

**CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2019**



## AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of Chubb Life Assurance Public Company Limited

I have reviewed the interim financial information of Chubb Life Assurance Public Company Limited, which comprises the statement of financial position as at 31 March 2019, and the related statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Sakuna Y', with a stylized flourish below it.

**Sakuna Yamsakul**  
Certified Public Accountant (Thailand) No. 4906  
Bangkok  
9 May 2019

**Chubb Life Assurance Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2019**

		(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
	Notes		
<b>Assets</b>			
Cash and cash equivalents	5	189,988,298	490,799,978
Premium receivable	6	429,281,296	434,066,794
Accrued investment income		155,018,116	120,039,712
Amount due from reinsurance	7	18,886,449	18,932,537
Invested assets			
Investments in securities	4, 8, 22, 23	11,475,900,429	10,946,189,944
Policy loans	9	302,981,456	269,696,374
Equipment - net	10	34,948,373	34,208,625
Intangible assets - net	11	121,085,634	124,721,619
Other assets	12, 20	119,306,067	113,009,361
<b>Total assets</b>		<b>12,847,396,118</b>	<b>12,551,664,944</b>




Directors

**CHUBB**

Chubb Life Assurance Public Company Limited  
บริษัท ชับบ์ไลฟ์ แอสซิวรันซ์ จำกัด (มหาชน)

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

**Chubb Life Assurance Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2019**

	Notes	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance liabilities	13	10,350,552,575	10,069,413,946
Amount due to reinsurance	14, 20	53,222,592	52,267,798
Income tax payable		5,287,925	4,384,821
Employee benefits obligation	20	124,235,313	136,690,240
Deferred tax liabilities	15	168,545,254	156,145,859
Other liabilities	20	26,706,697	24,794,147
Other creditors	20	23,890,381	20,004,390
Accrued commission expenses	20	177,367,192	182,540,689
Accrued expenses	20	208,029,162	254,652,406
<b>Total liabilities</b>		<u>11,137,837,091</u>	<u>10,900,894,296</u>
<b>Equity</b>			
Share capital	16		
Registered			
139,025,000 ordinary shares of Baht 10 per share		<u>1,390,250,000</u>	<u>1,390,250,000</u>
Issued and paid-up			
139,025,000 ordinary shares of Baht 10 per share		1,390,250,000	1,390,250,000
Deficits		(336,467,706)	(335,220,251)
Other components of equity			
Change in value of available-for-sale investments - net of tax		656,468,471	596,432,637
Remeasurements of employee benefit obligations - net of tax		<u>(691,738)</u>	<u>(691,738)</u>
<b>Total equity</b>		<u>1,709,559,027</u>	<u>1,650,770,648</u>
<b>Total liabilities and equity</b>		<u>12,847,396,118</u>	<u>12,551,664,944</u>

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

**Chubb Life Assurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 31 March 2019**

	<b>Notes</b>	<b>2019</b> <b>Baht</b>	<b>2018</b> <b>Baht</b>
<b>Revenue</b>			
Gross written premiums		1,277,019,228	1,082,862,344
<u>Less</u> premiums ceded to reinsurers	20	<u>(22,302,462)</u>	<u>(21,134,859)</u>
Net written premiums		1,254,716,766	1,061,727,485
<u>Less</u> net change in unearned premium reserve		<u>(43,669,449)</u>	<u>(46,742,868)</u>
Net earned premiums		1,211,047,317	1,014,984,617
Fee and commission income		2,660,558	2,445,578
Net investment income		102,656,485	90,482,862
Other income		<u>59,140</u>	<u>141,269</u>
<b>Total revenue</b>		<b><u>1,316,423,500</u></b>	<b><u>1,108,054,326</u></b>
<b>Expenses</b>			
Change in long-term technical reserve		220,235,888	170,949,308
Gross benefits and claim paid		372,276,583	335,704,477
<u>Less</u> benefits and claim paid recovered from reinsurers		(8,983,912)	(10,119,694)
Commissions and brokerages	20	559,644,332	457,101,811
Other underwriting expenses		16,598,902	13,306,105
Operating expenses	17, 18, 20	<u>159,605,622</u>	<u>143,535,537</u>
<b>Total expenses</b>		<b><u>1,319,377,415</u></b>	<b><u>1,110,477,544</u></b>
<b>Loss before income tax expense</b>		<b>(2,953,915)</b>	<b>(2,423,218)</b>
Income tax credited		<u>1,706,460</u>	<u>-</u>
<b>Net loss</b>		<b><u>(1,247,455)</u></b>	<b><u>(2,423,218)</u></b>

