

CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 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 30 September 2019, and the related statements of comprehensive income for the three-month and nine-month periods then ended, changes in equity, and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

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

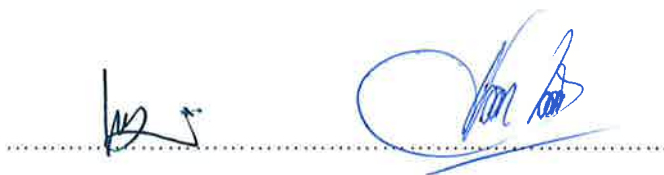
Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
7 November 2019

Chubb Life Assurance Public Company Limited

Statement of Financial Position

As at 30 September 2019

		(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
	Notes		
Assets			
Cash and cash equivalents	5	486,884,721	490,799,978
Premium receivable	6	439,431,469	434,066,794
Accrued investment income		162,639,477	120,039,712
Amount due from reinsurance	7	20,407,155	18,932,537
Invested assets			
Investments in securities	4, 8, 22, 23	14,147,453,579	10,946,189,944
Policy loans	9	300,707,340	269,696,374
Equipment - net	10	37,451,156	34,208,625
Intangible assets - net	11	124,823,683	124,721,619
Other assets	12, 20	114,350,265	113,009,361
Total assets		15,834,148,845	12,551,664,944



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 30 September 2019

		(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
	Notes		
Liabilities and equity			
Liabilities			
Insurance liabilities	13	10,909,535,391	10,069,413,946
Amount due to reinsurance	14, 20	68,523,886	52,267,798
Income tax payable		20,051,305	4,384,821
Employee benefit obligations	20	158,767,027	136,690,240
Deferred tax liabilities	15	562,185,341	156,145,859
Other liabilities	20	19,323,411	24,794,147
Other creditors	20	121,151,919	20,004,390
Accrued commission expenses	20	174,789,155	182,540,689
Accrued expenses	20	268,420,872	254,652,406
Total liabilities		<u>12,302,748,307</u>	<u>10,900,894,296</u>
Equity			
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		(188,387,269)	(335,220,251)
Other components of equity			
Change in value of available-for-sale investments - net of tax		2,329,474,427	596,432,637
Remeasurements of employee benefit obligations - net of tax		<u>63,380</u>	<u>(691,738)</u>
Total equity		<u>3,531,400,538</u>	<u>1,650,770,648</u>
Total liabilities and equity		<u>15,834,148,845</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 30 September 2019

	Notes	2019 Baht	2018 Baht
Revenue			
Gross written premiums		1,544,020,635	1,327,216,979
<u>Less</u> premiums ceded to reinsurers	20	<u>(26,802,726)</u>	<u>(22,125,953)</u>
Net written premiums		1,517,217,909	1,305,091,026
<u>Less</u> net change in unearned premium reserve		<u>(2,515,769)</u>	<u>(97,736)</u>
Net earned premiums		1,514,702,140	1,304,993,290
Fee and commission income		3,224,119	2,689,247
Net investment income		109,493,918	99,314,753
Other income		-	3,506
Total revenue		<u>1,627,420,177</u>	<u>1,407,000,796</u>
Expenses			
Change in long-term technical reserve		286,182,851	315,340,397
Gross benefits and claim paid		395,652,725	321,347,350
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(10,596,344)</u>	<u>(13,246,759)</u>
Commissions and brokerages	20	684,499,502	581,154,011
Other underwriting expenses		15,511,669	13,530,123
Operating expenses	17, 18, 20	152,882,947	139,187,952
Other expenses		<u>22,497</u>	<u>-</u>
Total expenses		<u>1,524,155,847</u>	<u>1,357,313,074</u>
Profit before income tax expense		103,264,330	49,687,722
Income tax expense		<u>(27,227,607)</u>	<u>(23,098,417)</u>
Net profit		<u>76,036,723</u>	<u>26,589,305</u>

