

**CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 2020**



## 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 2020, 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 blue ink, appearing to read "Sakuna Yamsakul", written over a faint circular stamp.

**Sakuna Yamsakul**  
Certified Public Accountant (Thailand) No. 4906  
Bangkok  
10 November 2020

**Chubb Life Assurance Public Company Limited**  
**Statement of Financial Position**  
**As at 30 September 2020**

		(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
	Notes		
<b>Assets</b>			
Cash and cash equivalents	7	717,492,959	669,466,169
Premium receivable	8	532,451,644	475,414,400
Accrued investment income		131,499,836	132,557,700
Amount due from reinsurance	9	11,570,983	11,623,652
Invested assets			
Investments in securities	6, 10, 26, 27	14,624,150,849	14,278,776,750
Loans and accrued interest receivables	11	369,266,933	318,540,571
Equipment	12	36,658,746	37,269,865
Intangible assets	13	127,425,710	122,656,324
Other assets	14, 24	125,380,137	100,652,661
<b>Total assets</b>		<b>16,675,897,797</b>	<b>16,146,958,092</b>



Directors

**CHUBB**

Chubb Life Assurance Public Company Limited  
บริษัท ชับบ์ ไลฟ์ แอสชูรันซ์ จำกัด (มหาชน)

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 2020**

	Notes	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance liabilities	15	12,108,992,482	11,376,534,031
Amount due to reinsurance	16, 24	50,997,102	57,139,358
Income tax payable		11,554,379	21,963,386
Employee benefit obligations	24	154,845,703	142,121,128
Deferred tax liabilities	17	445,232,236	518,871,460
Other liabilities	18, 24	79,294,823	30,039,261
Other creditors	24	92,076,840	27,146,605
Accrued commission expenses	24	214,482,480	299,154,018
Accrued expenses	24	292,711,440	284,743,992
<b>Total liabilities</b>		<u>13,450,187,485</u>	<u>12,757,713,239</u>
<b>Equity</b>			
Share capital	19		
Registered			
139,025,000 ordinary shares of Baht 10 per share		<u>1,390,250,000</u>	<u>1,390,250,000</u>
Issued and fully paid-up			
139,025,000 ordinary shares of Baht 10 per share		1,390,250,000	1,390,250,000
Deficits		(72,566,558)	(176,206,011)
Other components of equity			
Remeasurements of investments measured at fair value through other comprehensive income - net of tax		1,896,676,135	2,169,914,110
Remeasurements of employee benefit obligations - net of tax		(2,479,539)	63,380
Other reserve	24	<u>13,830,274</u>	<u>5,223,374</u>
<b>Total equity</b>		<u>3,225,710,312</u>	<u>3,389,244,853</u>
<b>Total liabilities and equity</b>		<u>16,675,897,797</u>	<u>16,146,958,092</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)**  
**For the three-month period ended 30 September 2020**

	<u>Notes</u>	<u>2020</u> <u>Baht</u>	<u>2019</u> <u>Baht</u>
<b>Revenue</b>			
Gross written premiums		1,267,188,562	1,544,020,635
<u>Less</u> premiums ceded to reinsurers	24	<u>(27,587,344)</u>	<u>(26,802,726)</u>
Net written premiums		1,239,601,218	1,517,217,909
<u>Less</u> net change in unearned premium reserve		<u>23,540,495</u>	<u>(2,515,769)</u>
Net earned premiums		1,263,141,713	1,514,702,140
Fee and commission income		2,923,887	3,224,119
Investment income		116,659,855	109,493,918
Other income		<u>86,719</u>	<u>-</u>
<b>Total revenue</b>		<u><b>1,382,812,174</b></u>	<u><b>1,627,420,177</b></u>
<b>Expenses</b>			
Change in long-term technical reserve		227,131,816	286,182,851
Gross benefits and claim paid		404,774,054	395,652,725
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(17,195,842)</u>	<u>(10,596,344)</u>
Commissions and brokerages	24	532,681,234	684,499,502
Other underwriting expenses		17,910,849	15,511,669
Operating expenses	20, 24	163,735,369	152,882,947
Other expenses		-	22,497
Finance cost	18.1	425,541	-
Expected credit loss	22	<u>(51,445)</u>	<u>-</u>
<b>Total expenses</b>		<u><b>1,329,411,576</b></u>	<u><b>1,524,155,847</b></u>
<b>Profit before income tax expense</b>		53,400,598	103,264,330
Income tax expense		<u>(11,632,835)</u>	<u>(27,227,607)</u>
<b>Net profit</b>		<u><b>41,767,763</b></u>	<u><b>76,036,723</b></u>

The accompanying condensed notes to the 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 2020**

	<u>Note</u>	<u>2020 Baht</u>	<u>2019 Baht</u>
<b>Other comprehensive income (loss)</b>			
<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		(108,419,550)	1,638,385,721
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		21,683,910	(327,677,145)
Total items that will be reclassified subsequently to profit or loss		(86,735,640)	1,310,708,576
<b>Other comprehensive income (loss) for the period - net of tax</b>		(86,735,640)	1,310,708,576
<b>Total comprehensive income (loss) for the period</b>		(44,967,877)	1,386,745,299
<b>Earnings (loss) per share</b>	23		
Basic earnings per share		0.30	0.55