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

**Chubb Life Assurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited) (Cont'd)**  
**For the three-month period ended 31 March 2019**

	<b>Note</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Other comprehensive income (loss)</b>			
<u>Items that will be reclassified subsequently to profit or loss</u>			
Change in value of available-for-sale investments		75,044,792	(95,620,344)
Realised gain from sale of available-for-sale investment transferred to profit or loss		-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		<u>(15,008,958)</u>	<u>19,124,069</u>
Total items that will be reclassified subsequently to profit or loss		<u>60,035,834</u>	<u>(76,496,275)</u>
<b>Other comprehensive income (loss) for the period - net of tax</b>		<u>60,035,834</u>	<u>(76,496,275)</u>
<b>Total comprehensive income (loss) for the period</b>		<u><u>58,788,379</u></u>	<u><u>(78,919,493)</u></u>
<b>Earnings (loss) per share</b>	19		
Basic loss per share		<u>(0.01)</u>	<u>(0.02)</u>

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

Chubb Life Assurance Public Company Limited  
Statement of Changes in Equity (Unaudited)  
For the three-month period ended 31 March 2019

	Other components of equity							
	Issued and paid-up share capital	Deficits		Change in value of available-for-sale investments - net of tax		Other comprehensive income (loss)		Total other components of equity
		Baht	Baht	Baht	Baht	Baht	Baht	
<b>Beginning balance as at 1 January 2019</b>	1,390,250,000	(335,220,251)	596,432,637	(691,738)	-	595,740,899	1,650,770,648	
Net loss	-	(1,247,455)	-	-	-	-	(1,247,455)	
Equity-settled share-based payment	-	-	-	-	3,102,966	3,102,966	3,102,966	
Share-based payment reclassified to liabilities	-	-	-	-	(3,102,966)	(3,102,966)	(3,102,966)	
Change in value of available-for-sale investments	-	-	60,035,834	-	-	60,035,834	60,035,834	
Realised gain from sale of available-for-sale investment transferred to profit or loss	-	-	-	-	-	-	-	
<b>Ending balance as at 31 March 2019</b>	<b>1,390,250,000</b>	<b>(336,467,706)</b>	<b>656,468,471</b>	<b>(691,738)</b>	<b>-</b>	<b>655,776,733</b>	<b>1,709,559,027</b>	
<b>Beginning balance as at 1 January 2018</b>	<b>1,390,250,000</b>	<b>(426,357,528)</b>	<b>812,311,719</b>	<b>(691,738)</b>	<b>-</b>	<b>811,619,981</b>	<b>1,775,512,453</b>	
Net loss	-	(2,423,218)	-	-	-	-	(2,423,218)	
Equity-settled share-based payment	-	-	-	-	3,380,474	3,380,474	3,380,474	
Share-based payment reclassified to liabilities	-	-	-	-	(3,380,474)	(3,380,474)	(3,380,474)	
Change in value of available-for-sale investments	-	-	(76,496,275)	-	-	(76,496,275)	(76,496,275)	
Realised gain from sale of available-for-sale investment transferred to profit or loss	-	-	-	-	-	-	-	
<b>Ending balance as at 31 March 2018</b>	<b>1,390,250,000</b>	<b>(428,780,746)</b>	<b>735,815,444</b>	<b>(691,738)</b>	<b>-</b>	<b>735,123,706</b>	<b>1,696,592,960</b>	