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

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 September 2019

	Note	2019 Baht	2018 Baht
Other comprehensive income (loss)			
<u>Items that will not be reclassified</u>			
<u>subsequently to profit or loss</u>			
Remeasurement of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
Total items that will not be reclassified subsequently to profit or loss		-	-
<u>Items that will be reclassified</u>			
<u>subsequently to profit or loss</u>			
Change in value of available-for-sale investments		1,638,385,721	(65,239,103)
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		(327,677,145)	13,047,821
Total items that will be reclassified subsequently to profit or loss		1,310,708,576	(52,191,282)
Other comprehensive income (loss) for the period - net of tax		1,310,708,576	(52,191,282)
Total comprehensive income (loss) for the period		1,386,745,299	(25,601,977)
Earnings (loss) per share	19		
Basic earnings per share		0.55	0.19

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

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2019

	Notes	2019 Baht	2018 Baht
Revenue			
Gross written premiums		4,262,079,736	3,689,939,855
<u>Less</u> premiums ceded to reinsurers	20	<u>(77,867,937)</u>	<u>(62,874,052)</u>
Net written premiums		4,184,211,799	3,627,065,803
<u>Less</u> net change in unearned premium reserve		<u>(45,205,384)</u>	<u>(47,831,537)</u>
Net earned premiums		4,139,006,415	3,579,234,266
Fee and commission income		8,702,373	8,118,922
Net investment income		317,780,622	283,200,321
Other income		-	320,360
Total revenue		<u>4,465,489,410</u>	<u>3,870,873,869</u>
Expenses			
Change in long-term technical reserve		769,955,560	764,246,378
Gross benefits and claim paid		1,192,367,211	1,001,992,790
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(33,569,612)</u>	<u>(29,639,044)</u>
Commissions and brokerages	20	1,864,533,922	1,592,752,746
Other underwriting expenses		48,552,444	41,229,394
Operating expenses	17, 18, 20	468,568,096	421,897,822
Other expenses		31,491	-
Total expenses		<u>4,310,439,112</u>	<u>3,792,480,086</u>
Profit before income tax		155,050,298	78,393,783
Income tax expense		<u>(8,217,316)</u>	<u>(37,906,938)</u>
Net profit		<u>146,832,982</u>	<u>40,486,845</u>

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

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2019

	<u>Note</u>	<u>2019</u> <u>Baht</u>	<u>2018</u> <u>Baht</u>
Other comprehensive income (loss)			
<u>Items that will not be reclassified</u>			
<u>subsequently to profit or loss</u>			
Remeasurement of post-employment benefit obligations		8,778	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		<u>746,340</u>	<u>-</u>
Total items that will not be reclassified subsequently to profit or loss		<u>755,118</u>	<u>-</u>
<u>Items that will be reclassified</u>			
<u>subsequently to profit or loss</u>			
Change in value of available-for-sale investments		2,166,302,238	(430,081,240)
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>(433,260,448)</u>	<u>86,016,248</u>
Total items that will be reclassified subsequently to profit or loss		<u>1,733,041,790</u>	<u>(344,064,992)</u>
Other comprehensive income (loss) for the period, net of tax		<u>1,733,796,908</u>	<u>(344,064,992)</u>
Total comprehensive income (loss) for the period		<u><u>1,880,629,890</u></u>	<u><u>(303,578,147)</u></u>
Earnings (loss) per share	19		
Basic earnings per share		<u>1.06</u>	<u>0.29</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 nine-month period ended 30 September 2019