The accompanying condensed notes to the 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 2020**

	Notes	2020 Baht	2019 Baht
<b>Revenue</b>			
Gross written premiums		4,237,334,785	4,262,079,736
<u>Less</u> premiums ceded to reinsurers	24	(78,489,403)	(77,867,937)
Net written premiums		4,158,845,382	4,184,211,799
<u>Less</u> net change in unearned premium reserve		(8,283,071)	(45,205,384)
Net earned premiums		4,150,562,311	4,139,006,415
Fee and commission income		9,470,155	8,702,373
Investment income		340,694,083	317,780,622
<b>Total revenue</b>		<b>4,500,726,549</b>	<b>4,465,489,410</b>
<b>Expenses</b>			
Change in long-term technical reserve		703,889,181	769,955,560
Gross benefits and claim paid		1,281,283,620	1,192,367,211
<u>Less</u> benefits and claim paid recovered from reinsurers		(45,859,585)	(33,569,612)
Commissions and brokerages	24	1,874,472,963	1,864,533,922
Other underwriting expenses		55,408,395	48,552,444
Operating expenses	20, 24	488,192,113	468,568,096
Other expenses		398,939	31,491
Finance cost	18.1	1,427,784	-
Expected credit loss	22	6,849,537	-
<b>Total expenses</b>		<b>4,366,062,947</b>	<b>4,310,439,112</b>
<b>Profit before income tax expense</b>		<b>134,663,602</b>	<b>155,050,298</b>
Income tax expense		(29,532,703)	(8,217,316)
<b>Net profit</b>		<b>105,130,899</b>	<b>146,832,982</b>

The accompanying condensed notes to the 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 2020**

	<u>Note</u>	<u>2020</u> <u>Baht</u>	<u>2019</u> <u>Baht</u>
<b>Other comprehensive income (loss)</b>			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations		(3,178,649)	8,778
Income tax relating to items that will not be reclassified subsequently to profit or loss		<u>635,730</u>	<u>746,340</u>
Total items that will not be reclassified subsequently to profit or loss		<u>(2,542,919)</u>	<u>755,118</u>
<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		(342,866,609)	2,166,302,238
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		<u>68,309,494</u>	<u>(433,260,448)</u>
Total items that will be reclassified subsequently to profit or loss		<u>(274,557,115)</u>	<u>1,733,041,790</u>
<b>Other comprehensive income (loss) for the period - net of tax</b>		<u>(277,100,034)</u>	<u>1,733,796,908</u>
<b>Total comprehensive income (loss) for the period</b>		<u><u>(171,969,135)</u></u>	<u><u>1,880,629,890</u></u>
<b>Earnings (loss) per share</b>	23		
Basic earnings per share		<u><u>0.76</u></u>	<u><u>1.06</u></u>

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Chubb Life Assurance Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the nine-month period ended 30 September 2020

	Other components of equity									
	Other comprehensive income (loss)					Remeasurements of equity				
	Issued and fully paid-up share capital	Deficits	investments measured at fair value through other comprehensive income, net of tax	Remeasurements of post-employment benefit obligations, net of tax	Other reserve	Total other components of equity	Total	Baht	Baht	Baht
<b>Beginning balance as at 1 January 2020</b>	1,390,250,000	(176,206,011)	2,169,914,110	63,380	5,223,374	2,175,200,864	3,389,244,853			
Retrospective adjustment from adoption of new financial reporting standards (Note 4)	-	(1,491,446)	1,319,140	-	-	1,319,140	(172,306)			
<b>Beginning balance after adjustment</b>	1,390,250,000	(177,697,457)	2,171,233,250	63,380	5,223,374	2,176,520,004	3,389,072,547			
Net profit	-	105,130,899	-	-	-	-	105,130,899			
Equity-settled share-based payment	-	-	-	-	8,606,900	8,606,900	8,606,900			
Remeasurements of post-employment benefit obligations	-	-	-	(2,542,919)	-	(2,542,919)	(2,542,919)			
Loss on remeasuring investments measured at fair value through other comprehensive income	-	-	(274,557,115)	-	-	(274,557,115)	(274,557,115)			
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss	-	-	-	-	-	-	-			
<b>Ending balance as at 30 September 2020</b>	1,390,250,000	(72,566,558)	1,896,676,135	(2,479,539)	13,830,274	1,908,026,870	3,225,710,312			
<b>Beginning balance as at 1 January 2019</b>	1,390,250,000	(335,220,251)	596,432,637	(691,738)	-	595,740,899	1,650,770,648			
Net profit	-	146,832,982	-	-	-	-	146,832,982			
Equity-settled share-based payment	-	-	-	-	5,003,655	5,003,655	5,003,655			
Share-based payments reclassified to liabilities	-	-	-	-	(5,003,655)	(5,003,655)	(5,003,655)			
Remeasurements of post-employment benefit obligations	-	-	-	755,118	-	755,118	755,118			
Change in value of available-for-sale investments	-	-	1,733,041,790	-	-	1,733,041,790	1,733,041,790			
Realised gain from sale of available-for-sale investment and impairment loss transferred to profit or loss	-	-	-	-	-	-	-			
<b>Ending balance as at 30 September 2019</b>	1,390,250,000	(188,387,269)	2,329,474,427	63,380	-	2,329,537,807	3,531,400,538			

