

**CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED**

**STATUTORY FINANCIAL STATEMENTS**

**31 DECEMBER 2022**



## **Independent Auditor's Report**

To the Shareholders of Chubb Life Assurance Public Company Limited

### **My opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Chubb Life Assurance Public Company Limited (the "Company") as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### **What I have audited**

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Company's financial reporting process.



### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

PricewaterhouseCoopers ABAS Ltd.

**Paiboon Tunkoon**  
Certified Public Accountant (Thailand) No. 4298  
Bangkok  
19 April 2023

**Chubb Life Assurance Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Assets</b>			
Cash and cash equivalents	9	1,052,089,620	853,220,570
Premium receivable	10	545,891,422	512,404,050
Accrued investment income		105,726,988	105,547,198
Amounts due from reinsurance	11	5,507,881	12,239,177
Invested assets			
Investments in securities	12, 32, 33	15,413,654,383	15,832,752,470
Loans and accrued interest receivables	13	453,327,181	397,698,045
Leasehold improvements and equipment	14	158,988,214	59,842,413
Intangible assets	15	349,582,389	224,667,107
Deferred tax assets	20	7,683,186	-
Other assets	16, 30	595,472,829	588,261,911
<b>Total assets</b>		<b>18,687,924,093</b>	<b>18,586,632,941</b>

**CHUBB**

Chubb Life Assurance Public Company Limited  
บริษัท ชับบ์ โพลี แอสicurance จำกัด (มหาชน)

  
.....  
Mrs. Angela Julie Hunter

  
.....  
Mr. Adrian Clive O'Brian

Directors

The accompanying notes are an integral part of this financial statement.

**Chubb Life Assurance Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2022**

	<b>Notes</b>	<b>2022</b> <b>Baht</b>	<b>2021</b> <b>Baht</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance liabilities	17	15,666,886,504	14,197,912,673
Amounts due to reinsurance	18, 30	107,475,958	97,150,396
Employee benefit obligations	19, 30	187,850,655	156,945,540
Deferred tax liabilities	20	-	231,603,045
Other liabilities	22, 30	311,813,001	338,606,259
Other creditors	30	111,452,658	187,786,308
Accrued commission expenses	30	488,647,364	215,220,514
Accrued expenses	30	446,054,906	381,987,474
<b>Total liabilities</b>		<b>17,320,181,046</b>	<b>15,807,212,209</b>
<b>Equity</b>			
Share capital	28		
Registered			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,876,250,000
Issued and fully paid-up			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,876,250,000
Deficits		(124,688,895)	(105,352,321)
Other components of equity			
Remeasurements of investments measured at fair value through other comprehensive income - net of tax		(430,485,970)	975,400,014
Remeasurements of employment benefit obligations - net of tax		(9,002,305)	(4,760,954)
Other reserve	30	55,670,217	37,883,993
<b>Total equity</b>		<b>1,367,743,047</b>	<b>2,779,420,732</b>
<b>Total liabilities and equity</b>		<b>18,687,924,093</b>	<b>18,586,632,941</b>

The accompanying notes are an integral part of this financial statement.

**Chubb Life Assurance Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Revenues</b>			
Gross written premiums		7,398,641,337	6,606,124,709
<u>Less</u> premiums ceded to reinsurers	30	<u>(172,829,555)</u>	<u>(139,029,595)</u>
Net written premiums		7,225,811,782	6,467,095,114
<u>Less</u> net change in unearned premium reserve		<u>(275,802,112)</u>	<u>(222,944,585)</u>
Net earned premiums		6,950,009,670	6,244,150,529
Fee and commission income		24,043,037	19,252,079
Investment income		563,489,130	514,229,959
Realised gain on investment	12.1	86,109,544	17,381
Other income		-	487,638
<b>Total revenues</b>		<u>7,623,651,381</u>	<u>6,778,137,586</u>
<b>Expenses</b>			
Change in long-term technical reserve		1,176,207,950	1,333,095,619
Gross benefits and claim paid		2,400,562,120	1,831,818,136
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(82,303,545)</u>	<u>(61,006,440)</u>
Commissions and brokerages	30	3,204,202,359	2,886,550,230
Other underwriting expenses		76,237,740	75,987,106
Operating expenses	23, 30	881,778,475	698,003,137
Other expenses		2,037,867	-
Finance cost	22.1	4,879,521	637,868
(Reversal) Expected credit loss	25	<u>(8,025,706)</u>	<u>5,088,993</u>
<b>Total expenses</b>		<u>7,655,576,781</u>	<u>6,770,174,649</u>
<b>Profit (loss) before income tax</b>		<u>(31,925,400)</u>	7,962,937
Income tax (credited) expenses	26	<u>(12,588,826)</u>	<u>20,594,589</u>
<b>Net loss</b>		<u>(19,336,574)</u>	<u>(12,631,652)</u>

The accompanying notes are an integral part of this financial statement.

**Chubb Life Assurance Public Company Limited**  
**Statement of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2022**

	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Other comprehensive income (loss)</b>			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Loss on remeasurement of post-employment benefit obligations	19	(6,491,927)	(1,661,530)
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	2,250,576	(619,885)
Total items that will not be reclassified subsequently to profit or loss		<u>(4,241,351)</u>	<u>(2,281,415)</u>
<u>Items that will be reclassified subsequently to profit or loss</u>			
Loss on remeasuring investments measured at fair value through other comprehensive income	12.2	(1,544,223,269)	(1,326,166,068)
Realised gain on investments measured at fair value through other comprehensive income transferred to profit or loss	12.2	(86,109,544)	(17,381)
Income tax relating to items that will be reclassified subsequently to profit or loss	20, 27	224,446,829	265,236,690
Total items that will be reclassified subsequently to profit or loss		<u>(1,405,885,984)</u>	<u>(1,060,946,759)</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u>(1,410,127,335)</u>	<u>(1,063,228,174)</u>
<b>Total comprehensive loss for the year</b>		<u><u>(1,429,463,909)</u></u>	<u><u>(1,075,859,826)</u></u>
<b>Earnings (loss) per share</b>	29		
Basic earnings (loss) per share		<u>(0.10)</u>	<u>(0.07)</u>

The accompanying notes are an integral part of this financial statement.

**Chubb Life Assurance Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

	Notes	Issued and paid-up share capital	Deficits	Remeasurements of investments measured at fair value through other comprehensive income, net of tax		Remeasurement of post-employment benefit obligations - net of tax		Other reserve	Total components of equity
				Baht	Baht	Baht	Baht		
<b>Beginning balance as at 1 January 2022</b>		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 for the year		-	(19,336,574)	-	-	-	-	(19,336,574)	
Equity-settled share-based payment	30	-	-	-	-	17,786,224	17,786,224	17,786,224	
Loss on remeasurement of post-employment benefit obligations		-	-	-	(4,241,351)	-	(4,241,351)	(4,241,351)	
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(1,336,998,349)	-	-	(1,336,998,349)	(1,336,998,349)	
Realised gain from investments measured at fair value through other comprehensive income transferred to profit or loss		-	-	(68,887,635)	-	-	(68,887,635)	(68,887,635)	
<b>Ending balance as at 31 December 2022</b>		1,876,250,000	(124,688,895)	(430,485,970)	(9,002,305)	55,670,217	(383,818,058)	1,367,743,047	
<b>Beginning balance as at 1 January 2021</b>		1,390,250,000	(92,720,669)	2,036,346,773	(2,479,539)	16,473,035	2,050,340,269	3,347,869,600	
Net loss for the year		-	(12,631,652)	-	-	-	-	(12,631,652)	
Proceeds from shares issued	28	486,000,000	-	-	-	-	-	486,000,000	
Equity-settled share-based payment		-	-	-	-	21,410,958	21,410,958	21,410,958	
Loss on remeasurement of post-employment benefit obligations		-	-	-	(2,281,415)	-	(2,281,415)	(2,281,415)	
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(1,060,932,854)	-	-	(1,060,932,854)	(1,060,932,854)	
Realised gain from investments measured at fair value through other comprehensive income transferred to profit or loss		-	-	(13,905)	-	-	(13,905)	(13,905)	
<b>Ending balance as at 31 December 2021</b>		1,876,250,000	(105,352,321)	975,400,014	(4,760,954)	37,883,993	1,008,523,053	2,779,420,732	

The accompanying notes are an integral part of this financial statement.