	Other components of equity						
	Issued and paid-up share capital	Other comprehensive income (loss)		Change in value of available-for-sale investments - net of tax	Remeasurement of employee benefit obligations - net of tax	Other reserve	Total other components of equity
		Baht	Baht				
Beginning balance as at 1 January 2019	1,390,250,000	(335,220,251)	596,432,637	(691,738)	-	595,740,899	1,650,770,648
Net profit	-	146,832,982	-	-	-	-	146,832,982
Equity-settled share-based payment	-	-	-	-	5,003,655	5,003,655	5,003,655
Share-based payment reclassified to liabilities	-	-	-	-	(5,003,655)	(5,003,655)	(5,003,655)
Remeasurement of post-employment benefit obligations	-	-	-	755,118	-	755,118	755,118
Change in value of available-for-sale investments	-	-	1,733,041,790	-	-	1,733,041,790	1,733,041,790
Realised gain from sale of available-for-sale investment transferred to profit or loss	-	-	-	-	-	-	-
Ending balance as at 30 September 2019	1,390,250,000	(188,387,269)	2,329,474,427	63,380	-	2,329,537,807	3,531,400,538
Beginning balance as at 1 January 2018	1,390,250,000	(426,357,528)	812,311,719	(691,738)	-	811,619,981	1,775,512,453
Net profit	-	40,486,845	-	-	-	-	40,486,845
Equity-settled share-based payment	-	-	-	-	12,285,937	12,285,937	12,285,937
Share-based payment reclassified to liabilities	-	-	-	-	(12,285,937)	(12,285,937)	(12,285,937)
Change in value of available-for-sale investments	-	-	(344,064,992)	-	-	(344,064,992)	(344,064,992)
Realised gain from sale of available-for-sale investment transferred to profit or loss	-	-	-	-	-	-	-
Ending balance as at 30 September 2018	1,390,250,000	(385,870,683)	468,246,727	(691,738)	-	467,554,989	1,471,934,306

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

Chubb Life Assurance Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2019

	Note	2019 Baht	2018 Baht
Cash flows provided by (used in) operating activities			
Written premium received from direct insurance		4,209,099,156	3,650,727,907
Cash paid to reinsurance		(20,814,482)	(40,978,951)
Net investment income		294,928,505	244,433,422
Other income		39,010	317,361
Gross benefits and claim paid from direct insurance		(1,172,313,215)	(936,092,551)
Commissions and brokerages from direct insurance		(1,893,340,357)	(1,616,867,852)
Other underwriting expenses		(49,939,630)	(42,119,222)
Operating expenses		(285,217,241)	(339,111,417)
Income tax expense		(22,125,653)	(41,318,330)
Cash received for investment in securities		144,383,940	20,003,967
Cash paid for investment in securities		(1,198,802,624)	(1,190,482,763)
Cash received for policy loans		95,178,452	86,432,568
Cash paid for policy loans		(73,497,319)	(79,525,240)
Net cash provided by (used in) operating activities		<u>27,578,542</u>	<u>(284,581,101)</u>
Cash flows provided by (used in) investing activities			
Cash received in relation to equipment		16,500	25,850
Cash paid in relation to equipment		(8,626,201)	(10,641,027)
Cash paid in relation to computer software	11	(22,884,098)	(18,822,922)
Net cash used in investing activities		<u>(31,493,799)</u>	<u>(29,438,099)</u>
Net decrease in cash and cash equivalents		(3,915,257)	(314,019,200)
Cash and cash equivalents at beginning of the period		<u>490,799,978</u>	<u>544,071,294</u>
Cash and cash equivalents at the end of the period		<u><u>486,884,721</u></u>	<u><u>230,052,094</u></u>

Non-cash transaction

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

Payable from purchasing equipment	4,532,779	795,224
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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:

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 interim financial information was authorised for issue by the Board of Directors on 7 November 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 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 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.

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 30 September 2019 and 31 December 2018.