The accompanying condensed notes to the 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 2020**

	Notes	2020 Baht	2019 Baht
<b>Cash flows provided by (used in) operating activities</b>			
Written premium received from direct insurance		4,111,405,747	4,209,099,156
Cash paid to reinsurance		(29,249,250)	(20,814,482)
Net investment income		314,100,604	294,928,505
Other income (expenses)		(413,940)	39,010
Gross benefits and claim paid from direct insurance		(1,270,009,624)	(1,172,313,215)
Commissions and brokerages from direct insurance		(1,975,770,273)	(1,893,340,357)
Other underwriting expenses		(58,313,615)	(49,939,630)
Operating expenses		(281,244,632)	(285,217,241)
Income tax expense		(47,934,599)	(22,125,653)
Cash received for investment in securities		60,000,000	144,383,940
Cash paid for investment in securities		(777,208,213)	(1,198,802,624)
Cash received from loan repayments		155,678,367	95,178,452
Cash paid for loan drawdowns		(80,503,403)	(73,497,319)
Net cash provided by operating activities		<u>120,537,169</u>	<u>27,578,542</u>
<b>Cash flows provided by (used in) investing activities</b>			
Cash received in relation to equipment		15,000	16,500
Cash paid in relation to equipment		(13,512,031)	(8,626,201)
Cash paid in relation to computer software	13	<u>(29,611,966)</u>	<u>(22,884,098)</u>
Net cash used in investing activities		<u>(43,108,997)</u>	<u>(31,493,799)</u>
<b>Cash flows provided by (used in) financing activities</b>			
Cash paid for lease liabilities		<u>(29,401,382)</u>	<u>-</u>
Net cash used in financing activities		<u>(29,401,382)</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		48,026,790	(3,915,257)
Cash and cash equivalents at beginning of the period	7	<u>669,466,169</u>	<u>490,799,978</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>717,492,959</u></u>	<u><u>486,884,721</u></u>

**Non-cash transaction**

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

Payable from purchasing equipment	91,530	4,532,779
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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:

11<sup>th</sup> - 12<sup>th</sup> floor, 130 - 132 Sindhorn Tower 1, 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 10 November 2020.

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 Company's 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 (No.2) B.E. 2562" dated on 4 April 2019 ("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 2019.

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

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 2019, except for the following:

- 1) the adoption of the new financial reporting standards as described in Note 4
- 2) the Company applied the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting period ended 30 September 2020 on lease modification related to rent concession as described in Note 18.1.

### 4 Adoption of new financial reporting standards and changes in accounting policies

#### 4.1 Adoption of new financial reporting standards

On 1 January 2020, the Company passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Company is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidance' ('the Accounting Guidance').

The Company has adopted financial reporting standards relating to financial instruments (TAS 32, and the Accounting Guidance) and leases standard (TFRS 16) retrospectively from 1 January 2020 but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments and reclassifications made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and the Accounting Guidance) and leases standard (TFRS 16):

	As at 31 December 2019 Previously reported Baht	TAS 32 and the Accounting Guidance Reclassifications and adjustments Baht	TFRS 16 Adjustments Baht	As at 1 January 2020 Restated Baht
<b>Assets</b>				
Cash and cash equivalents	669,466,169	(172,306)	-	669,293,863
Accrued investment income	132,557,700	(44,645,883)	-	87,911,817
Loans and accrued interest receivables	318,540,571	44,645,883	-	363,186,454
Other assets	100,652,661	-	78,946,212	179,598,873
<b>Total assets</b>	<b>1,221,217,101</b>	<b>(172,306)</b>	<b>78,946,212</b>	<b>1,299,991,007</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Other liabilities	30,039,261	-	78,946,212	108,985,473
<b>Total liabilities</b>	<b>30,039,261</b>	<b>-</b>	<b>78,946,212</b>	<b>108,985,473</b>
<b>Equity</b>				
Remeasurements of investments measured at fair value through other comprehensive income - net of tax	2,169,914,110	1,319,140	-	2,171,233,250
Deficits	(176,206,011)	(1,491,446)	-	(177,697,457)
<b>Total equity</b>	<b>1,993,708,099</b>	<b>(172,306)</b>	<b>-</b>	<b>1,993,535,793</b>
<b>Total liabilities and equity</b>	<b>2,023,747,360</b>	<b>(172,306)</b>	<b>78,946,212</b>	<b>2,102,521,266</b>

4 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

4.1 Adoption of new financial reporting standards (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the accounting treatment as follow:

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Company recognised impairment losses for deposits with bank and financial institution of Baht 172,306 and investments in securities of Baht 1,319,140. The transition adjustment will be recognised as an adjustment to the opening balance of deficits.

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 3.09%.