**Chubb Life Assurance Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

	<b>Notes</b>	<b>2022 Baht</b>	<b>2021 Baht</b>
<b>Cash flows provided by (used in) operating activities</b>			
Written premium received from direct insurance		7,290,603,511	6,519,792,086
Cash paid to reinsurance		(49,426,115)	(16,922,279)
Investment income		578,660,979	526,266,814
Other income (expense)		(1,103,582)	487,638
Gross benefits and claim paid from direct insurance		(2,386,373,756)	(1,807,381,981)
Commissions and brokerages from direct insurance		(2,901,830,060)	(2,850,071,404)
Other underwriting expenses		(75,210,152)	(75,173,751)
Operating expenses		(812,863,944)	(783,775,027)
Income tax expense		(6,058,674)	(11,478,797)
Cash received in relation to investment in securities		3,102,611,660	960,812,391
Cash paid in relation to investment in securities		(4,244,939,360)	(3,109,606,353)
Cash received in relation to loan repayments		157,108,417	232,197,572
Cash paid in relation to loan drawdowns		(124,576,310)	(133,454,096)
Net cash provided by (used in) operating activities		<u>526,602,614</u>	<u>(548,307,187)</u>
<b>Cash flows provided by (used in) investing activities</b>			
Cash received in relation to equipment		75,269	-
Cash paid in relation to equipment		(123,861,773)	(44,165,683)
Cash paid in relation to computer software	15	(166,266,235)	(117,802,737)
Net cash used in investing activities		<u>(290,052,739)</u>	<u>(161,968,420)</u>
<b>Cash flows provided by (used in) financing activities</b>			
Cash paid for lease liabilities		(37,680,825)	(41,145,458)
Cash received from issuance of ordinary shares	28	-	486,000,000
Net cash provided by (used in) financing activities		<u>(37,680,825)</u>	<u>444,854,542</u>
<b>Net increase (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year	9	853,220,570	1,118,641,635
<b>Cash and cash equivalents at the end of the year</b>		<u><u>1,052,089,620</u></u>	<u><u>853,220,570</u></u>

**Non-cash transaction**

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

Payable from purchasing equipment	266,858	250,380
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The accompanying notes are an integral part of this financial statement.

## **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.

During the year, the Company notified a change in address of its registered office as follows:

21st - 22nd floor, 130 - 132 Sindhorn Tower 3, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.  
(31 December 2021: 11th - 12th 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 financial statements were authorised by the Board of Directors on 19 April 2023.

## **2 Basis of preparation**

The financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards (TFRSs) issued under the Accounting Profession Act B.E. 2547. In addition, the financial statements presentation have been prepared based on the format of life insurance financial statements 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 financial statements have been prepared under the historical cost convention except certain investments which are presented at fair value as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management’s judgement in applying the Company’s accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

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

### 3 New and amended financial reporting standards

#### 3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022 and are relevant to the Company

- a) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. Insurers applying the temporary exemption from TFRS 9 by using accounting guidance, financial instruments and disclosures for insurance business are also required to apply the same practical expedient. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

New and amended financial reporting standards has no significant impact to the Company.

#### 3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and are relevant to the Company

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Company.

- a) Amendment to TAS 16 - Property, plant and equipment clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.

#### **4 Accounting policies**

##### **4.1 Recognition of revenues and expenses**

Ordinary premium income is recognised as revenue when premium is received and on the effective date of the insurance policies for the first year premium. For the renewal year premium, premium income is recognised as revenue when premium is due. Premium receivable is additionally recognised as revenue when the policy is still in force and in the process of collection.

Group premium income is recognised as revenue when the policies are effective and issued.

Benefits payments to life policy and insurance claims are recorded when notices of claims have been received or the policyholders request to surrender the policy. Other benefits are recognised when due or on maturity.

Expenses relating to the sale of life insurance policies i.e. commissions and brokerages are recognised when incurred.

Interest income is recognised on an accrual basis. Dividends on securities are recognised on the dividend declaration date.

Other income and expenses are recognised on an accrual basis.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

##### **4.3 Premium receivable**

Premium receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amount at the year end. Bad debts are written-off during the year in which they are identified.

##### **4.4 Reinsurance transactions**

Reinsurance transactions are recorded based on estimates of amounts to be received or paid from reinsurers in accordance with term and condition in agreements. Premiums ceded and claims reimbursed are presented on a gross basis in profit or loss and net basis by reinsurer in statement of financial position. The Company presents net of reinsurance to the same entity when the following criteria for offsetting are met.

- 1) The Company has a legal right to offset amounts presented in the statements of financial position, and
- 2) The Company intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

Amount due from reinsurance are subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss.

#### **4 Accounting policies (Cont'd)**

##### **4.5 Investments in securities**

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') until TFRS 17 Insurance Contracts are effective.

##### **a) Classification**

The Company classifies its financial assets as investments measured at fair value through other comprehensive income (FVOCI).

TAS 32 and the Accounting Guidance require the Company to classify financial instruments as equity instruments or debt instruments.

##### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

##### **d) Debt instruments**

Subsequent measurement of debt instruments is classified into four measurement categories:

- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss from subsequent measurement is recognised in profit or loss in the period in which it arises.
- **FVOCI:** Financial assets that are held for collection of contractual cash flows; and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses, interest income using the effective interest method, and foreign exchange gains/losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains (losses) on investment. Interest income is included in finance income. Impairment expenses are presented separately in the statement of comprehensive income.

**4 Accounting policies (Cont'd)**

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

d) Debt instruments (Cont'd)

Subsequent measurement of debt instruments is classified into four measurement categories: (Cont'd)

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVO: Financial assets irrevocably designated at fair value through profit or loss in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases. A gain or loss on these investments is recognised in profit or loss and presented net within fair value gains (losses) in the period in which it arises.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investment at the time of the purchase and re-evaluates such designation on a regular basis.

e) Equity instruments

The Company measures all equity investments at fair value where the Company has elected to present fair value gains and losses on equity instruments in OCI. Dividends from such investments continue to be recognised in profit or loss as investment income when the right to receive payments is established.

f) Impairment

*Debt instruments*

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 from initial recognition. 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 Accounting policies (Cont'd)**

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

f) Impairment (Cont'd)

*Equity instruments*

A test for impairment of equity instruments is carried out quarterly or when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

**4.6 Leasehold improvements and equipment**

Leasehold improvements and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Leasehold improvements and equipment are presented in the statement of financial position at cost less any accumulated depreciation and any allowance for the decrease in value (if any).

The Company includes in cost of leasehold improvements, an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the Company has obligation to do. The Company calculates depreciation expense on the straight-line basis over the remaining contractual period. The estimated useful life, residual value and method of depreciation are revised at least at each financial year-end.

Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Leasehold improvements	3 - 9 years
Office equipment	5 years
Furniture and fixtures	5 - 9 years
Computers	3 - 7 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

When long-term asset is disposed, the Company will write off both the asset account and its related accumulated depreciation, and recognised any gain or loss from disposal of the asset in profit or loss.

The cost of leasehold improvements under operating lease is capitalised and depreciated using straight-line method over the remaining life of the lease or the useful life of the improvement, whichever is shorter.

**4.7 Computer software**

Computer software is stated at cost less accumulated amortisation and is amortised using straight-line method over the estimated useful life of 5 - 7 years.

#### **4 Accounting policies (Cont'd)**

##### **4.8 Policy loan**

Policy loan is stated at the principal amount.

Policy loan has cash surrender value as collateral. In case of cash surrender value less than the policy loan amount, the Company has a right to offset loan balance with cash surrender value automatically.

##### **4.9 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

##### **4.10 Leases**

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. The Company recognised right-of-use assets as a part of other assets in the statement of financial position.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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.



#### **4 Accounting policies (Cont'd)**

##### **4.10 Leases (Cont'd)**

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 payments 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.

##### **4.11 Employee benefits**

###### **4.11.1 Provident fund**

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 13 January 1997.

Under the plan, the provident fund is funded by payments from employees and by contribution from the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions as prescribed in the Ministerial Regulations under Provident Fund Act B.E. 2530.

The Company's contributions to the provident fund are charged to profit or loss in the year to which they relate.

**4 Accounting policies (Cont'd)**

**4.11 Employee benefits (Cont'd)**

**4.11.2 Retirement benefit**

A defined benefit plan is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Under Labour Laws applicable in Thailand and the Company's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gains or losses on remeasurement of employee benefit obligation are charged or credited to other components of equity through other comprehensive income (loss) in the period which they arise.

Past-service costs are recognised immediately in profit or loss.

**4.11.3 Share-based payment**

The Company's parent company operates equity-settled share-based compensation plans. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The Company presents it under other components of equity and recognises the recharge from parent company as employee benefit obligations.