	30 September 2019 (Unaudited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Investments in securities				
Available-for-sale securities				
- Government and state enterprise securities	-	10,985,081,391	-	10,985,081,391
- Private enterprise securities	-	3,162,372,188	-	3,162,372,188
Total assets	-	14,147,453,579	-	14,147,453,579
	31 December 2018 (Audited)			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Investments in securities				
Available-for-sale 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
Total assets	-	10,946,189,944	-	10,946,189,944

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 30 September 2019

5 Cash and cash equivalents

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Cash	107,600	119,200
Deposits held at call with bank	486,777,121	490,680,778
Total cash and cash equivalents	<u>486,884,721</u>	<u>490,799,978</u>

6 Premium receivable

As at 30 September 2019 and 31 December 2018, the balances of premium receivable are aged as follows:

	From direct insurance	
	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Current	439,431,469	434,066,794
Overdue	-	-
Total premium receivable	<u>439,431,469</u>	<u>434,066,794</u>

7 Amount due from reinsurance

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Due from reinsurers	20,407,155	18,932,537
Total amount due from reinsurance	<u>20,407,155</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 30 September 2019

8 Investments in securities

Available-for-sale

	30 September 2019 (Unaudited)		31 December 2018 (Audited)	
	Unrealised gains on changes in fair value of investments		Unrealised gains on changes in fair value of investments	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Government and state enterprise securities				
Government bonds	8,221,748,871	10,939,699,325	8,002,613,465	8,669,237,126
Debentures	30,000,000	45,382,066	60,118,807	73,448,374
Private enterprise securities				
Debentures	2,983,861,673	3,162,372,188	2,137,916,875	2,203,504,444
Total available-for-sale	11,235,610,544	14,147,453,579	10,200,649,147	10,946,189,944

The Company disclosed information regarding the restricted amount of investments in Notes 22 and 23.

During the three-month and nine-month periods ended 30 September 2019, the Company recognised interest income amounted to Baht 110,271,069 and Baht 317,814,377, respectively. (For the three-month and nine-month periods ended 30 September 2018: Baht 98,674,619 and Baht 281,736,382, respectively).

During the three-month and nine-month periods ended 30 September 2019, the Company has no sales of available-for-sale investments (For the three-month and nine-month periods ended 30 September 2018: Nil).

Chubb Life Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2019

9 Policy loans

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

	30 September 2019 (Unaudited)			31 December 2018 (Audited)		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
Current	300,707,340	42,008,370	342,715,710	269,696,374	33,784,772	303,481,146
Overdue	-	-	-	-	-	-
Total	300,707,340	42,008,370	342,715,710	269,696,374	33,784,772	303,481,146
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
Policy loans - net	300,707,340	42,008,370	342,715,710	269,696,374	33,784,772	303,481,146

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 30 September 2019

10 Equipment - net

	30 September 2019 (Unaudited)											
	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	40,560,878	52,430	-	-	-	40,613,308	26,393,829	2,168,422	-	-	28,562,251	12,051,057
Leasehold improvements in progress	86,984	480,092	-	(86,984)	(14,000)	466,092	-	-	-	-	-	466,092
Office equipment	19,078,898	372,216	(65,584)	-	-	19,385,530	17,490,008	832,606	(65,567)	-	18,257,047	1,128,483
Furniture & fixtures	5,441,343	777,529	-	-	14,000	6,232,872	3,946,042	308,334	-	-	4,254,376	1,978,496
Computers	44,399,001	7,319,763	-	-	3,111,560	54,830,324	27,528,600	5,474,696	-	-	33,003,296	21,827,028
Hardware in progress	-	3,111,560	-	-	(3,111,560)	-	-	-	-	-	-	-
Total	109,567,104	12,113,590	(65,584)	(86,984)	-	121,528,126	75,358,479	8,784,058	(65,567)	-	84,076,970	37,451,156

31 December 2018 (Audited)

	31 December 2018 (Audited)											
	Cost					Accumulated depreciation					Net balance Baht	
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht		Ending balance Baht
Leasehold improvements	39,732,352	-	-	-	-	40,560,878	23,539,349	2,854,480	-	-	26,393,829	14,167,049
Leasehold improvements in progress	230,728	1,358,886	-	-	(1,502,630)	86,984	-	-	-	-	-	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	1,588,890
Furniture & fixtures	4,735,566	98,377	-	-	607,400	5,441,343	3,685,255	260,787	-	-	3,946,042	1,495,301
Computers	35,420,268	2,511,332	-	-	6,467,401	44,399,001	22,066,919	5,461,681	-	-	27,528,600	16,870,401
Hardware in progress	-	6,467,401	-	-	(6,467,401)	-	-	-	-	-	-	-
Total	99,016,592	10,707,127	(133,610)	(23,005)	-	109,567,104	65,569,985	9,929,797	(118,299)	(23,004)	75,358,479	34,208,625