	<u>Baht</u>
Operating lease commitments disclosed as at 31 December 2019	56,665,589
<u>Less</u> discounted using the lessee's incremental borrowing rate of at the date of initial application	(2,376,995)
<u>Less</u> low-value leases recognised on a straight-line basis as expense	(1,680,070)
<u>Add</u> adjustments as a result of a different treatment of extension and termination options	318,750
<u>Add</u> adjustments relating to service agreements	26,018,938
Lease liability recognised as at 1 January 2020	<u>78,946,212</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepayment relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	<u>30 September 2020 Baht</u>	<u>1 January 2020 Baht</u>
Buildings and improvements	49,972,522	77,522,434
Vehicle	1,159,778	1,773,778
Total right-of-use assets	<u>51,132,300</u>	<u>79,296,212</u>

#### 4 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

##### 4.1 Adoption of new financial reporting standards (Cont'd)

###### *Practical expedients applied*

In applying TFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

##### 4.2 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

###### Investments in securities

###### *Classification and measurements*

From 1 January 2020, the Company classifies its financial assets as investments measured at fair value through other comprehensive income (FVOCI).

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

###### *Impairment*

From 1 January 2020, the Company assesses expected credit loss on a forward-looking basis for its financial assets which are debt securities carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss.

#### 4 Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

##### 4.2 Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

###### Right-of-use assets and lease liabilities

The Company leases buildings and improvements and vehicle. Rental contracts are typically made for fixed periods of 3 years. Before 2020 financial year, leases of buildings and improvements and vehicle were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are recorded as part of "Other assets" in the statement of financial positions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease prepayments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise the underlying asset value equal or less than USD 5,000.

## 5 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 2019.

## 6 Fair value

### 6.1 Fair value estimation

The table below presents assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, and the Company is able to access that market on valuation date
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's assets that are measured at fair value as at 30 September 2020 and 31 December 2019.

	30 September 2020 (Unaudited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Assets</b>				
Investments in securities				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,477,688,564	-	10,477,688,564
- Private enterprise securities	-	4,146,462,285	-	4,146,462,285
<b>Total assets</b>	-	14,624,150,849	-	14,624,150,849
	31 December 2019 (Audited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Assets</b>				
Investments in securities				
Available-for-sale securities				
- Government and state enterprise securities	-	10,722,821,313	-	10,722,821,313
- Private enterprise securities	-	3,555,955,437	-	3,555,955,437
<b>Total assets</b>	-	14,278,776,750	-	14,278,776,750

There were no transfers between Levels during the period.

### 6.2 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments of marketable securities are fair valued based on the yield curve of the Thai Bond Market Association at the close of business on the statements of financial position date.



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**7 Cash and cash equivalents**

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Cash	128,800	102,500
Deposits held at call with bank	717,364,159	669,363,669
Total cash and cash equivalents	<u>717,492,959</u>	<u>669,466,169</u>

**8 Premium receivable**

As at 30 September 2020 and 31 December 2019, the balances of premium receivable are aged as follows:

	From direct insurance	
	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Current	520,574,270	475,414,400
Overdue	12,159,364	-
Total	532,733,634	475,414,400
<u>Less</u> Allowance for doubtful accounts	(281,990)	-
Premium receivable	<u>532,451,644</u>	<u>475,414,400</u>

**9 Amount due from reinsurance**

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Due from reinsurers	11,570,983	11,623,652
Total amount due from reinsurance	<u>11,570,983</u>	<u>11,623,652</u>

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**10 Investments in securities**

The details of investments in securities are as follows:

	(Unaudited) 30 September 2020		
	Cost Baht	Unrealised gain Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
- Government bonds	8,170,254,965	2,259,992,059	10,430,247,024
- Debentures	30,000,000	17,441,540	47,441,540
Private enterprise debt securities			
- Debentures	4,061,391,698	85,070,587	4,146,462,285
Total investments measured at fair value through other comprehensive income	12,261,646,663	2,362,504,186	14,624,150,849
	(Audited) 31 December 2019		
	Cost Baht	Unrealised gain Baht	Fair value Baht
<u>Available-for-sale securities</u>			
Government and state enterprise securities			
- Government bonds	8,186,654,590	2,490,256,795	10,676,911,385
- Debentures	30,000,000	15,909,928	45,909,928
Private enterprise debt securities			
- Debentures	3,349,729,522	206,225,915	3,555,955,437
Total available-for-sale securities	11,566,384,112	2,712,392,638	14,278,776,750

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**10 Investments in securities (Cont'd)**

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

	(Unaudited) 30 September 2020	
	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)	14,117,106,131	1,848,485
Investment in debt securities which credit risk has significantly increased (Stage 2)	507,044,718	6,492,498
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>14,624,150,849</b>	<b>8,340,983</b>

The Company disclosed information regarding the restricted amount of investments in Notes 26 and 27.

During the three-month and nine-month periods ended 30 September 2020, the Company recognised interest income amounted to Baht 117,416,021 and 346,420,077 Baht, respectively. (For the three-month and nine-month periods ended 30 September 2019: Baht 110,271,069 and Baht 317,814,377, respectively).