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

**Chubb Life Assurance Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the three-month period ended 31 March 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>Baht</b>	<b>Baht</b>
<b>Cash flows provided by (used in) operating activities</b>			
Written premium received from direct insurance		1,256,077,337	1,108,786,650
Cash paid to reinsurance		(9,657,110)	(4,480,370)
Net investment income		73,977,743	53,297,600
Other income		59,140	141,269
Gross benefits and claim paid from direct insurance		(354,934,409)	(277,732,320)
Commissions and brokerages from direct insurance		(603,848,559)	(506,307,698)
Other underwriting expenses		(18,690,680)	(14,980,345)
Operating expenses		(166,929,093)	(136,928,787)
Income tax expense		(789,067)	(568,957)
Cash received for investment in securities		1,601,806	6,663,686
Cash paid for investment in securities		(462,761,580)	(505,730,874)
Cash received for policy loans		22,932,004	16,849,639
Cash paid for policy loans		(30,483,861)	(21,826,327)
Net cash used in operating activities		<u>(293,446,329)</u>	<u>(282,816,834)</u>
<b>Cash flows provided by (used in) investing activities</b>			
Cash paid in relation to equipment		(3,829,830)	(2,495,147)
Cash paid in relation to computer software	11	<u>(3,535,521)</u>	<u>(3,299,142)</u>
Net cash used in investing activities		<u>(7,365,351)</u>	<u>(5,794,289)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(300,811,680)</b>	<b>(288,611,123)</b>
Cash and cash equivalents at beginning of the period		<u>490,799,978</u>	<u>544,071,294</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>189,988,298</u></u>	<u><u>255,460,171</u></u>

**Non-cash transaction**

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

Payable from purchasing equipment	601,745	623,516
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The accompanying condensed notes to interim financial information are an integral part of this interim financial information.



## **1 General information**

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

The address of its registered office is as follows:

11<sup>th</sup> - 12<sup>th</sup> floor, 130 - 132 Sindhorn Tower 1, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

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

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

The interim financial information was authorised for issue by the Board of Directors on 9 May 2019.

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

## **2 Accounting policies**

### **2.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition the interim financial information has been prepared based on the format of life insurance interim financial statement attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company B.E. 2559" dated on 4 March 2016 ('OIC Notification'). The notes to the financial information are prepared in a condensed format. Additional notes are prepared as required by aforementioned OIC Notification.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2018.

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

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

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

**2.2 Financial reporting standards which are effective for annual periods beginning on or after 1 January 2019.**

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 15	Revenue from Contracts with Customers
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2 clarifies;

- The measurement basis for cash-settled share-based payments
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the award is treated as if it is wholly equity-settled.
- The accounting for modifications from cash-settled awards to equity-settled awards.

TFRS 4 provides insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions until TFRS 17 becomes effective.

TFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer so the notion of control replaces the existing notion of risks and rewards.

TFRIC 22 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Company has adopted these standards for the current period. The Company's management has assessed and considered that the above standards do not have significant impact on the Company.

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

### **2.3 Financial reporting standards which are effective for annual periods beginning on or after 1 January 2020 and are relevant to the Company. The Company has not yet adopted these revised standards.**

#### **2.3.1 Financial instruments**

The new financial reporting standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

#### **2.3.2 TFRS 16 Leases**

TFRS 16 will result in almost all leases where the Company is a lessee being recognised on the balance sheet as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

The Company's management is currently assessing the impacts of these standards.

## **3 Estimates**

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

In preparing this interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2019**

**4 Fair value**

**4.1 Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follow:

- Quoted prices (unadjusted) in active markets for identical assets of liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets that are measured and recognised at fair value as at 31 March 2019 and 31 December 2018.

	<b>31 March 2019 (Unaudited)</b>			
	<b>Level 1 Baht</b>	<b>Level 2 Baht</b>	<b>Level 3 Baht</b>	<b>Total Baht</b>
<b>Assets</b>				
Investments in securities				
- Government and state enterprise securities	-	9,042,814,505	-	9,042,814,505
- Private enterprise securities	-	2,433,085,924	-	2,433,085,924
<b>Total assets</b>	-	<b>11,475,900,429</b>	-	<b>11,475,900,429</b>
	<b>31 December 2018 (Audited)</b>			
	<b>Level 1 Baht</b>	<b>Level 2 Baht</b>	<b>Level 3 Baht</b>	<b>Total Baht</b>
<b>Assets</b>				
Investments in securities				
- Government and state enterprise securities	-	8,742,685,500	-	8,742,685,500
- Private enterprise securities	-	2,203,504,444	-	2,203,504,444
<b>Total assets</b>	-	<b>10,946,189,944</b>	-	<b>10,946,189,944</b>

There were no transfers between Levels during the period.