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11 Intangible assets - net

Intangible assets as at 30 September 2019 and 31 December 2018 comprised:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Computer software beginning balance - net	123,006,671	127,692,040
Additions	6,548,188	19,612,095
Transfer in	12,877,240	4,031,392
Amortisation charges	<u>(22,782,034)</u>	<u>(28,328,856)</u>
Computer software ending balance - net	<u>119,650,065</u>	<u>123,006,671</u>
Computer software in progress beginning balance - net	1,714,948	24,075
Additions	16,335,910	5,722,265
Transfer out	<u>(12,877,240)</u>	<u>(4,031,392)</u>
Computer software in progress ending balance - net	<u>5,173,618</u>	<u>1,714,948</u>
Total intangible assets - net	<u><u>124,823,683</u></u>	<u><u>124,721,619</u></u>

12 Other assets

Other assets as at 30 September 2019 and 31 December 2018 comprised:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Security and deposits	13,459,498	13,259,996
Prepaid tax	3,101,733	1,537
Prepaid expense	93,921,950	95,328,938
Others	<u>3,867,084</u>	<u>4,418,890</u>
Total other assets	<u><u>114,350,265</u></u>	<u><u>113,009,361</u></u>

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13 Insurance liabilities

	30 September 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	10,059,216,739	-	10,059,216,739	9,289,261,178	-	9,289,261,178
Claim liability						
- Reported claim	152,000,291	(15,793,619)	136,206,672	167,897,779	(12,101,720)	155,796,059
- Claims incurred but not reported	126,458,449	-	126,458,449	104,670,794	-	104,670,794
Premium liability						
- Unearned premium reserve	334,122,421	-	334,122,421	288,917,037	-	288,917,037
Unpaid policy benefits	213,991,660	(43,868,925)	170,122,735	202,911,499	(27,108,891)	175,802,608
Due to insured	23,745,831	-	23,745,831	15,755,659	-	15,755,659
Total	10,909,535,391	(59,662,544)	10,849,872,847	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.

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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:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
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	1,140,785,226	1,526,625,175
Net movement in benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	<u>(370,829,665)</u>	<u>(283,242,081)</u>
Closing balance at the end of period/year	<u>10,059,216,739</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:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Beginning balance for the period/year	272,568,573	225,695,079
Insurance claims and loss adjustment expenses incurred during the period/year	615,278,446	745,808,713
Change in claim reserve and assumptions	21,787,655	18,704,066
Insurance claims and loss adjustment expenses paid during the period/year	<u>(631,175,934)</u>	<u>(717,639,285)</u>
Closing balance at the end of period/year	<u>278,458,740</u>	<u>272,568,573</u>

13.2.2 Unearned premium reserve

The movement of unearned premium reserve are as follows:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Beginning balance for the period/year	288,917,037	243,101,338
Premium written for the period/year	2,177,330,981	2,395,933,124
Premium earned in the period/year	<u>(2,132,125,597)</u>	<u>(2,350,117,425)</u>
Closing balance at the end of period/ year	<u>334,122,421</u>	<u>288,917,037</u>

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13 Insurance liabilities (Cont'd)

13.3 Unpaid policy benefits

The details of unpaid policy benefits are as follows:

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Death benefits	32,964,553	35,216,856
Coupon	152,572,319	140,683,445
Expired cheque	28,454,788	27,011,198
Total	213,991,660	202,911,499

14 Amount due to reinsurance

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Outward premium payable	68,523,886	52,267,798
Total amount due to reinsurance	68,523,886	52,267,798