During the three-month and nine-month periods ended 30 September 2020, the Company has no sales of available-for-sale investments (For the three-month and nine-month periods ended 30 September 2019: Nil).

11 Loans and accrued interest receivables

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

	(Unaudited) 30 September 2020			(Audited) 31 December 2019		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
Policy loans						
Current	320,726,016	48,540,917	369,266,933	318,540,571	44,645,883	363,186,454
Overdue	-	-	-	-	-	-
Total	320,726,016	48,540,917	369,266,933	318,540,571	44,645,883	363,186,454
Less Allowance for doubtful accounts	-	-	-	-	-	-
Policy loans	320,726,016	48,540,917	369,266,933	318,540,571	44,645,883	363,186,454

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

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**12 Equipment**

	30 September 2020 (Unaudited)										
	Cost					Accumulated depreciation					Net balance Baht
	Beginning balance Baht	Additions Baht	Disposals Baht	Transfer Baht	Ending Balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Ending balance Baht		
Leasehold improvements	41,567,172	158,718	-	-	41,725,890	29,316,657	4,751,016	-	34,067,673	7,658,217	
Office equipment	19,506,386	264,304	(251,150)	-	19,519,540	18,274,555	328,657	(251,149)	18,352,063	1,167,477	
Furniture & fixtures	6,232,871	34,000	-	-	6,266,871	4,378,098	371,443	-	4,749,541	1,517,330	
Computers	56,647,786	4,224,223	-	3,894,800	64,766,809	35,132,340	7,033,195	-	42,165,535	22,601,274	
Hardware in progress	417,300	7,191,948	-	(3,894,800)	3,714,448	-	-	-	-	3,714,448	
<b>Total</b>	<b>124,371,515</b>	<b>11,873,193</b>	<b>(251,150)</b>	<b>-</b>	<b>135,993,558</b>	<b>87,101,650</b>	<b>12,484,311</b>	<b>(251,149)</b>	<b>99,334,812</b>	<b>36,658,746</b>	

	31 December 2019 (Audited)										
	Cost					Accumulated depreciation					Net balance Baht
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Ending balance Baht	
Leasehold improvements	40,560,878	540,202	-	-	466,092	41,567,172	26,393,829	2,922,828	-	29,316,657	12,250,515
Leasehold improvements in progress	86,984	480,092	-	(86,984)	(480,092)	-	-	-	-	-	-
Office equipment	19,078,898	625,304	(197,816)	-	19,506,386	17,490,008	971,779	(187,232)	18,274,555	1,231,831	
Furniture & fixtures	5,441,343	777,528	-	-	6,232,871	3,946,042	432,056	-	4,378,098	1,854,773	
Computers	44,399,001	9,137,225	-	-	56,647,786	27,528,600	7,603,740	-	35,132,340	21,515,446	
Hardware in progress	-	3,528,860	-	-	(3,111,560)	417,300	-	-	-	417,300	
<b>Total</b>	<b>109,567,104</b>	<b>15,089,211</b>	<b>(197,816)</b>	<b>(86,984)</b>	<b>124,371,515</b>	<b>75,358,479</b>	<b>11,930,403</b>	<b>(187,232)</b>	<b>87,101,650</b>	<b>37,269,865</b>	

**13 Intangible assets**

Intangible assets as at 30 September 2020 and 31 December 2019 comprised:

	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Baht</b>
Computer software beginning balance	116,529,477	123,006,671
Additions	1,019,574	7,418,198
Transfer in	9,380,064	17,100,552
Amortisation charges	(24,842,580)	(30,995,944)
Computer software ending balance	<u>102,086,535</u>	<u>116,529,477</u>
Computer software in progress beginning balance	6,126,847	1,714,948
Additions	28,592,392	21,512,451
Transfer out	(9,380,064)	(17,100,552)
Computer software in progress ending balance	<u>25,339,175</u>	<u>6,126,847</u>
Total intangible assets	<u>127,425,710</u>	<u>122,656,324</u>

**14 Other assets**

Other assets as at 30 September 2020 and 31 December 2019 comprised:

	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Baht</b>
Security and deposits	13,447,158	13,472,017
Prepaid tax	3,300,426	1,537
Prepaid expense	50,975,987	81,498,156
Right-of-use assets	51,132,300	-
Others	6,524,266	5,680,951
Total other assets	<u>125,380,137</u>	<u>100,652,661</u>

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**14 Other assets (Cont'd)**

**14.1 Right-of-use assets**

	30 September 2020 (Unaudited)						
	Cost			Accumulated amortisation			
	Beginning balance 1 January 2020 Baht	Addition Baht	Change in contract Baht	Ending balance 30 September 2020 Baht	Beginning balance 1 January 2020 Baht	Amortisation charge Baht	
Buildings and improvements	77,522,434	1,688,417	-	79,210,851	-	29,238,329	49,972,522
Vehicle	1,773,778	-	-	1,773,778	-	614,000	1,159,778
<b>Total</b>	<b>79,296,212</b>	<b>1,688,417</b>	<b>-</b>	<b>80,984,629</b>	<b>-</b>	<b>29,852,329</b>	<b>51,132,300</b>

The related lease liabilities are disclosed in Note 18.1.