**4.2 Valuation techniques used to derive Level 2 fair values**

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

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2019**

**5 Cash and cash equivalents**

	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
Cash	117,300	119,200
Deposits held at call with bank	189,870,998	490,680,778
Total cash and cash equivalents	<u>189,988,298</u>	<u>490,799,978</u>

**6 Premium receivable**

As at 31 March 2019 and 31 December 2018, the balances of premium receivable are aged as follows:

	From direct insurance	
	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
Current	429,281,296	434,066,794
Overdue	-	-
Total premium receivable	<u>429,281,296</u>	<u>434,066,794</u>

**7 Amount due from reinsurance**

	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
Due from reinsurers	18,886,449	18,932,537
Total amount due from reinsurance	<u>18,886,449</u>	<u>18,932,537</u>



**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2019**

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**9 Policy loans**

The balances of policy loans and accrued interest income were classified by aging as follows:

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
Current	302,981,456	37,085,041	340,066,497	269,696,374	33,784,772	303,481,146
Overdue	-	-	-	-	-	-
<b>Total</b>	<b>302,981,456</b>	<b>37,085,041</b>	<b>340,066,497</b>	<b>269,696,374</b>	<b>33,784,772</b>	<b>303,481,146</b>
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
<b>Policy loans - net</b>	<b>302,981,456</b>	<b>37,085,041</b>	<b>340,066,497</b>	<b>269,696,374</b>	<b>33,784,772</b>	<b>303,481,146</b>

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

Accrued interest income was presented in accrued investment income in the statement of financial position.

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2019**

**10 Equipment - net**

	31 March 2019 (Unaudited)					
	Cost			Accumulated depreciation		
	Beginning balance Baht	Additions Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Ending balance Baht
Leasehold improvements	40,560,878	-	40,560,878	26,393,829	715,184	27,109,013
Leasehold improvements in progress	86,984	-	86,984	-	-	-
Office equipment	19,078,898	19,795	19,098,693	17,490,008	328,870	17,818,878
Furniture & fixtures	5,441,343	229,000	5,670,343	3,946,042	91,622	4,037,664
Computers and hardware	44,399,001	1,143,445	45,542,446	27,528,600	1,510,761	29,039,361
Hardware in progress	-	1,993,945	1,993,945	-	-	-
<b>Total</b>	<b>109,567,104</b>	<b>3,386,185</b>	<b>112,953,289</b>	<b>75,358,479</b>	<b>2,646,437</b>	<b>78,004,916</b>

	31 December 2018 (Audited)										
	Cost					Accumulated depreciation					
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Ending balance Baht
Leasehold improvements	39,732,352	-	-	-	828,526	40,560,878	23,539,349	2,854,480	-	-	26,393,829
Leasehold improvements in progress	230,728	1,358,886	-	-	(1,502,630)	86,984	-	-	-	-	-
Office equipment	18,897,678	271,131	(133,610)	(23,005)	66,704	19,078,898	16,278,462	1,352,849	(118,299)	(23,004)	17,490,008
Furniture & fixtures	4,735,566	98,377	-	-	607,400	5,441,343	3,685,255	260,787	-	-	3,946,042
Computers	35,420,268	2,511,332	-	-	6,467,401	44,399,001	22,066,919	5,461,681	-	-	27,528,600
Hardware in progress	-	6,467,401	-	-	(6,467,401)	-	-	-	-	-	-
<b>Total</b>	<b>99,016,592</b>	<b>10,707,127</b>	<b>(133,610)</b>	<b>(23,005)</b>	<b>-</b>	<b>109,567,104</b>	<b>65,569,985</b>	<b>9,929,797</b>	<b>(118,299)</b>	<b>(23,004)</b>	<b>75,358,479</b>



**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2019**

**11 Intangible assets - net**

Intangible assets as at 31 March 2019 and 31 December 2018 comprised:

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Computer software beginning balance - net	123,006,671	127,692,040
Additions	62,595	19,612,095
Transfer in	-	4,031,392
Amortisation charges	<u>(7,171,506)</u>	<u>(28,328,856)</u>
Computer software ending balance - net	<u>115,897,760</u>	<u>123,006,671</u>
Computer software in progress beginning balance - net	1,714,948	24,075
Additions	3,472,926	5,722,265
Transfer out	-	<u>(4,031,392)</u>
Computer software in progress ending balance - net	<u>5,187,874</u>	<u>1,714,948</u>
Total intangible assets - net	<u>121,085,634</u>	<u>124,721,619</u>