#### **4 Accounting policies (Cont'd)**

##### **4.12 Insurance liabilities**

###### **4.12.1 Product classification**

The Company classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company classified all its policies as insurance contracts, owing to the significant insurance risk present in all of the contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Company to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. Once a contract has been classified as an insurance or investment contract, no reclassification is subsequently performed unless the terms of the agreement are later amended.

Some insurance contracts have discretionary participation features, "DPF", which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed policyholder bonus. The DPF benefits in question are not significant portion of the total contractual benefits and cannot be unbundled from the underlying insurance contracts. As such the Company continues its existing accounting policies for the recognition and measurement of for these insurance contracts and does not report the DPF benefits separately, as permitted by TFRS 4.

###### **4.12.2 Liability adequacy test**

The purpose of LAT is to verify the adequacy of life insurance liabilities provisions. The test consists of comparing the insurance contract provisions with the gross premium valuation of the insurance liabilities without a provision for the risk of adverse deviation, calculated from the future expected contractual and other cash flows on a best estimate basis as at the valuation date. The LAT test is performed on the company level. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

###### **4.12.3 Long-term and short-term insurance contracts**

Long-term insurance contracts are insurance contracts which the term of contract is more than 1 year or the contract which have automatic approve of renewal which the Company cannot terminate and cannot increase or decrease premium including the change in other benefit throughout the contract term.

Short term insurance contracts are insurance contracts which do not have terms and conditions as long-term insurance contracts.

The mentioned classification of long-term and short-term insurance contracts is in accordance with approach for Risk-based Capital.

###### **4.12.4 Life policy reserves**

Life policy reserves represent the accumulated total net premium valuation reserves under actuarial principle for future insurance claims and benefits paid for life policies in force as at the statement of financial position date. This method uses assumptions approved by OIC without a provision for adverse deviation. These assumptions are set at the policy inception date remained locked-in thereafter.

**4 Accounting policies (Cont'd)**

**4.12 Insurance liabilities (Cont'd)**

**4.12.5 Loss reserve and outstanding claims**

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs.

Outstanding claims are recorded at the amount to be actually paid. Loss reserve is provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimate does not exceed the sum-insured under the relevant policy.

The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, the Company is using the Bornhuetter-Ferguson Technique for short-term insurance. IBNR reserve for long-term insurance is calculated using actuarial techniques and based on best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

**4.12.6 Unearned premium reserves**

Unearned premium reserves for group insurance and short-term riders are calculated on a proportionate of underwriting period basis.

**4.12.7 Unpaid policy benefit**

Provisions are made for the benefits unpaid at the date of the statement of financial position, recorded when due or on maturity.

**4.13 Provisions**

Provisions, excluding provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**4.14 Foreign currency translation**

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### **4 Accounting policies (Cont'd)**

##### **4.15 Current and deferred income taxes**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### **4.16 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

#### **5 Risk management**

As an insurer, the Company's activities expose it to a variety of insurance risks and financial risks. The Company applies a consistent risk management policy that is embedded in management processes and controls such that both existing and emerging risks are considered and addressed. In addition, the Company has established the enterprise risk management function for managing and monitoring the enterprise wide risks.

The Company has no policy to speculate or trade in any derivative financial instruments.

The following section summarises the Company's risk management.

**5 Risk management (Cont'd)**

**5.1 Insurance risk management**

Insurance risk is risks undertaken by life insurance companies through contracts they underwrite. The risks within this category are associated with the perils covered (e.g. death, accident, illnesses) and with the specific processes associated with the conduct of life insurance business.

The Company prepared product pricing guidelines following actuarial principle, underwriting guidelines, underwriting authorities and claims approval and settlement authorities to mitigate the insurance risks that are associated with product design, pricing and underwriting and claims management.

**Concentration**

The management considers the concentration risk of insurance products from various perspectives to avoid a concentration risk when the event of loss occurs. The Company has maintained a broad range and well-mixes of insurance products such as whole life, saving, protection, accident and health, and credit life to various group of customers in order to ensure portfolio diversification. The Company considered proportion of various products and monitored the concentration risk by the management.

The following table presents the concentration of insurance liabilities separated by product for the years ended 31 December 2022 and 2021.

	<b>2022</b>			
	<b>Ordinary individual life and riders Baht</b>	<b>Personal accident Baht</b>	<b>Group Baht</b>	<b>Total Baht</b>
Long-term technical reserves	12,407,896,873	-	1,782,544,801	14,190,441,674
Loss reserve and outstanding claims	92,875,831	5,601,575	189,152,390	287,629,796
<b>Total</b>	<b>12,500,772,704</b>	<b>5,601,575</b>	<b>1,971,697,191</b>	<b>14,478,071,470</b>
	<b>2021</b>			
	<b>Ordinary individual life and riders Baht</b>	<b>Personal accident Baht</b>	<b>Group Baht</b>	<b>Total Baht</b>
Long-term technical reserves	11,433,385,182	-	1,580,848,543	13,014,233,725
Loss reserve and outstanding claims	67,511,334	5,252,711	171,055,739	243,819,784
<b>Total</b>	<b>11,500,896,516</b>	<b>5,252,711</b>	<b>1,751,904,282</b>	<b>13,258,053,509</b>

**Lapse**

Experience study on lapse is carried out on an annual basis using statistical method. Lapse assumptions vary by product type and policy duration. The lapse rates for riders are assumed to follow the same lapse rates as the attached base products. For new products that still do not have credible lapse experience, best estimates from experience of comparable products will be used. The lapse assumption is reviewed annually.

## 5 Risk management (Cont'd)

### 5.1 Insurance risk management (Cont'd)

#### Expenses

The expense assumptions were set in line with actual expenses. The Company derived unit costs assumptions from actual expenses varied by product type and expenses assumption is inflated annually to reflect higher cost of underwriting, issuing and maintaining the policies. The expense assumption is reviewed annually.

#### Mortality and Morbidity

The deviation of actual claims experience and mortality and morbidity assumption used can significantly impact the operating result. The experience is volatile at the individual product level, particularly for smaller products such as basic term assurances. Experience study on mortality and morbidity rates is carried out on an annual basis. The mortality and morbidity rates are in line with actual experience and are compared with other life insurers. The Company's mortality and morbidity assumptions vary by product type and considered to be adequate. The mortality and morbidity assumptions are reviewed annually.

### 5.2 Financial risk management

#### 5.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

##### Foreign exchange risk

As of 31 December 2022 and 2021, the Company had no significant foreign currency financial instruments.

##### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates primarily to investments in debt securities and deposit at financial institutions. The majority of the Company's financial assets bear fixed interest rate and are long term and, therefore, their value may fluctuate due to changes in market interest rate.

The outstanding balances of significant financial assets as of 31 December 2022 and 2021 are summarised by interest rate types as follows:

	2022						
	Fixed interest rate			Floating interest rate	No interest rate	Total	Rate %
	< 1 year	1 - 5 years	> 5 years				
Baht	Baht	Baht	Baht	Baht	Baht		
Financial assets							
Cash and cash equivalents	-	-	-	521,182,921	530,906,699	1,052,089,620	0.01 - 0.65
Investments in debt securities	229,581,598	2,153,124,367	13,015,063,819	-	-	15,397,769,784	2.50 - 7.99
Other assets	-	-	-	-	55,686,294	55,686,294	-
	229,581,598	2,153,124,367	13,015,063,819	521,182,921	586,592,993	16,505,545,698	
	2021						
	Fixed interest rate			Floating interest rate	No interest rate	Total	Rate %
	< 1 year	1 - 5 years	> 5 years				
Baht	Baht	Baht	Baht	Baht	Baht		
Financial assets							
Cash and cash equivalents	-	-	-	477,560,523	375,660,047	853,220,570	0.05 - 0.30
Investments in debt securities	154,282,316	2,082,427,894	13,577,792,260	-	-	15,814,502,470	2.50 - 7.99
Other assets	-	-	-	-	22,679,106	22,679,106	-
	154,282,316	2,082,427,894	13,577,792,260	477,560,523	398,339,153	16,690,402,146	

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.1 Market risk (Cont'd)

*Sensitivity*

Profit or loss may be sensitive to higher or lower interest income from investments in debt securities as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of investment in securities measured at fair value through other comprehensive income.

Interest income from investments are immaterially sensitive to the changes in interest rate. The table below shows the interest rate sensitivity for the financial assets held as at reporting date.

	Impact to other components of equity increase (decrease)	
	2022 Baht	2021 Baht
Interest rate - increase 0.5%*	(935,884,822)	(923,785,614)
Interest rate - decrease 0.5%*	1,035,517,165	1,031,309,707

\* Holding all other variables constant

Equity price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price. The Company's exposure to equity securities price risk arises from investments held by the Company which are classified either as at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the Company invested in equity investments which are publicly traded and are included in SET100 Index.