For the three-month and nine-month periods ended 30 September 2020, the Company has low value leases from lease and service contracts which are not capitalised amounted to Baht 167,658 and Baht 502,974, respectively.

For the three-month and nine-month periods ended 30 September 2020, the Company has short-term leases from lease and service contracts which are not capitalised amounted to Baht 28,800 and Baht 38,400, respectively.

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15 Insurance liabilities

	30 September 2020 (Unaudited)		31 December 2019 (Audited)	
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht
Long-term technical reserves	11,193,204,141	-	10,489,314,960	-
Claim liability				
- Reported claim	178,156,733	(22,634,458)	156,237,084	(22,662,943)
- Claims incurred but not reported	110,616,591	-	125,090,619	-
Premium liability				
- Unearned premium reserve	354,607,002	-	346,323,931	-
Unpaid policy benefits	239,234,952	(44,861,390)	234,930,753	(17,300,887)
Due to insured	33,173,063	-	24,636,684	-
Total	12,108,992,482	(67,495,848)	11,376,534,031	(39,963,830)

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



15 Insurance liabilities (Cont'd)

15.1 Long-term technical reserves

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

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Beginning balance for the period/year	10,489,314,960	9,289,261,178
Policy reserve movement for new policies and inforce policies during the period/year	1,156,788,089	1,777,516,083
Net movement in benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	(452,898,908)	(577,462,301)
Closing balance at the end of period/year	<u>11,193,204,141</u>	<u>10,489,314,960</u>

15.2 Short-term technical reserves

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

15.2.1 Claim liability

The movement of claim liability are as follows:

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Beginning balance for the period/year	281,327,703	272,568,573
Insurance claims and loss adjustment expenses incurred during the period/year	597,674,723	822,549,558
Change in claim reserve and assumptions	(14,474,028)	20,419,825
Insurance claims and loss adjustment expenses paid during the period/year	(575,755,074)	(834,210,253)
Closing balance at the end of period/year	<u>288,773,324</u>	<u>281,327,703</u>

15.2.2 Unearned premium reserve

The movement of unearned premium reserve are as follows:

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Beginning balance for the period/year	346,323,931	288,917,037
Premium written for the period/year	1,987,289,358	2,891,232,120
Premium earned in the period/year	(1,979,006,287)	(2,833,825,226)
Closing balance at the end of period/year	<u>354,607,002</u>	<u>346,323,931</u>

15 Insurance liabilities (Cont'd)

15.3 Unpaid policy benefits

The details of unpaid policy benefits are as follows:

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Death benefits	44,336,308	47,752,315
Coupon	164,695,091	158,819,594
Expired cheque	30,203,553	28,358,844
Total	<u>239,234,952</u>	<u>234,930,753</u>

16 Amount due to reinsurance

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
Outward premium payable	<u>50,997,102</u>	<u>57,139,358</u>
Total amount due to reinsurance	<u>50,997,102</u>	<u>57,139,358</u>

17 Deferred income taxes

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

	(Unaudited) 30 September 2020 Baht	(Audited) 31 December 2019 Baht
<b>Deferred tax assets:</b>		
Deferred tax asset to be settled within 12 months	30,626,828	31,974,936
Deferred tax asset to be settled after 12 months	6,976,636	6,298,798
	<u>37,603,464</u>	<u>38,273,734</u>
<b>Deferred tax liabilities:</b>		
Deferred tax liability to be settled within 12 months	(8,346,703)	(8,000,000)
Deferred tax liability to be settled after 12 months	(474,488,997)	(549,145,194)
	<u>(482,835,700)</u>	<u>(557,145,194)</u>
<b>Deferred tax assets (liabilities) - net</b>	<u>(445,232,236)</u>	<u>(518,871,460)</u>

17 Deferred income taxes (Cont'd)

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

	Employee benefit obligations Baht	Accrued commission expenses Baht	IBNR Baht	Expected credit loss Baht	Lease liabilities Baht	Total Baht
<b>Deferred tax assets</b>						
At 1 January 2020	7,776,874	2,375,149	28,121,711	-	-	38,273,734
Increase (decrease) to profit or loss	(407,169)	1,694,200	(3,160,524)	369,697	197,796	(1,306,000)
Increase to other comprehensive income (loss)	635,730	-	-	-	-	635,730
<b>At 30 September 2020</b>	<b>8,005,435</b>	<b>4,069,349</b>	<b>24,961,187</b>	<b>369,697</b>	<b>197,796</b>	<b>37,603,464</b>
<b>At 1 January 2019</b>	<b>10,327,767</b>	<b>412,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,740,078</b>
Increase (decrease) to profit or loss	(3,297,233)	1,962,838	28,121,711	-	-	26,787,316
Increase to other comprehensive income (loss)	746,340	-	-	-	-	746,340
<b>At 31 December 2019</b>	<b>7,776,874</b>	<b>2,375,149</b>	<b>28,121,711</b>	<b>-</b>	<b>-</b>	<b>38,273,734</b>
		<b>Gain on remeasuring investments measured at fair value through other comprehensive income Baht</b>		<b>Prepaid expense Baht</b>		<b>Total Baht</b>
<b>Deferred tax liabilities</b>						
At 1 January 2020		542,478,527		14,666,667		557,145,194
Decrease to profit or loss		-		(6,000,000)		(6,000,000)
Decrease to other comprehensive income (loss)		(68,309,494)		-		(68,309,494)
<b>At 30 September 2020</b>		<b>474,169,033</b>		<b>8,666,667</b>		<b>482,835,700</b>
<b>At 1 January 2019</b>		<b>149,108,159</b>		<b>17,777,778</b>		<b>166,885,937</b>
Decrease to profit or loss		-		(3,111,111)		(3,111,111)
Increase to other comprehensive income (loss)		393,370,368		-		393,370,368
<b>At 31 December 2019</b>		<b>542,478,527</b>		<b>14,666,667</b>		<b>557,145,194</b>