**12 Other assets**

Other assets as at 31 March 2019 and 31 December 2018 comprised:

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Security and deposits	13,368,858	13,259,996
Prepaid tax	790,603	1,537
Prepaid expense	101,326,877	95,328,938
Others	<u>3,819,729</u>	<u>4,418,890</u>
Total other assets	<u>119,306,067</u>	<u>113,009,361</u>

Chubb Life Assurance Public Company Limited  
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13. Insurance liabilities

	31 March 2019 (Unaudited)			31 December 2018 (Audited)		
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Long-term technical reserves	9,509,497,066	-	9,509,497,066	9,289,261,178	-	9,289,261,178
Claim liability						
- Reported claim	168,359,917	(10,648,359)	157,711,558	167,897,779	(12,101,720)	155,796,059
- Claims incurred but not reported	108,799,638	-	108,799,638	104,670,794	-	104,670,794
Premium liability						
- Unearned premium reserve	332,586,486	-	332,586,486	288,917,037	-	288,917,037
Unpaid policy benefits	216,690,547	(31,541,804)	185,148,743	202,911,499	(27,108,891)	175,802,608
Due to insured	14,618,921	-	14,618,921	15,755,659	-	15,755,659
Total	10,350,552,575	(42,190,163)	10,308,362,412	10,069,413,946	(39,210,611)	10,030,203,335

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

**Chubb Life Assurance Public Company Limited**  
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**13 Insurance liabilities (Cont'd)**

**13.1 Long-term technical reserves**

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

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Beginning balance for the period/year	9,289,261,178	8,045,878,084
Policy reserve movement for new policies and inforce policies during the period/year	326,621,754	1,526,625,175
Net movement in benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	<u>(106,385,866)</u>	<u>(283,242,081)</u>
Closing balance at the end of period/year	<u>9,509,497,066</u>	<u>9,289,261,178</u>

**13.2 Short-term technical reserves**

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

**13.2.1 Claim liability**

The movement of claim liability are as follows:

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Beginning balance for the period/year	272,568,573	225,695,079
Insurance claims and loss adjustment expenses incurred during the period/year	196,769,030	745,808,713
Change in claim reserve and assumptions	4,128,844	18,704,066
Insurance claims and loss adjustment expenses paid during the period/year	<u>(196,306,892)</u>	<u>(717,639,285)</u>
Closing balance at the end of period/year	<u>277,159,555</u>	<u>272,568,573</u>

**13.2.2 Unearned premium reserve**

The movement of unearned premium reserve are as follows:

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Beginning balance for the period/year	288,917,037	243,101,338
Premium written for the period/year	683,539,369	2,395,933,124
Premium earned in the period/year	<u>(639,869,920)</u>	<u>(2,350,117,425)</u>
Closing balance at the end of period/ year	<u>332,586,486</u>	<u>288,917,037</u>

**Chubb Life Assurance Public Company Limited**  
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**13 Insurance liabilities (Cont'd)**

**13.3 Unpaid policy benefits**

The details of unpaid policy benefits are as follows:

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Death benefits	44,596,931	35,216,856
Coupon	144,727,253	140,683,445
Expired cheque	27,366,363	27,011,198
<b>Total</b>	<b>216,690,547</b>	<b>202,911,499</b>

**14 Amount due to reinsurance**

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
Outward premium payable	53,222,592	52,267,798
<b>Total amount due to reinsurance</b>	<b>53,222,592</b>	<b>52,267,798</b>

**15 Deferred income taxes**

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

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
<b>Deferred tax assets:</b>		
Deferred tax asset to be settled within 12 months	3,991,950	3,265,734
Deferred tax asset to be settled after 12 months	7,691,024	7,474,344
	<b>11,682,974</b>	<b>10,740,078</b>
<b>Deferred tax liabilities:</b>		
Deferred tax liability to be settled within 12 months	(6,967,566)	(7,155,308)
Deferred tax liability to be settled after 12 months	(173,260,662)	(159,730,629)
	<b>(180,228,228)</b>	<b>(166,885,937)</b>
<b>Deferred tax assets (liabilities) - net</b>	<b>(168,545,254)</b>	<b>(156,145,859)</b>