*Sensitivity*

The table below summarises the impact of increase/decrease of the equity index on the Company's other components of equity for the year. The analysis is based on the assumption that the equity price had increased by 0.5% or decreased by 0.5%, respectively.

	Impact to other components of equity increase (decrease)	
	2022 Baht	2021 Baht
<b>Thailand Stock Exchange</b>		
Equity prices increase 0.5%*	79,423	91,250
Equity prices decrease 0.5%*	(79,423)	(91,250)

\* Holding all other variables constant

As of 31 December 2022, entire equity portfolio of the Company is classified as investment measured at FVOCI, equity price risk does not impact post-tax profit. Other components of equity would increase or decrease as a result of gains/losses on equity securities.



**5 Risk management (Cont'd)**

**5.2 Financial risk management (Cont'd)**

**5.2.2 Credit risk**

The Company has no significant concentrations of credit risk. The Company chooses to provide services to the customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Company's investments in debt instruments are considered to be low risk investments. The Company regularly monitors the credit ratings of the investments for credit deterioration.

a) Impairment of financial assets

The Company has cash and cash equivalents, investment in debt securities measured at FVOCI and other assets as financial assets that are subject to the expected credit loss model.

While cash and cash equivalents and other assets are also subject to the impairment requirements of the Accounting Guidance, the identified impairment loss was immaterial.

*Debt investments measured at fair value through other comprehensive income*

The Company considers that debt investments measured at FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected credit losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency.

In some case, certain debt investments measured at FVOCI that have significant increase in credit risk relative to the initial recognition, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The reconciliation of allowances of expected credit loss for debt investments measured at FVOCI for the year ended 31 December 2022 are disclosed in Note 12.3.

**5.2.3 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's financial assets mainly comprised of cash and deposits with bank and investments in securities which are highly liquid and able to be sold quickly at close to their fair value when the Company wishes to raise fund.

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.3 Liquidity risk (Cont'd)

a) Maturity of financial liabilities

The table below analyses the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2022				
Lease liabilities	38,057,964	142,623,606	122,692,374	303,373,944
Other liabilities	48,238,318	-	-	48,238,318
Other creditors	111,452,658	-	-	111,452,658
Total financial liabilities	<u>197,748,940</u>	<u>142,623,606</u>	<u>122,692,374</u>	<u>463,064,920</u>
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2021				
Lease liabilities	36,575,993	143,459,856	157,747,338	337,783,187
Other liabilities	45,362,545	-	-	45,362,545
Other creditors	187,786,308	-	-	187,786,308
Total financial liabilities	<u>269,724,846</u>	<u>143,459,856</u>	<u>157,747,338</u>	<u>570,932,040</u>

**Chubb Life Assurance Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**6 Fair value**

**6.1 Fair value estimation**

The following table shows fair values and carrying amounts of financial assets and liabilities by category at 31 December 2022 and 2021.

	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
<b>As at 31 December 2022</b>				
<i>Financial assets measured at fair value</i>				
Investments measured at FVOCI	15,413,654,383	-	15,413,654,383	15,413,654,383
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	1,052,089,620	1,052,089,620	1,052,089,620
Accrued investment income	-	105,726,988	105,726,988	105,726,988
Other assets	-	55,686,294	55,686,294	55,686,294
<i>Financial liabilities not measured at fair value</i>				
Lease liabilities	-	263,574,683	263,574,683	263,574,683
Other liabilities	-	24,091,057	24,091,057	24,091,057
Other creditors	-	111,452,658	111,452,658	111,452,658
	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
<b>As at 31 December 2021</b>				
<i>Financial assets measured at fair value</i>				
Investments measured at FVOCI	15,832,752,470	-	15,832,752,470	15,832,752,470
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	853,220,570	853,220,570	853,220,570
Accrued investment income	-	105,547,198	105,547,198	105,547,198
Other assets	-	22,679,106	22,679,106	22,679,106
<i>Financial liabilities not measured at fair value</i>				
Lease liabilities	-	293,243,714	293,243,714	293,243,714
Other liabilities	-	19,418,648	19,418,648	19,418,648
Other creditors	-	187,786,308	187,786,308	187,786,308

Proportion of the financial instruments' contract value grouped by counterparties are as follows:

	2022 %	2021 %
Financial institutions	73	71
Others	27	29
<b>Total</b>	<b>100</b>	<b>100</b>

**6 Fair value (Cont'd)**

**6.1 Fair value estimation (Cont'd)**

The following table presents the Company's financial assets that are measured at fair value by their fair value hierarchy as at 31 December 2022 and 2021.

	2022			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
<b>Assets</b>				
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
<b>Total assets</b>	<b>15,884,599</b>	<b>15,397,769,784</b>	<b>-</b>	<b>15,413,654,383</b>
	2021			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
<b>Assets</b>				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,752,562,122	-	10,752,562,122
- Private enterprise securities	18,250,000	5,061,940,348	-	5,080,190,348
<b>Total assets</b>	<b>18,250,000</b>	<b>15,814,502,470</b>	<b>-</b>	<b>15,832,752,470</b>

There were no transfers between levels during the year.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the closing 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.

**6.2 Valuation techniques used to derive Level 1 fair values**

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

**6.3 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.

**6 Fair value (Cont'd)**

**6.4 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.

**7 Critical accounting estimates, assumptions and judgments**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

**7.1 Product classification**

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company exercises significant judgment to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Company to pay significant additional benefits to its customers.

In the event the Company has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. The accounting policy on product classification is described in Note 4.11.1.

**7.2 Insurance liabilities**

The Company calculates the insurance contract liabilities for traditional life insurance using a net premium valuation method, whereby the liability represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected from policyholders. This method uses assumptions prescribed by OIC without a provision for the risk of adverse deviation. These assumptions are set at the policy inception date and remained locked in thereafter, unless a deficiency arises on liability adequacy testing. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

## **7 Critical accounting estimates, assumptions and judgments (Cont'd)**

### **7.3 Loss reserve and outstanding claims**

At the end of each reporting date, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, based on the claims notified by the insured, other available information and management's own assessment and the claims incurred but not reported (IBNR). The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, the Company is using the Bornhuetter-Ferguson Technique for short-term insurance. IBNR reserve for long-term insurance is calculated using actuarial techniques and based on best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary with expertise, experience, and an understanding of the insurance business and the Company's products.

Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

### **7.4 Liability adequacy testing**

The Company evaluates the adequacy of its insurance contract liabilities quarterly. Significant judgment is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. Under liability adequacy testing, the insurance contract liabilities were calculated using a gross premium valuation method without a provision for the risk of adverse deviation. The discounting interest is the risk-free rate based on the yield curve of the Thai Bond Market Association, adjusted by illiquidity premium. Liability adequacy is assessed in accordance with the Company's manner of acquiring, servicing and measuring the profitability of its insurance contracts. The Company performs liability adequacy testing by considering all insurance contracts.

### **7.5 Employee benefits**

The Company has legal commitment on post-retirement benefits to employee on reaching retirement age. The present value of employee benefit liabilities recognised in statements of financial position is determined on present value of defined benefit obligation which depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including discounting assumption. Any changes in these assumptions will have an impact on the carrying amount of defined benefit obligation. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future year and interest rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

On a yearly basis, the Company revises the appropriate discount rate, which represents the discount rate that should be used to determine the present value of future cash flows to settle the nearly reach retired employee benefits. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are nominated in the currency in which the benefits will be paid and that have terms to maturity approximately the terms of the related pension liabilities.

Chubb Limited (Parent Company) has a Long-term Incentive Plan. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The weighted average fair value of options granted during the period are determined using the Black-Scholes option-pricing valuation model. The significant inputs into the model were exercise price at the grant date, volatility, dividend yield and an annual risk-free interest rate.

## **7 Critical accounting estimates, assumptions and judgments (Cont'd)**

### **7.6 Deferred tax**

Deferred tax liabilities are provided in full on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and tax loss carried forward in assessing whether to recognise deferred tax assets.

### **7.7 Determination of lease terms**

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

### **7.8 Determination of discount rate applied to leases**

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### **7.9 Impairment of financial assets**

The loss allowances for financial assets are based on expected credit loss. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the existing market conditions at the end of each reporting period.

## **8 Capital risk management**

The objectives when managing capital are to safeguard the ability to continue as a going concern in order to meet policyholder liabilities whilst provide returns for shareholders and benefits for other stakeholders.