15 Deferred income taxes

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

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Deferred tax assets:		
Deferred tax asset to be settled within 12 months	28,571,929	3,265,734
Deferred tax asset to be settled after 12 months	8,278,005	7,474,344
	36,849,934	10,740,078
Deferred tax liabilities:		
Deferred tax liability to be settled within 12 months	(8,029,448)	(7,155,308)
Deferred tax liability to be settled after 12 months	(591,005,827)	(159,730,629)
	(599,035,275)	(166,885,937)
Deferred tax assets (liabilities) - net	(562,185,341)	(156,145,859)

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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:

	Employee benefit obligations Baht	Accrued commission expenses Baht	IBNR Baht	Total Baht
Deferred tax assets				
At 1 January 2019	10,327,767	412,311	-	10,740,078
Increase to profit or loss	1,235,450	2,270,726	21,857,340	25,363,516
Increase to other comprehensive income (loss)	746,340	-	-	746,340
At 30 September 2019	<u>12,309,557</u>	<u>2,683,037</u>	<u>21,857,340</u>	<u>36,849,934</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>
		Unrealised gains on changes in fair value of investments Baht	Prepaid expense Baht	Total Baht
Deferred tax liabilities				
At 1 January 2019		149,108,159	17,777,778	166,885,937
Decrease to profit or loss		-	(1,111,110)	(1,111,110)
Increase to other comprehensive income (loss)		433,260,448	-	433,260,448
At 30 September 2019		<u>582,368,607</u>	<u>16,666,668</u>	<u>599,035,275</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>

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15 Deferred income taxes (Cont'd)

As at 30 September 2019 and 31 December 2018, the Company had unutilised deductible temporary difference which no deferred tax asset is recognised in the statement of financial position as follows:

	(Unaudited)	
	30 September 2019	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefit obligations	-	42,538,329
Leasehold demolishing cost	-	6,058,684
IBNR	32,600,173	-
	<u>32,600,173</u>	<u>48,597,013</u>

	(Audited)	
	31 December 2018	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefit obligations	-	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 30 September 2019	<u>139,025,000</u>	<u>1,390,250,000</u>

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17 Operating expenses

	(Unaudited)	
	For the three-month periods ended	
	30 September 2019 Baht	30 September 2018 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	74,780,659	64,348,765
Property and equipment expenses not relating to underwriting expenses	28,614,129	28,461,109
Tax expenses	132,677	131,377
Selling and administrative expenses	37,965,987	39,696,373
Other operating expenses	11,389,495	6,550,328
Total operating expenses	152,882,947	139,187,952

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2019 Baht	30 September 2018 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	227,881,483	207,963,943
Property and equipment expenses not relating to underwriting expenses	91,688,721	81,021,609
Tax expenses	720,519	679,762
Selling and administrative expenses	114,671,190	115,244,239
Other operating expenses	33,606,183	16,988,269
Total operating expenses	468,568,096	421,897,822

18 Employee benefit expenses

	(Unaudited)	
	For the three-month periods ended	
	30 September 2019 Baht	30 September 2018 Baht
Salary	55,127,121	45,313,704
Social security fund	370,212	376,941
Contribution to employee benefit plan	1,599,909	2,110,719
Bonus	15,703,081	14,891,197
Other employee benefit expenses	11,406,194	10,043,965
Total employee benefit expenses	84,206,517	72,736,526

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18 Employee benefit expenses (Cont'd)

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2019 Baht	30 September 2018 Baht
Salary	160,306,044	140,462,928
Social security fund	1,140,204	1,119,835
Contribution to employee benefit plan	6,182,794	6,063,994
Bonus	51,859,359	52,313,249
Other employee benefit expenses	39,171,557	32,860,255
Total employee benefit expenses	<u>258,659,958</u>	<u>232,820,261</u>