**Chubb Life Assurance Public Company Limited**  
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**15 Deferred income taxes (Cont'd)**

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

	<b>Employee benefits obligation Baht</b>	<b>Accrued commission expenses Baht</b>	<b>IBNR Baht</b>	<b>Total Baht</b>
<b>Deferred tax assets</b>				
At 1 January 2019	10,327,767	412,311	-	10,740,078
Increase to profit or loss	709,535	233,361	-	942,896
At 31 March 2019	<u>11,037,302</u>	<u>645,672</u>	<u>-</u>	<u>11,682,974</u>
At 1 January 2018	7,480,376	1,993,472	13,334,141	22,807,989
Increase (decrease) to profit or loss	2,847,391	(1,581,161)	(13,334,141)	(12,067,911)
At 31 December 2018	<u>10,327,767</u>	<u>412,311</u>	<u>-</u>	<u>10,740,078</u>
	<b>Unrealised gains on changes in fair value of investments Baht</b>		<b>Prepaid expense Baht</b>	<b>Total Baht</b>
<b>Deferred tax liabilities</b>				
At 1 January 2019	149,108,159		17,777,778	166,885,937
Decrease to profit or loss	-		(1,666,667)	(1,666,667)
Increase to other comprehensive income (loss)	15,008,958		-	15,008,958
At 31 March 2019	<u>164,117,117</u>		<u>16,111,111</u>	<u>180,228,228</u>
At 1 January 2018	203,077,930		-	203,077,930
Increase to profit or loss	-		17,777,778	17,777,778
Decrease to other comprehensive income (loss)	(53,969,771)		-	(53,969,771)
At 31 December 2018	<u>149,108,159</u>		<u>17,777,778</u>	<u>166,885,937</u>

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
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**15 Deferred income taxes (Cont'd)**

As at 31 March 2019 and 31 December 2018, the Company had unutilised deductible temporary tax difference that the Company did not recognise as deferred tax assets in the financial statements as follows:

	(Unaudited)	
	31 March 2019	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefits obligation	-	44,764,767
Accrued commission expenses	7,380,798	-
Leasehold demolishing cost	-	5,816,033
IBNR	122,098,671	-
	<u>129,479,469</u>	<u>50,580,800</u>

	(Audited)	
	31 December 2018	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefits obligation	-	44,283,014
Accrued employee expenses	12,605,995	-
Leasehold demolishing cost	-	5,696,360
IBNR	117,250,159	-
	<u>129,856,154</u>	<u>49,979,374</u>

**16 Share capital**

	Ordinary shares	
	Number of shares	Baht
At 31 December 2017	139,025,000	1,390,250,000
Issue of shares	-	-
At 31 December 2018	139,025,000	1,390,250,000
Issue of shares	-	-
At 31 March 2019	<u>139,025,000</u>	<u>1,390,250,000</u>

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
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**17 Operating expenses**

	(Unaudited)	
	31 March 2019 Baht	31 March 2018 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	76,578,439	68,970,000
Property and equipment expenses not relating to underwriting expenses	34,556,004	28,910,001
Tax expenses	342,500	400,954
Selling and administrative expenses	37,165,086	40,076,035
Other operating expenses	10,963,593	5,178,547
Total operating expenses	<u>159,605,622</u>	<u>143,535,537</u>

**18 Employee benefit expenses**

	(Unaudited)	
	31 March 2019 Baht	31 March 2018 Baht
Salary	51,277,409	42,750,512
Social security fund	390,029	364,515
Contribution to employee benefit plan	2,247,268	1,831,474
Bonus	22,398,042	20,386,342
Other employee benefit expenses	10,929,196	11,829,398
Total employee benefit expenses	<u>87,241,944</u>	<u>77,162,241</u>

**19 Earnings (loss) per share**

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

	(Unaudited)	
	31 March 2019	31 March 2018
Net loss for the period (Baht)	(1,247,455)	(2,423,218)
Weighted average number of ordinary shares in issue during the period (shares)	139,025,000	139,025,000
Basic loss per share (Baht)	(0.01)	(0.02)

There are no potential dilutive ordinary shares in issue for the periods ended 31 March 2019 and 2018.