The Company monitors solvency capital in compliance with the requirement of the Office of Insurance Commission under the Risk-Based Capital framework under Life Insurance Act B.E 2535 and amended by Life Insurance Act No.2 B.E 2551, No.3 B.E 2558 and No.4 B.E 2562 for the purpose of assessing the solvency capital requirement.

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**9 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Cash	226,100	195,100
Deposits held at call with bank	1,051,863,520	853,025,470
<b>Total cash and cash equivalents</b>	<b>1,052,089,620</b>	<b>853,220,570</b>

**10 Premium receivable**

The balances of premium receivable are aged as follows:

	<b>From direct insurance</b>	
	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Current	545,891,422	512,404,050
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
<b>Total</b>	<b>546,285,486</b>	<b>512,798,114</b>
<b>Less</b> Allowance for doubtful accounts	<b>(394,064)</b>	<b>(394,064)</b>
<b>Total premium receivable</b>	<b>545,891,422</b>	<b>512,404,050</b>

**11 Amounts due from reinsurance**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Due from reinsurers	5,507,881	12,239,177
<b>Total amounts due from reinsurance</b>	<b>5,507,881</b>	<b>12,239,177</b>

The amounts due from reinsurance are aged as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Current	-	-
Overdue not over 12 months	-	6,541,333
Overdue 1 - 2 years	5,507,881	4,433,139
Overdue over 2 years	-	1,264,705
<b>Total amounts due from reinsurance</b>	<b>5,507,881</b>	<b>12,239,177</b>



12 Investments in securities

12.1 Investments measured at fair value through other comprehensive income

The details of investments in securities are as follows:

	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	15,831,847,980	(418,193,597)	15,413,654,383

	2021		
	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	9,572,704,266	1,131,042,638	10,703,746,904
- Debentures	30,000,000	18,815,218	48,815,218
Private enterprise debt securities			
- Debentures	5,007,684,694	54,255,654	5,061,940,348
Equity securities	18,250,000	-	18,250,000
Total investments measured at fair value through other comprehensive income	14,628,638,960	1,204,113,510	15,832,752,470

The Company disclosed information regarding the restricted amount of investments in Notes 32 and 33.

During the year 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. (2021: Baht 300,000,000 and gain from selling investment amounted to Baht 7,879).

During the year 2022, the Company had no early redemption of investments (2021: Baht 60,000,000 and gain from redeemable investment Baht 9,502).

## 12 Investments in securities

### 12.2 Amounts recognised in profit or loss and other comprehensive income

The following gains (losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Gains (losses) recognised in other comprehensive income	(1,544,223,269)	(1,326,166,068)
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments measured at FVOCI	86,109,544	17,381
Interest income from debt instruments at FVOCI recognised in profit or loss	573,648,907	522,285,012
Recognition (Reversal) of expected credit losses for debt investments measured at FVOCI in profit or loss	(8,025,706)	5,088,993

### 12.3 Expected credit loss

	<u>31 December 2022</u>		<u>31 December 2021</u>	
	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 credit risk has not significantly increased (Stage 1)	14,723,468,250	1,474,995	14,967,560,153	3,267,322
Investment in debt securities which credit risk has significantly increased (Stage 2)	674,301,534	5,635,807	846,942,317	11,869,186
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-
<b>Total</b>	<u>15,397,769,784</u>	<u>7,110,802</u>	<u>15,814,502,470</u>	<u>15,136,508</u>

12 Investments in securities (Cont'd)

12.3 Expected credit loss (Cont'd)

The reconciliations of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the years are as follows:

	<u>Expected credit loss measured at amount equal to</u>			<u>Total Baht</u>
	<u>12 months expected credit losses Baht</u>	<u>Lifetime Expected credit losses Baht</u>	<u>Lifetime expected credit losses (credit- impaired investments) Baht</u>	
Opening loss allowance as at 1 January 2022 - calculated under the Accounting Guidance	3,267,322	11,869,186	-	15,136,508
Decrease in loss allowance recognised in profit or loss during the year	(1,792,327)	(6,233,379)	-	(8,025,706)
As of 31 December 2022	<u>1,474,995</u>	<u>5,635,807</u>	<u>-</u>	<u>7,110,802</u>
Opening loss allowance as at 1 January 2021 - calculated under the Accounting Guidance	1,869,179	8,178,336	-	10,047,515
Increase in loss allowance recognised in profit or loss during the year	1,398,143	3,690,850	-	5,088,993
As of 31 December 2021	<u>3,267,322</u>	<u>11,869,186</u>	<u>-</u>	<u>15,136,508</u>

12 Investments in securities (Cont'd)

12.4 Maturity of debt securities

Investments in debt securities will be due as follows:

	2022			Total Baht
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	-	870,124,829	10,067,835,759	10,937,960,588
Debentures	30,000,000	-	-	30,000,000
<u>Add Unrealised gains (losses) on changes in fair value of investments</u>	19,185,687	60,051,865	(400,415,404)	(321,177,852)
Total government and state enterprise securities	49,185,687	930,176,694	9,667,420,355	10,646,782,736
Private enterprise securities Debentures	179,000,000	1,202,064,229	3,464,573,163	4,845,637,392
<u>Add Unrealised gains (losses) on changes in fair value of investments</u>	1,395,911	20,883,444	(116,929,699)	(94,650,344)
Total private enterprise securities	180,395,911	1,222,947,673	3,347,643,464	4,750,987,048
Total investments measured at fair value through other comprehensive income	229,581,598	2,153,124,367	13,015,063,819	15,397,769,784

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

**12.4 Maturity of debt securities (Cont'd)**

Investments in debt securities will be due as follows: (Cont'd)

	2021			Total Baht
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	-	1,181,877,216	8,390,827,050	9,572,704,266
Debentures	-	30,000,000	-	30,000,000
<u>Add Unrealised gains on changes in fair value of investments</u>	-	132,300,195	1,017,557,661	1,149,857,856
Total government and state enterprise securities	-	1,344,177,411	9,408,384,711	10,752,562,122
Private enterprise securities Debentures	151,584,559	706,496,344	4,149,603,791	5,007,684,694
<u>Add Unrealised gains on changes in fair value of investments</u>	2,697,757	31,754,139	19,803,758	54,255,654
Total private enterprise securities	154,282,316	738,250,483	4,169,407,549	5,061,940,348
Total investments measured at fair value through other comprehensive income	154,282,316	2,082,427,894	13,577,792,260	15,814,502,470

**12.5 Additional information on investment in securities that met SPPI criteria**

	Fair value as at 31 December 2022		Change in fair value for the year ended 31 December 2022			
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Others	Total	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis		
				Others	Total	
Debt securities	15,397,769,784	-	15,397,769,784	(416,732,686)	-	(416,732,686)
<b>Total</b>	<b>15,397,769,784</b>	<b>-</b>	<b>15,397,769,784</b>	<b>(416,732,686)</b>	<b>-</b>	<b>(416,732,686)</b>
	Fair value as at 31 December 2021		Change in fair value for the year ended 31 December 2021			
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Others	Total	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis		
				Others	Total	
Debt securities	15,814,502,470	-	15,814,502,470	771,144,586	-	771,144,586
<b>Total</b>	<b>15,814,502,470</b>	<b>-</b>	<b>15,814,502,470</b>	<b>771,144,586</b>	<b>-</b>	<b>771,144,586</b>

13 Loans and accrued interest receivables

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

	2022			2021		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
<u>Policy loans</u>						
Current	385,020,635	68,306,546	453,327,181	340,286,308	57,411,737	397,698,045
Overdue	-	-	-	-	-	-
Total	385,020,635	68,306,546	453,327,181	340,286,308	57,411,737	397,698,045
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
Policy loans - net	<u>385,020,635</u>	<u>68,306,546</u>	<u>453,327,181</u>	<u>340,286,308</u>	<u>57,411,737</u>	<u>397,698,045</u>

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

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**14 Leasehold improvements and equipment**

	2022											
	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	Write-off Baht		Ending balance Baht
Leasehold improvements Leasehold	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
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	5,264,066	-	-	(2,364,222)	4,300,059	-	-	-	-	-	4,300,059
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