19 Earnings (loss) per share

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

	(Unaudited)	
	For the three-month periods ended	
	30 September 2019	30 September 2018
Net profit for the period (Baht)	76,036,723	26,589,305
Weighted average number of ordinary shares in issue during the period (shares)	139,025,000	139,025,000
Basic earnings per share (Baht)	0.55	0.19

	(Unaudited)	
	For the nine-month periods ended	
	30 September 2019	30 September 2018
Net profit for the period (Baht)	146,832,982	40,486,845
Weighted average number of ordinary shares in issue during the period (shares)	139,025,000	139,025,000
Basic earnings per share (Baht)	1.06	0.29

There are no potential dilutive ordinary shares in issue for the periods ended 30 September 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

	(Unaudited)		(Unaudited)	
	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Affiliates of Chubb Limited				
Premium ceded to reinsurers				
Chubb Tempest Reinsurance Ltd.	962,481	806,480	3,228,861	1,859,200
Commissions and brokerages				
Chubb Samaggi Insurance PLC	204,817	1,304,012	658,727	1,963,278
Operating expenses				
Chubb Samaggi Insurance PLC	579,494	1,871,752	2,664,961	4,769,921
Chubb Asia Pacific PTE. Ltd.	1,924,437	1,737,978	5,787,455	5,202,302
Chubb America Insurance Company	557,510	-	1,646,117	1,103,319
Chubb Group Holdings, Inc.	-	45,000	-	135,000

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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

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Assets		
Affiliates of Chubb Limited		
Other assets		
Chubb INA International Holdings Limited	2,521,252	2,216,799
Chubb Life Insurance Company	216,932	216,932
Chubb Asia Pacific PTE. Ltd.	873,279	60,990
	<u>3,611,463</u>	<u>2,494,721</u>
Liabilities		
Parent Company		
Employee benefit obligations		
Chubb Limited	74,576,073	69,572,418
Affiliates of Chubb Limited		
Amount due to reinsurance		
Chubb Tempest Reinsurance Ltd.	5,277,400	844,617
Other liabilities		
Chubb INA International Holdings Limited	964,611	32,839
Chubb America Insurance Company	2,198,583	5,030,388
Other creditors		
Chubb Asia Pacific PTE. Ltd.	3,590,656	2,030,392
Chubb INA International Holdings Limited	73,038	73,038
Chubb Samaggi Insurance PLC	-	2,889,398
Accrued commission expenses		
Chubb Samaggi Insurance PLC	623,540	664,907
Accrued expenses		
Chubb Samaggi Insurance PLC	925,600	857,005
Chubb Group Holdings, Inc.	260,615	334,054
	<u>88,490,116</u>	<u>82,329,056</u>

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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)		(Unaudited)	
	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Short-term benefits	13,323,538	13,384,551	61,261,638	56,563,383
Retirement benefits	103,715	91,077	318,470	296,587
Total	13,427,253	13,475,628	61,580,108	56,859,970

22 Assets deposited with Insurance Registrar

As at 30 September 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)	(Audited)
	30 September	31 December
	2019	2018
	Baht	Baht
Government bonds	39,149,580	31,101,062

23 Assets pledged as reserve with registrar

As at 30 September 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)	(Audited)
	30 September	31 December
	2019	2018
	Baht	Baht
Government bonds	3,321,910,014	2,186,332,925

24 Contribution to Life Insurance Fund

In compliance with the Life Insurance Act B.E. 2535, as at 30 September 2019, the Company had cumulative contribution to Life Insurance Fund amounting to Baht 36,180,278 (31 December 2018: Baht 33,462,219).

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25 Commitments

The Company has commitments as follows:

	(Unaudited)		
	30 September 2019		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	18,578,870	5,511,210	24,090,080
Due more than 1 year but no later than 5 years	36,121,052	2,431,891	38,552,943
	<u>54,699,922</u>	<u>7,943,101</u>	<u>62,643,023</u>
	(Audited)		
	31 December 2018		
	Operating lease Baht	Service fee and others Baht	Total Baht
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>