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**17 Deferred income taxes (Cont'd)**

As at 30 September 2020 and 31 December 2019, the Company had unutilised deductible temporary difference that the Company did not recognise as deferred tax assets in the statement of financial position as follows:

	<b>(Unaudited)</b>	
	<b>30 September 2020</b>	
	<b>Expiry date</b>	
	<b>Within 12 months</b>	<b>Over 12 months</b>
	<b>Baht</b>	<b>Baht</b>
Employee benefit obligations	-	20,361,029
Leasehold demolishing cost	-	6,550,100
Expected credit loss	-	6,492,498
Allowance for doubtful accounts	-	281,990
	-	33,685,617

	<b>(Audited)</b>	
	<b>31 December 2019</b>	
	<b>Expiry date</b>	
	<b>Within 12 months</b>	<b>Over 12 months</b>
	<b>Baht</b>	<b>Baht</b>
Employee benefit obligations	-	18,012,193
Leasehold demolishing cost	-	6,181,079
	-	24,193,272

**18 Other liabilities**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
Tax payable	12,708,717	21,033,751
Lease liabilities	51,771,281	-
Others	14,814,825	9,005,510
Total	79,294,823	30,039,261

**18 Other liabilities (Cont'd)**

**18.1 Lease liabilities**

The maturity analysis of lease liabilities is aged as follows:

	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Baht</b>
<b>Maturing</b>	
Within 1 year	40,438,358
Between 1 to 2 years	10,748,161
Between 2 to 3 years	584,762
Between 3 to 4 years	-
Between 4 to 5 years	-
Later than 5 years	-
<b>Total</b>	<b>51,771,281</b>
<i>Including: - Principal</i>	<i>52,784,727</i>
<i>- Deferred interest expense</i>	<i>(1,013,446)</i>

For the three-month and nine-month periods ended 30 September 2020, interest expense on lease liabilities amounted to Baht 425,541 and Baht 1,427,784 is recorded as "Finance cost" in the statement of comprehensive income.

During the second quarter of 2020, the Company received discounts in the lease payments from lessor due to the COVID-19 situation. The Company has reduced the lease liabilities, reversed depreciation charge on the right-of-use assets and interest expenses on the lease liabilities and recognised the difference in profit or loss according to TFAC announcement on the temporary measures to relieve the impact from COVID-19. The adjustment is immaterial to the interim financial information.

**19 Share capital**

	<b>Ordinary shares</b>	
	<b>Number</b> <b>of shares</b>	<b>Baht</b>
At 31 December 2018	139,025,000	1,390,250,000
Issue of shares	-	-
At 31 December 2019	139,025,000	1,390,250,000
Issue of shares	-	-
At 30 September 2020	<b>139,025,000</b>	<b>1,390,250,000</b>

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**20 Operating expenses**

	(Unaudited)	
	For the three-month periods ended	
	30 September 2020 Baht	30 September 2019 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	68,289,720	74,780,659
Property and equipment expenses not relating to underwriting expenses	36,285,433	28,614,129
Tax expenses	139,030	132,677
Selling and administrative expenses	46,834,231	37,965,987
Other operating expenses	12,186,955	11,389,495
<b>Total operating expenses</b>	<b>163,735,369</b>	<b>152,882,947</b>

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2020 Baht	30 September 2019 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	219,052,188	227,881,483
Property and equipment expenses not relating to underwriting expenses	95,204,063	91,688,721
Tax expenses	585,409	720,519
Selling and administrative expenses	137,739,385	114,671,190
Other operating expenses	35,611,068	33,606,183
<b>Total operating expenses</b>	<b>488,192,113</b>	<b>468,568,096</b>

**21 Employee benefit expenses**

	(Unaudited)	
	For the three-month periods ended	
	30 September 2020 Baht	30 September 2019 Baht
Salary	51,184,167	55,127,121
Social security fund	225,613	370,212
Contribution to employee benefit plan	2,415,568	1,599,909
Bonus	15,165,731	15,703,081
Other employee benefit expenses	12,244,144	11,406,194
<b>Total employee benefit expenses</b>	<b>81,235,223</b>	<b>84,206,517</b>