	2021											
	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	Write-off Baht		Ending balance Baht
Leasehold improvements Leasehold	41,725,889	144,450	-	(4,677,517)	-	37,192,822	35,558,168	5,649,937	-	(4,677,517)	36,530,588	662,234
in progress	-	35,935,031	-	-	-	35,935,031	-	-	-	-	-	35,935,031
Office equipment	18,329,085	205,177	-	-	-	18,534,262	17,250,774	596,132	-	-	17,846,906	687,356
Furniture & fixtures	6,381,111	154,070	-	-	-	6,535,181	4,880,122	721,000	-	-	5,601,122	934,059
Computers	55,743,970	4,102,158	-	-	5,318,430	65,164,558	35,440,940	9,500,100	-	-	44,941,040	20,223,518
Hardware	5,839,468	879,177	-	-	(5,318,430)	1,400,215	-	-	-	-	-	1,400,215
Total	128,019,523	41,420,063	(4,677,517)	-	-	164,762,069	93,130,004	16,467,169	(4,677,517)	(4,677,517)	104,919,656	59,842,413

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**15 Intangible assets**

Intangible assets comprises:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Computer software beginning balance	108,858,275	113,668,864
Additions	96,000	4,102,841
Disposal	-	-
Transfer in	56,380,404	29,462,028
Amortization charges	(41,350,953)	(38,375,458)
Computer software ending balance	<u>123,983,726</u>	<u>108,858,275</u>
Computer software in progress beginning balance	115,808,832	31,570,964
Additions	166,170,235	113,699,896
Transfer out	(56,380,404)	(29,462,028)
Computer software in progress ending balance	<u>225,598,663</u>	<u>115,808,832</u>
Total intangible assets	<u>349,582,389</u>	<u>224,667,107</u>

**16 Other assets**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Security and deposits	13,335,918	13,467,158
Prepaid tax	11,630,630	5,571,956
Prepaid expenses	266,459,816	266,467,185
Right-of-use assets	261,696,089	293,543,664
Others	42,350,376	9,211,948
Total other assets	<u>595,472,829</u>	<u>588,261,911</u>



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

**16.1 Right-of-use assets**

	2022						2021						
	Cost			Accumulated amortisation			Cost			Accumulated amortisation			
	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and improvements	371,372,816	997,920	-	372,370,736	77,965,596	34,179,683	596,151	112,741,430	259,629,306				
Vehicle	1,773,778	2,755,712	-	4,529,490	1,637,334	825,373	-	2,462,707	2,066,783				
<b>Total</b>	<b>373,146,594</b>	<b>3,753,632</b>	<b>-</b>	<b>376,900,226</b>	<b>79,602,930</b>	<b>35,005,056</b>	<b>596,151</b>	<b>115,204,137</b>	<b>261,696,089</b>				

Related lease liabilities are disclosed in Note 22.1.

For the year ended 31 December 2022, the Company had low value leases from lease and service contracts which are not capitalised amounted to Baht 617,832 (2021 : Baht 473,832).

For the year ended 31 December 2022, the Company had short-term leases from lease and service contracts which are not capitalised amounted to Baht 115,200 (2021 : Baht 115,200).

	2022						2021						
	Cost			Accumulated amortisation			Cost			Accumulated amortisation			
	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and improvements	79,210,851	292,161,965	-	371,372,816	38,980,712	38,389,210	595,674	77,965,596	293,407,220				
Vehicle	1,773,778	-	-	1,773,778	818,667	818,667	-	1,637,334	136,444				
<b>Total</b>	<b>80,984,629</b>	<b>292,161,965</b>	<b>-</b>	<b>373,146,594</b>	<b>39,799,379</b>	<b>39,207,877</b>	<b>595,674</b>	<b>79,602,930</b>	<b>293,543,664</b>				

**Chubb Life Assurance Public Company Limited**  
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**17 Insurance liabilities**

	2022		2021	
	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht
Long-term technical reserves	14,190,441,674	-	13,014,233,725	-
Claim liability				
- Reported claim	188,209,843	(59,311,791)	151,348,395	(33,615,985)
- Claims incurred but not reported	99,419,953	-	92,471,389	-
Premium liability				
- Unearned premium reserve	881,372,074	-	605,569,962	-
Unpaid policy benefits	257,894,822	(102,981,673)	283,284,841	(84,060,369)
Due to insured	49,548,138	-	51,004,361	-
<b>Total</b>	<b>15,666,886,504</b>	<b>(162,293,464)</b>	<b>14,197,912,673</b>	<b>(117,676,354)</b>
				<b>13,014,233,725</b>
				<b>117,732,410</b>
				<b>92,471,389</b>
				<b>605,569,962</b>
				<b>199,224,472</b>
				<b>51,004,361</b>

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

17 Insurance liabilities (Cont'd)

17.1 Long-term technical reserves

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

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Beginning balance for the year	13,014,233,725	11,681,138,106
Policy reserve increase for new policies and inforce policies during the year	2,216,517,728	2,049,636,063
Policy reserve decrease from benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits	<u>(1,040,309,779)</u>	<u>(716,540,444)</u>
Closing balance at the end of year	<u>14,190,441,674</u>	<u>13,014,233,725</u>

The assumptions used in actuarial estimation are as follows:

	<u>2022</u> <u>%</u>	<u>2021</u> <u>%</u>
Morbidity, mortality, and survival rate	15 - 130 TMO	15 - 130 of TMO
Discount rate	2 - 6	2 - 6
Benefit paid to insured	1 - 800 of SA	1 - 800 of SA

Aging of undiscounted insurance contract liabilities' repayment is as follows:

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Repayment within 1 year	961,274,981	1,598,918,446
Repayment after 1 year but within 5 years	3,004,713,279	4,504,426,995
Repayment over 5 years	<u>99,634,278,148</u>	<u>88,017,848,409</u>
Total	<u>103,600,266,408</u>	<u>94,121,193,850</u>

17 Insurance liabilities (Cont'd)

17.2 Short-term technical reserves

17.2.1 Claim liability

The movement of claim liability during the years are as follows:

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Beginning balance for the year	243,819,784	262,473,545
Insurance claims and loss adjustment expenses incurred during the year	999,247,453	743,613,365
Change in claim reserve and assumptions	6,948,564	(18,823,833)
Insurance claims and loss adjustment expenses paid during the year	<u>(962,386,005)</u>	<u>(743,443,293)</u>
Closing balance for the year	<u>287,629,796</u>	<u>243,819,784</u>

The assumptions used in actuarial estimation are as follows:

	<u>2022</u> <u>%</u>	<u>2021</u> <u>%</u>
Weighted average loss ratio	28.7	25.7

Aging of undiscounted insurance contract liabilities' repayment based on current estimate is as follows:

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Repayment within 1 year	276,464,991	233,652,631
Repayment after 1 year but within 5 years	-	-
Repayment over 5 years	-	-
Total	<u>276,464,991</u>	<u>233,652,631</u>

17.2.2 Unearned premium reserve

The movement of unearned premium reserve during the years are as follows:

	<u>2022</u> <u>Baht</u>	<u>2021</u> <u>Baht</u>
Beginning balance for the year	605,569,962	382,625,377
Premium written for the year	3,556,576,536	2,884,731,775
Premium earned in the year	<u>(3,280,774,424)</u>	<u>(2,661,787,190)</u>
Closing balance for the year	<u>881,372,074</u>	<u>605,569,962</u>

17 Insurance liabilities (Cont'd)

17.3 Claim Development Table

17.3.1 Claim development table before reinsurance

Reported Year	2022						Total Baht
	Incident Year						
	2016 Baht	2017 Baht	2018 Baht	2019 Baht	2020 Baht	2021 Baht	
Estimated claim:							
- At the end of the year	490,646,831	509,136,268	648,009,499	707,698,758	654,458,410	645,532,321	902,425,150
- After 1 year	552,172,557	581,287,427	733,515,815	788,127,618	725,194,661	718,450,618	-
- After 2 year	556,163,596	585,801,414	735,016,580	792,798,054	732,742,755	-	-
- After 3 year	556,279,261	586,647,483	737,494,097	793,003,115	-	-	-
- After 4 year	558,385,268	586,647,483	738,118,588	-	-	-	-
- After 5 year	558,560,723	586,647,483	-	-	-	-	-
- After 6 year	558,560,723	-	-	-	-	-	-
Absolute estimated claim	573,590,361	592,415,782	749,937,475	799,769,032	756,487,197	734,047,962	999,423,503
Cumulative claim paid	553,574,755	584,603,576	732,318,848	789,300,995	721,216,986	711,096,824	837,094,337
Total claim liability	20,015,606	7,812,206	17,618,627	10,468,037	35,270,211	22,951,138	162,329,166
Expired cheque							
Total claim liability							11,164,805
Recovered claim liability receivable from reinsurer							287,629,796
Net claim liability							(59,311,791)
							228,318,005

17 Insurance liabilities (Cont'd)

17.4 Unpaid policy benefits

	<u>2022 Baht</u>	<u>2021 Baht</u>
Death benefits	56,886,711	57,019,945
Coupon	174,530,497	197,901,864
Expired cheque	26,477,614	28,363,032
Total	<u>257,894,822</u>	<u>283,284,841</u>

