepaid expense	(51,666,667)	19,749,998	-	(31,916,669)
	<u>(71,069,841)</u>	<u>19,749,998</u>	<u>11,695,287</u>	<u>(39,624,556)</u>
Deferred tax assets (liabilities) - net	<u>7,683,186</u>			<u>7,093,388</u>
	At 1 January 2022 Baht	Transactions in profit or loss Baht	Transactions in other comprehensive income Baht	At 31 December 2022 Baht
Deferred tax assets				
- Employee benefit	9,155,159	(5,176,237)	2,250,576	6,229,498
- Accrued commission expenses	-	14,268,888	-	14,268,888
- IBNR	15,356,401	8,045,990	-	23,402,391
- Expected credit loss	-	294,999	-	294,999
- Allowance for doubtful accounts	-	78,813	-	78,813
- Lease liabilities	-	445,719	-	445,719
- Tax losses	39,735,398	(5,702,679)	-	34,032,719
	<u>64,246,958</u>	<u>12,255,493</u>	<u>2,250,576</u>	<u>78,753,027</u>
Deferred tax liabilities				
- Unrealised gains on change in fair value of investments	(243,850,003)	-	224,446,829	(19,403,174)
- Prepaid expense	(52,000,000)	333,333	-	(51,666,667)
	<u>(295,850,003)</u>	<u>333,333</u>	<u>224,446,829</u>	<u>(71,069,841)</u>
Deferred tax assets (liabilities) - net	<u>(231,603,045)</u>			<u>7,683,186</u>

17 Other liabilities

	(Unaudited) 30 September 2023 Baht	(Audited and reclassified) 31 December 2022 Baht
Tax payable	23,216,731	24,147,261
Lease liabilities	241,878,375	263,574,683
Others	14,608,099	7,063,739
Total	<u>279,703,205</u>	<u>294,785,683</u>

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18 Share capital

	Ordinary shares	
	Number of shares	Baht
At 31 December 2021	187,625,000	1,876,250,000
Issue of shares	-	-
At 31 December 2022	187,625,000	1,876,250,000
Issue of shares	-	-
At 30 September 2023	187,625,000	1,876,250,000

19 Operating expenses

	For the three-month periods ended	
	(Unaudited) 30 September 2023 Baht	(Unaudited and reclassified) 30 September 2022 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	135,810,459	106,933,631
Property and equipment expenses not relating to underwriting expenses	47,190,727	41,808,879
Tax expenses	164,420	205,710
Selling and administrative expenses	33,439,518	27,219,040
Other operating expenses	34,627,911	29,861,977
Total operating expenses	251,233,035	206,029,237

	For the nine-month periods ended	
	(Unaudited) 30 September 2023 Baht	(Unaudited and reclassified) 30 September 2022 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	347,127,328	305,613,022
Property and equipment expenses not relating to underwriting expenses	139,458,128	120,863,152
Tax expenses	632,618	715,744
Selling and administrative expenses	94,637,049	65,165,721
Other operating expenses	104,211,858	84,466,669
Total operating expenses	686,066,981	576,824,308

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20 Employee benefit expenses

	(Unaudited)	
	For the three-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht
Salary	94,453,183	73,969,907
Social security fund	536,325	351,792
Contribution to employee benefit plan	4,327,640	3,225,745
Bonus	27,859,391	23,217,519
Other employee benefit expenses	19,598,352	18,611,971
Total employee benefit expenses	<u>146,774,891</u>	<u>119,376,934</u>

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht
Salary	240,010,873	202,454,651
Social security fund	1,572,432	448,039
Contribution to employee benefit plan	13,048,922	9,666,842
Bonus	66,231,723	73,530,009
Other employee benefit expenses	55,241,937	53,577,531
Total employee benefit expenses	<u>376,105,887</u>	<u>339,677,072</u>

21 Expected credit loss

	(Unaudited)	
	For the three-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht
Investments in securities	(188,600)	(339,437)
Total expected credit loss (reversal)	<u>(188,600)</u>	<u>(339,437)</u>

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht
Investments in securities	(190,926)	(6,886,380)
Total expected credit loss (reversal)	<u>(190,926)</u>	<u>(6,886,380)</u>

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22 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The related party transactions are mainly transacted with the Group companies of Chubb Limited as follows:

a) Statements of comprehensive income

	(Unaudited) For the three-month periods ended		(Unaudited) For the nine-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht	30 September 2023 Baht	30 September 2022 Baht
Affiliates Company				
Premium ceded to reinsurers	1,579,403	1,064,994	6,240,023	2,549,890
Commissions and brokerages	99,829	170,201	324,493	399,739
Operating expenses	4,826,980	4,387,501	12,829,665	15,789,808

b) Statements of financial position

	(Unaudited) 30 September 2023 Baht	(Audited and reclassified) 31 December 2022 Baht
Assets		
Affiliate Company		
Other assets	13,563,161	12,206,504
Liabilities		
Parent Company		
Employee benefit obligations	69,252,354	69,252,354
Affiliate Company		
Amount due to reinsurance	14,256,560	8,016,539
Other liabilities	9,301,634	6,688,715
Other creditors	1,094,957	73,044
Accrued commission expenses	553,841	564,364
Accrued expenses	10,408,010	13,702,239
Equity		
Parent Company		
Other reserve	75,020,262	55,670,217

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23 Key management's compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Company. Their compensations are as follows:

	(Unaudited) For the three-month periods ended		(Unaudited) For the nine-month periods ended	
	30 September 2023 Baht	30 September 2022 Baht	30 September 2023 Baht	30 September 2022 Baht
Short-term employee benefits	28,875,936	31,866,196	118,986,391	113,163,581
Long-term employee benefits	295,284	386,307	1,072,891	1,003,825
Total	29,171,220	32,252,503	120,059,282	114,167,406

24 Assets deposited with Insurance Registrar

As at 30 September 2023 and 31 December 2022, the Company deposited certain assets with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No.2) Section 20 B.E. 2551 as follows:

	Carrying value	
	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Government bonds	28,584,093	29,833,844

25 Assets pledged as reserve with registrar

As at 30 September 2023 and 31 December 2022, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 24 B.E. 2551 as follows:

	Carrying value	
	(Unaudited) 30 September 2023 Baht	(Audited) 31 December 2022 Baht
Government bonds	3,643,269,229	3,559,181,149

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26 Contribution to Life Insurance Fund

In compliance with the Life Insurance Act, for the three-month and nine-month periods ended 30 September 2023, the Company had recognised the contribution to Life Insurance Fund amounting to Baht 2,005,139 and Baht 5,625,323, respectively (For the three-month and nine-month periods ended 30 September 2022: Baht 1,849,887 and Baht 5,168,201, respectively).

27 Commitments

As at 30 September 2023 and 31 December 2022, the Company had future aggregate minimum lease payments under non-cancellable low-value assets leases and other general service agreements not within the scope of TFRS 16. The future aggregate minimum lease payments under non-cancellable buildings and improvements are as follows:

	(Unaudited)		
	30 September 2023		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	246,792	5,641,127	5,887,919
Due more than 1 year but no later than 5 years	709,716	700,000	1,409,716
	<u>956,508</u>	<u>6,341,127</u>	<u>7,297,635</u>
	(Audited)		
	31 December 2022		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	421,974	6,613,483	7,035,457
Due more than 1 year but no later than 5 years	-	1,000,000	1,000,000
	<u>421,974</u>	<u>7,613,483</u>	<u>8,035,457</u>