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2020 Baht	30 September 2019 Baht
Salary	158,794,327	160,306,044
Social security fund	793,318	1,140,204
Contribution to employee benefit plan	6,723,659	6,182,794
Bonus	50,519,750	51,859,359
Other employee benefit expenses	41,363,083	39,171,557
<b>Total employee benefit expenses</b>	<b>258,194,137</b>	<b>258,659,958</b>

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**22 Expected credit loss**

	(Unaudited) For the three-month period ended <u>30 September 2020</u> Baht
Cash and cash equivalents	(170,035)
Investments in securities	118,590
Total expected credit loss	<u>(51,445)</u>
	(Unaudited) For the nine-month period ended <u>30 September 2020</u> Baht
Cash and cash equivalents	(172,306)
Investments in securities	7,021,843
Total expected credit loss	<u>6,849,537</u>

**23 Earnings (loss) per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	(Unaudited) For the three-month periods ended	
	<u>30 September 2020</u>	<u>30 September 2019</u>
Net profit for the period (Baht)	41,767,763	76,036,723
Weighted average number of ordinary shares in issue during the period (shares)	139,025,000	139,025,000
Basic earnings per share (Baht)	0.30	0.55
	(Unaudited) For the nine-month periods ended	
	<u>30 September 2020</u>	<u>30 September 2019</u>
Net profit for the period (Baht)	105,130,899	146,832,982
Weighted average number of ordinary shares in issue during the period (shares)	139,025,000	139,025,000
Basic earnings per share (Baht)	0.76	1.06

There are no potential dilutive ordinary shares in issue for the periods ended 30 September 2020 and 2019.

24 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 2020	30 September 2019	30 September 2020	30 September 2019
	Baht	Baht	Baht	Baht
<b>Affiliates of Chubb Limited</b>				
Premium ceded to reinsurers	637,039	962,481	1,674,237	3,228,861
Commissions and brokerages	166,658	204,817	539,519	658,727
Operating expenses	1,999,670	3,061,441	6,112,144	10,098,533

b) Statements of financial position

	(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Baht	Baht
<b>Assets</b>		
<b>Affiliate Company</b>		
Other assets	2,915,876	2,827,645
<b>Liabilities</b>		
<b>Parent Company</b>		
Employee benefit obligations	69,572,418	69,572,418
<b>Affiliate Company</b>		
Amount due to reinsurance	637,040	3,935,397
Other liabilities	7,835,112	4,987,734
Other creditors	73,044	73,038
Accrued commission expenses	595,718	620,129
Accrued expenses	9,646,420	4,327,860
<b>Equity</b>		
<b>Parent Company</b>		
Other reserve	13,830,274	5,223,374



**Chubb Life Assurance Public Company Limited**  
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**For the interim period ended 30 September 2020**

**25 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:

	<b>(Unaudited)</b> <b>For the three-month</b> <b>periods ended</b>		<b>(Unaudited)</b> <b>For the nine-month</b> <b>periods ended</b>	
	<b>30 September</b> <b>2020</b> <b>Baht</b>	<b>30 September</b> <b>2019</b> <b>Baht</b>	<b>30 September</b> <b>2020</b> <b>Baht</b>	<b>30 September</b> <b>2019</b> <b>Baht</b>
Short-term benefits	15,613,605	13,323,538	70,136,729	61,261,638
Retirement benefits	247,826	103,715	889,353	318,470
<b>Total</b>	<b>15,861,431</b>	<b>13,427,253</b>	<b>71,026,082</b>	<b>61,580,108</b>

**26 Assets deposited with Insurance Registrar**

As at 30 September 2020 and 31 December 2019, the Company pledged certain assets with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act Section 20 B.E. 2535 as follows:

	<b>Carrying value</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Baht</b>
Government bonds	36,950,123	37,898,449

**27 Assets pledged as reserve with registrar**

As at 30 September 2020 and 31 December 2019, 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:

	<b>Carrying value</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Baht</b>
Government bonds	3,142,073,355	3,228,551,540

**28 Contribution to Life Insurance Fund**

In compliance with the Life Insurance Act, as at 30 September 2020, the Company had cumulative contribution to Life Insurance Fund amounting to Baht 42,485,792 (31 December 2019: Baht 39,515,646).

**29 Commitments**

As indicated in Note 4, the Company has adopted IFRS 16 retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard.

As at 30 September 2020, 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. Prior to the adoption of IFRS 16, the Company had future aggregate minimum lease payments under non-cancellable buildings and improvements and vehicle leases as follows:

	<b>(Unaudited)</b>		
	<b>30 September 2020</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	518,632	6,222,246	6,740,878
Due more than 1 year but no later than 5 years	677,664	1,521,858	2,199,522
	<u>1,196,296</u>	<u>7,744,104</u>	<u>8,940,400</u>
	<b>(Audited)</b>		
	<b>31 December 2019</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	24,327,050	5,490,373	29,817,423
Due more than 1 year but no later than 5 years	24,471,152	2,377,014	26,848,166
	<u>48,798,202</u>	<u>7,867,387</u>	<u>56,665,589</u>