**20 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>(Unaudited)</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
<b>Affiliates of Chubb Limited</b>		
Premium ceded to reinsurers		
Chubb Tempest Reinsurance Ltd.	1,201,654	370,053
Commissions and brokerages		
Chubb Samaggi Insurance PLC	234,966	373,842
Operating expenses		
Chubb Samaggi Insurance PLC	1,293,244	1,693,603
Chubb Asia Pacific PTE. Ltd.	1,921,259	1,735,008
Chubb America Insurance Company	482,059	1,103,319
Chubb Group Holdings, Inc.	-	45,000



**Chubb Life Assurance Public Company Limited**  
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**20 Related party transactions (Cont'd)**

The related party transactions are mainly transacted with the Group companies of Chubb Limited as follows: (Cont'd)

**b) Statements of financial position**

	<b>(Unaudited)</b> <b>31 March</b> <b>2019</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2018</b> <b>Baht</b>
<b>Assets</b>		
<b>Affiliates of Chubb Limited</b>		
Other assets		
Chubb INA International Holdings Limited	2,312,477	2,216,799
Chubb Life Insurance Company	216,932	216,932
Chubb America Insurance Company	1,668,738	-
Chubb Asia Pacific PTE. Ltd.	2,610,346	60,990
	<u>6,808,493</u>	<u>2,494,721</u>
<b>Liabilities</b>		
<b>Parent Company</b>		
Employee benefits obligation		
Chubb Limited	72,675,384	69,572,418
<b>Affiliates of Chubb Limited</b>		
Amount due to reinsurance		
Chubb Tempest Reinsurance Ltd.	3,250,193	844,617
Other liabilities		
Chubb INA International Holdings Limited	40,523	32,839
Chubb America Insurance Company	5,154,427	5,030,388
Other creditors		
Chubb Asia Pacific PTE. Ltd.	3,161,997	2,030,392
Chubb INA International Holdings Limited	73,038	73,038
Chubb Samaggi Insurance PLC	104,638	2,889,398
Accrued commission expenses		
Chubb Samaggi Insurance PLC	642,111	664,907
Accrued expenses		
Chubb Samaggi Insurance PLC	746,128	857,005
Chubb Group Holdings, Inc.	260,615	334,054
	<u>86,109,054</u>	<u>82,329,056</u>

**Chubb Life Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
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**21 Key management's compensation**

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

	(Unaudited)	
	31 March 2019 Baht	31 March 2018 Baht
Short-term benefits	26,756,485	27,557,476
Retirement benefits	107,377	103,633
<b>Total</b>	<b>26,863,862</b>	<b>27,661,109</b>

**22 Assets deposited with Insurance Registrar**

As at 31 March 2019 and 31 December 2018, the Company pledged certain assets with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 20 B.E. 2551 as follows:

	Carrying value	
	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
Government bonds	31,235,205	31,101,062

**23 Assets pledged as reserve with registrar**

As at 31 March 2019 and 31 December 2018, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 24 B.E. 2551 as follows:

	Carrying value	
	(Unaudited) 31 March 2019 Baht	(Audited) 31 December 2018 Baht
Government bonds	2,199,526,786	2,186,332,925

**24 Contribution to Life Insurance Fund**

In compliance with the Life Insurance Act B.E. 2535, as at 31 March 2019, the Company had cumulative contribution to Life Insurance Fund amounting to Baht 33,462,219 (31 December 2018: Baht 33,462,219).

**Chubb Life Assurance Public Company Limited**  
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**25 Commitments**

The Company has commitments as follows:

	<b>(Unaudited)</b> <b>31 March 2019</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	24,247,860	3,172,392	27,420,252
Due more than 1 year but no later than 5 years	42,443,002	3,196,008	45,639,010
	<u>66,690,862</u>	<u>6,368,400</u>	<u>73,059,262</u>

	<b>(Audited)</b> <b>31 December 2018</b>		
	<b>Operating lease Baht</b>	<b>Service fee and others Baht</b>	<b>Total Baht</b>
Due within 1 year	23,189,880	4,044,047	27,233,927
Due more than 1 year but no later than 5 years	46,988,452	3,599,495	50,587,947
	<u>70,178,332</u>	<u>7,643,542</u>	<u>77,821,874</u>

**26 Events occurring after the reporting date**

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who retire and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The Company's management has assessed the effects of the amendment on the Company's financial statements and expects the impact to be Baht 2.37 million.