18 Amount due to reinsurance

	<u>2022 Baht</u>	<u>2021 Baht</u>
Outward premium payable	107,475,958	97,150,396
Total amount due to reinsurance	<u>107,475,958</u>	<u>97,150,396</u>

19 Employee benefit obligations

	<u>2022 Baht</u>	<u>2021 Baht</u>
Short-term employee benefits	49,596,830	33,759,196
Long-term employee benefits	69,260,687	69,572,418
Post-employment benefits	68,993,138	53,613,926
Total employee benefit obligations	<u>187,850,655</u>	<u>156,945,540</u>

Post-employment benefit obligations from defined benefit plan

The amounts recognised in the statements of financial position are as follows:

	<u>2022 Baht</u>	<u>2021 Baht</u>
Present value of post-employment benefit obligations	68,993,138	53,613,926
Total obligations	<u>68,993,138</u>	<u>53,613,926</u>

The amounts recognised in profit or loss are as follows:

	<u>2022 Baht</u>	<u>2021 Baht</u>
Current service costs	11,127,603	7,275,929
Interest costs	867,992	639,764
	<u>11,995,595</u>	<u>7,915,693</u>

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**19 Employee benefit obligations (Cont'd)**

Changes in the present value of post-employment benefit obligations are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Beginning balance at 1 January	53,613,926	44,036,703
Current service costs	11,127,603	7,275,929
Interest costs	867,992	639,764
Remeasurements:		
Loss (gain) from change in financial assumptions	4,338,365	(3,448,844)
Loss (gain) from experience	2,153,562	5,110,374
<u>Less</u> benefits paid during the year	<u>(3,108,310)</u>	<u>-</u>
Closing balance at 31 December	<u>68,993,138</u>	<u>53,613,926</u>

Significant assumptions used in the actuarial calculation are summarised as follows:

	<b>2022</b>	<b>2021</b>
Discount rate	2.75%	2.08%
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017
Retirement age	60 years old	60 years old
Salary increase rate	5%	4% - 10%
Average turnover rate	0% - 20%	0% - 20%

Sensitivity analysis on key assumptions changes are as follows:

	<b>Impact on defined benefit obligations</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Discount rate	1.00%	1.00%	Decrease by 6.00%	Decrease by 7.00%	Increase by 7.00%	Increase by 8.00%
Salary increase rate	1.00%	1.00%	Increase by 7.00%	Increase by 8.00%	Decrease by 7.00%	Decrease by 7.00%
Average turnover rate	20.00%	20.00%	Decrease by 6.00%	Decrease by 7.00%	Increase by 8.00%	Increase by 9.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefit obligations recognised within the statement of financial position.

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Weighted average duration of the defined benefit obligations	6.66	11.2

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**19 Employee benefit obligations (Cont'd)**

Maturity analysis of undiscounted post-employment benefits:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 1 year	1,702,482	1,743,688
Benefits expected to be paid after 1 year but within 5 years	33,171,858	53,380,818
Benefits expected to be paid after 5 years	49,136,993	132,880,410

**20 Deferred income taxes**

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

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Deferred tax assets	78,753,027	64,246,958
Deferred tax liabilities	(71,069,841)	(295,850,003)
<b>Deferred tax assets (liabilities) - net</b>	<b>7,683,186</b>	<b>(231,603,045)</b>

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

	<b>At 1 January</b>	<b>Transaction</b>	<b>Transaction</b>	<b>At 31 December</b>
	<b>2022</b>	<b>in profit</b>	<b>in other</b>	<b>2022</b>
	<b>Baht</b>	<b>or loss</b>	<b>comprehensive</b>	<b>Baht</b>
		<b>Baht</b>	<b>income</b>	
			<b>Baht</b>	
<b>Deferred tax assets</b>				
- 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>
<b>Deferred tax liabilities</b>				
- 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>
<b>Deferred tax assets (liabilities) - net</b>	<u>(231,603,045)</u>			<u>7,683,186</u>



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

	At 1 January 2021 Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	At 31 December 2021 Baht
<b>Deferred tax assets</b>				
- Employee benefit	8,774,764	1,000,280	(619,885)	9,155,159
- Accrued commission expenses	5,396,177	(5,396,177)	-	-
- IBNR	25,308,584	(9,952,183)	-	15,356,401
- Expected credit loss	373,836	(373,836)	-	-
- Lease liabilities	274,738	(274,738)	-	-
- Tax losses	-	39,735,398	-	39,735,398
	<u>40,128,099</u>	<u>24,738,744</u>	<u>(619,885)</u>	<u>64,246,958</u>
<b>Deferred tax liabilities</b>				
- Unrealised gains on change in fair value of investments	509,086,693	-	(265,236,690)	243,850,003
- Prepaid expense	6,666,667	45,333,333	-	52,000,000
	<u>515,753,360</u>	<u>45,333,333</u>	<u>(265,236,690)</u>	<u>295,850,003</u>
<b>Deferred tax assets (liabilities) - net</b>	<u>(475,625,261)</u>			<u>(231,603,045)</u>

The Company had unutilised deductible temporary tax difference that the Company did not recognise as deferred tax assets in the financial statements as follows:

	<b>2022</b>	
	<b>Expiry date</b>	
	<b>Within 12 months Baht</b>	<b>Over 12 months Baht</b>
Unrealised losses on changes in fair value of investments	-	508,098,672
Employee benefit	-	74,229,908
Expected credit loss	-	5,635,807
	<u>-</u>	<u>587,964,387</u>
	<b>2021</b>	
	<b>Expiry date</b>	
	<b>Within 12 months Baht</b>	<b>Over 12 months Baht</b>
Employee benefit	11,089,252	34,131,137
Accrued commission expenses	30,439,656	-
IBNR	31,957,112	-
Expected credit loss	3,267,323	11,869,186
Lease liabilities	50,050	-
Allowance for doubtful accounts	-	394,064
	<u>76,803,393</u>	<u>46,394,387</u>

## 21 Share-based payment

Chubb Limited (Parent Company), which is listed on the New York Stock Exchange, has a stock option plan, a restricted stock plan and an employee share participation plan. As at 31 December 2022, total liabilities for share-based payment in the statement of financial position are amounted to Baht 69,252,354 (2021: Baht 69,252,354) presented in employee benefit obligations.

### Stock Option Plan

Under Chubb Limited's long-term incentive plan, restrictive share options were granted to eligible employees of the Company. The exercisable price of these options is the fair market value at grant date. These options vest at various dates over a 3 year period from the grant date and any unvested options are cancelled on termination of employment. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company on an annual basis. Any option not exercised or cancelled pursuant to the terms of plan will be forfeited by the tenth anniversary from the date of grant. The total value of the options granted during the year 2022 was USD 539,769 (2021: USD 451,632).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2022		2021	
	Average exercise price per share (USD)	Options (Shares)	Average exercise price per share (USD)	Options (Shares)
At 1 January	143.24	10,891	135.34	8,591
Granted	199.03	2,712	164.89	2,739
Exercised	207.69	(582)	181.67	(439)
Forfeited	-	(959)	-	-
Expired	-	-	-	-
At 31 December	151.53	12,062	143.22	10,891

As at 31 December 2022, out of the 12,062 outstanding options (2021: 10,891 options), 6,833 options (2021: 5,724 options) were exercisable.

For exercised options during the year ended 31 December 2022, the weighted-average fair value of stock was USD 206.12 per share (2021: USD 181.67 per share).

**21 Share-based payment (Cont'd)**

Share options outstanding as at 31 December 2022 and 2021 have the following expiry date and exercise prices:

Expiry year	Exercise price per share (USD)	Options (Shares)	
		2022	2021
2023	85.39	-	79
2024	96.76	130	269
2025	114.78	270	611
2026	118.39	763	878
2027	139.01	829	959
2028	143.07	658	798
2029	133.90	1,720	1,870
2030	150.10	2,454	2,688
2031	164.89	2,526	2,739
2032	199.03	2,712	-
Outstanding balance		12,062	10,891

The weighted average fair value of options granted during the year, determined using the Black-Scholes option-pricing valuation model, was USD 35.46 per option (2021: USD 33.05). The significant inputs into the model were exercise price of USD 199.03 (2021: USD 164.89) at the grant date, the exercise price shown above, volatility of 20.11% (2021: 25.99%), dividend yield of 1.67% (2021: 1.94%), an expected option life of 10 years and an annual risk-free interest rate of 1.90% (2021: 0.98%).

**Restricted Stock Plan**

Under Chubb Limited's long-term incentive plan, there were 2,036 restricted stock, with weighted average fair value at USD 199.03 per share, awarded to eligible employees during the year ended 31 December 2022 (2021: 2,054 restricted stock, with weighted average fair value at USD 164.89 per share). These shares vest at various dates over a 4-year period from the grant dates and any unvested shares are cancelled on termination of the employment of the eligible employees. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company. The annual expense is based on an amortised calculation that is reflective of the current year's expense portion of all restricted stock grants issued in the current and prior years and is consistent with the treatment required by TFRS 2: Share-based payment. There is liability to the Company for the unamortised portion of the restrictive stock grants issued. The amortised calculation incorporates the fair market value of Chubb Limited's common stock in determining the expense amount. Expected future dividend payments in relation to the restrictive stock grants issued are made directly by Chubb Limited to the eligible employees. The total expense for the year 2022 was Baht 11,210,280 (2021: Baht 9,172,073).

**Employee Share Participation Plan**

The Company collects money from local eligible employees and acquires ordinary shares in Chubb Limited on behalf of the employees on a bi-annual basis. Annual purchases by eligible employees are limited at USD 25,000. The price paid by the eligible employees is set at a discount of 15% to the fair value of the ordinary shares at the date of acquisition; this discount is incurred at the group level by Chubb Limited and not charged to the Company. During the year 2022, employees paid for purchase of ordinary shares of Chubb Limited was Baht 1,452,025 (2021: Baht 1,705,920).

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**22 Other liabilities**

	<b>2022</b> <b>Baht</b>	<b>2021</b> <b>Baht</b>
Tax payable	24,147,261	25,943,897
Lease liabilities	263,574,683	293,243,714
Others	24,091,057	19,418,648
<b>Total</b>	<b>311,813,001</b>	<b>338,606,259</b>

**22.1 Lease liabilities**

The maturity analysis of lease liabilities is aged as follows:

<b>Maturing</b>	<b>2022</b> <b>Baht</b>	<b>2021</b> <b>Baht</b>
Within 1 year	29,462,726	31,759,553
Between 1 to 2 years	29,645,381	28,551,507
Between 2 to 3 years	28,733,122	28,705,594
Between 3 to 4 years	29,502,331	28,493,607
Between 4 to 5 years	30,546,765	29,502,331
Later than 5 years	115,684,358	146,231,122
<b>Total</b>	<b>263,574,683</b>	<b>293,243,714</b>
<i>Including: - Principal</i>	<i>303,373,944</i>	<i>337,783,187</i>
<i>- Deferred interest expense</i>	<i>(39,799,261)</i>	<i>(44,539,473)</i>

For the year ended 31 December 2022, interest expense on lease liabilities amounted to Baht 4,879,521 is recorded as "Finance cost" in the statement of comprehensive income (2021 : Baht 637,868).

During 1 January 2022 to 30 June 2022, 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 TFRS 16 Leases.

**23 Operating expenses**

	<b>2022</b> <b>Baht</b>	<b>2021</b> <b>Baht</b>
Employee expenses not relating to underwriting expenses and claim management expenses	409,910,748	326,993,313
Property and equipment expenses not relating to underwriting expenses	156,283,560	140,762,343
Tax expenses	926,049	815,271
Selling and administrative expenses	195,425,415	166,185,715
Other operating expenses	119,232,703	63,246,495
<b>Total operating expenses</b>	<b>881,778,475</b>	<b>698,003,137</b>

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**24 Employee benefit expenses**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Salary	278,725,155	240,237,452
Social security fund	751,180	1,241,735
Contribution to defined benefit plan	13,296,970	10,356,205
Bonus	91,962,945	67,231,105
Other employee benefit expenses	70,681,936	60,882,704
<b>Total employee benefit expenses</b>	<b>455,418,186</b>	<b>379,949,201</b>

**25 Expected credit loss**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Investments in securities	(8,025,706)	5,088,993
<b>Total expected credit loss</b>	<b>(8,025,706)</b>	<b>5,088,993</b>

**26 Income tax expenses**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
<b>Current tax:</b>		
Current income tax on taxable profits for the year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
(Increase) decrease in deferred tax assets (Note 20)	(12,255,493)	(24,738,744)
Increase (decrease) in deferred tax liabilities (Note 20)	(333,333)	45,333,333
<b>Total deferred tax</b>	<b>(12,588,826)</b>	<b>20,594,589</b>
<b>Total income tax (credited) expenses</b>	<b>(12,588,826)</b>	<b>20,594,589</b>

Below is a reconciliation between effective tax rate and income tax rate used.

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Profit (loss) before tax	(31,925,400)	7,962,937
Tax rate	20%	20%
Tax calculated at a tax rate of 20%	(6,385,080)	1,592,588
Tax credit from utilisation of previously unrecognised deferred tax assets	(6,336,863)	
Tax expenses from reversal of previously recognised deferred tax assets	-	16,162,853
Effect of non-taxable income and non-deductible expenses	133,117	2,839,148
<b>Income tax (credited) expenses</b>	<b>(12,588,826)</b>	<b>20,594,589</b>

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**27 Tax effects from other comprehensive income (loss)**

	2022			2021		
	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht
Remeasurement of post-employment benefit obligations	(6,491,927)	2,250,576	(4,241,351)	(1,661,530)	(619,885)	(2,281,415)
Remeasurements of investments measured at fair value through other comprehensive income	(1,630,332,813)	224,446,829	(1,405,885,984)	(1,326,183,449)	265,236,690	(1,060,946,759)
Total	(1,636,824,740)	226,697,405	(1,410,127,335)	(1,327,844,979)	264,616,805	(1,063,228,174)

**28 Share capital**

	Ordinary shares	
	Number of shares	Baht
At 31 December 2020	139,025,000	1,390,250,000
Issue of shares	48,600,000	486,000,000
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

On 5 January 2021, the shareholders at the Annual General Meeting passed a resolution to approve the increase of registered share capital amounting to Baht 486,000,000 from Baht 1,390,250,000 to Baht 1,876,250,000 by issuing the ordinary share of 48,600,000 shares with par value of Baht 10 per share. On 25 January 2021, the issued shares were fully paid-up.

**29 Earnings per share**

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

	2022	2021
Net profit (loss) for the year (Baht)	(19,336,574)	(12,631,652)
Weighted average number of ordinary shares in issue during the year (shares)	187,625,000	185,228,288
Basic earnings (loss) per share (Baht)	(0.10)	(0.07)

There are no potential dilutive ordinary shares issued for the years ended 31 December 2022 and 2021.

**30 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**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
<b>Affiliate Company</b>		
Premiums ceded to reinsurers	3,790,610	4,225,929
Commissions and brokerages	513,512	657,248
Operating expenses	19,258,086	27,310,040

**b) Statements of financial position**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>		
<b>Affiliate Company</b>		
Other assets	29,233,822	7,533,113
<b>Liabilities</b>		
<b>Parent Company</b>		
Employee benefit obligations	69,252,354	69,252,354
<b>Affiliate Company</b>		
Amount due to reinsurance	8,016,539	4,225,929
Other liabilities	23,716,033	19,063,159
Other creditors	73,044	73,044
Accrued commission expenses	564,364	583,412
Accrued expenses	13,702,239	12,520,817
<b>Equity</b>		
<b>Parent Company</b>		
Other reserve	55,670,217	37,883,993

**31 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 for the years are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Short-term employee benefits	150,523,453	113,669,694
Long-term employee benefits	1,278,287	965,628
<b>Total</b>	<b>151,801,740</b>	<b>114,635,322</b>

**32 Assets deposited with Insurance Registrar**

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:

	<b>Carrying value</b>	
	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Government bonds	29,833,844	32,460,973

**33 Assets pledged as reserve with registrar**

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>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Government bonds	3,559,181,149	3,291,903,622

**34 Contribution to Life Insurance Fund**

In compliance with the Life Insurance Act, for the year ended 31 December 2022, the Company had recognised the contribution to Life Insurance Fund amounting to Baht 7,398,641 (2021: Baht 6,606,125).



**35 Commitments**

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:

	<b>2022</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	421,974	-	421,974
Due more than 1 year but no later than 5 years	6,613,483	1,000,000	7,613,483
	<u>7,035,457</u>	<u>1,000,000</u>	<u>8,035,457</u>
	<b>2021</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	502,632	6,890,453	7,393,085
Due more than 1 year but no later than 5 years	160,374	200,000	360,374
	<u>663,006</u>	<u>7,090,453</u>	<u>7,753,459</u>