

CHUBB®

Annual Report 2025

For the Financial Year Ended 31 December 2025



CHUBB INSURANCE SINGAPORE LIMITED

(Incorporated in Singapore. Registration Number: 199702449H)

ANNUAL REPORT

For the financial year ended 31 December 2025

CHUBB INSURANCE SINGAPORE LIMITED
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 December 2025

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	4
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

CHUBB INSURANCE SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2025.

In the opinion of the directors,

- (a) the financial statements as set out on pages 7 to 73 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Seah Chin Siong
Olivier Bouchard
Hng Keng Yoong
Lee Khia Yee (appointed on 30th March 2026)
Joey Chang Wei Nang (appointed on 30th March 2026)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CHUBB INSURANCE SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee	
	At 31.12.2025	At 1.1.2025
Chubb Limited, ultimate holding corporation		
<u>Restricted stock award¹</u>		
Olivier Bouchard	2,563	2,766
Hng Keng Yoong	786	696
<u>Restricted stock options¹</u>		
Olivier Bouchard	12,074	14,319
Hng Keng Yoong	890	775
<u>Common shares at par value CHF0.50 each</u>		
Olivier Bouchard	11,246	10,020
Hng Keng Yoong	1,771	1,511

¹ This refers to restricted stock award and stock options granted by Chubb Limited (incorporated in Switzerland) under the Group's 2004 Long-Term Incentive Plans.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

CHUBB INSURANCE SINGAPORE LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Hng Keng Yoong

Hng Keng Yoong
Director

Olivier Bouchard

Olivier Bouchard
Director

30 April 2026

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CHUBB INSURANCE SINGAPORE LIMITED**
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Chubb Insurance Singapore Limited (“the Company”) are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the year ended 31 December 2025;
- the balance sheet as at 31 December 2025;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other information

Management is responsible for the other information. The other information comprises the Directors’ Statement but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CHUBB INSURANCE SINGAPORE LIMITED**

For the financial year ended 31 December 2025

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CHUBB INSURANCE SINGAPORE LIMITED**

For the financial year ended 31 December 2025

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 April 2026

CHUBB INSURANCE SINGAPORE LIMITED**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 December 2025*

	Note	2025 \$'000	2024 \$'000
Insurance revenue		499,816	485,064
Insurance service expenses		(386,579)	(236,442)
Net expenses from reinsurance contracts held		(43,910)	(142,779)
Insurance service results	4	69,327	105,843
Net gains on investments	5	14,651	16,896
Net investment income		14,651	16,896
Finance expenses from insurance contracts issued	12	(48,343)	(17,866)
Finance income from reinsurance contracts	12	31,577	12,896
Net insurance finance expenses		(16,766)	(4,970)
Net insurance and investment result		67,212	117,769
Asset management services		(453)	(436)
Other operating expenses	6	(33,427)	(65,883)
Profit before income tax		33,332	51,450
Income tax expense	7	(4,259)	(6,521)
Profit for the year		29,073	44,929
Other comprehensive income		-	-
Total comprehensive income		29,073	44,929

The accompanying notes form an integral part of these financial statements.

CHUBB INSURANCE SINGAPORE LIMITED**BALANCE SHEET***As at 31 December 2025*

	Note	31 December 2025 \$'000	31 December 2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	13	55,491	38,507
Financial assets, at fair value through profit or loss	10	361,471	368,593
Other assets	11	10,255	11,446
Reinsurance contract assets	12	242,811	116,456
		670,028	535,002
Non-current assets			
Intangible assets	8	62,276	69,071
Property and equipment	9	1,680	2,225
Right-of-use assets	17	2,421	4,774
Reinsurance contract assets	12	274,530	255,758
		340,907	331,828
Total assets		1,010,935	866,830
LIABILITIES			
Current liabilities			
Insurance contract liabilities	12	330,206	208,542
Other liabilities	14	44,661	40,210
Lease liabilities	17	2,826	2,696
Current income tax liabilities	7	5,495	6,436
		383,188	257,884
Non-current liabilities			
Insurance contract liabilities	12	395,631	367,844
Lease liabilities	17	128	2,957
Deferred income tax	15	1,938	2,668
		397,697	373,469
Total liabilities		780,885	631,353
EQUITY			
Share capital	16	212,788	212,788
Retained profits		17,262	22,689
Total equity		230,050	235,477
Total equity and liabilities		1,010,935	866,830

The accompanying notes form an integral part of these financial statements.

CHUBB INSURANCE SINGAPORE LIMITED**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 December 2025*

	Note	Share capital \$'000	Retained profits \$'000	Total equity \$'000
2025				
Beginning of financial year		212,788	22,689	235,477
Total comprehensive income		-	29,073	29,073
Dividends	21	-	(34,500)	(34,500)
End of financial year		212,788	17,262	230,050
2024				
Beginning of financial year		212,788	40,160	252,948
Total comprehensive income		-	44,929	44,929
Dividends	21	-	(62,400)	(62,400)
End of financial year		212,788	22,689	235,477

The accompanying notes form an integral part of these financial statements.

CHUBB INSURANCE SINGAPORE LIMITED

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Net profit		29,073	44,929
Adjustments for:			
- Income tax expense	7	4,259	6,521
- Depreciation expense	9	1,145	1,170
- Amortisation expense	8	8,921	8,584
- Net losses on sale of property and equipment and intangible assets		1	2
- Net gains on financial assets, at fair value through profit or loss		(5,371)	(7,725)
- Unrealised foreign exchange (gain)/loss, net		463	(1,027)
- Interest income		(9,294)	(8,871)
- Interest expense		168	272
- Depreciation of right-of-use assets	17	2,353	2,352
Operating cash flow before working capital changes		31,718	46,207
Change in working capital:			
- Other assets		1,372	(1,292)
- Other liabilities		4,318	(2,767)
- Insurance contract liabilities		149,451	2,768
- Reinsurance contract assets		(145,127)	2,872
Cash generated from operations		41,732	47,788
Net Income tax paid	7	(5,797)	(5,140)
Net cash provided by operating activities		35,935	42,648
Cash flows from investing activities			
Purchase of property and equipment	9	(601)	(508)
Purchase of intangible assets	8	(2,126)	(3,846)
Proceeds from disposal of property and equipment		-	-
Purchases of financial assets, at fair value through profit or loss	10	(188,852)	(276,523)
Proceeds from maturity and sale of financial assets, at fair value through profit or loss	10	201,345	305,129
Interest received		9,113	8,622
Net cash used in investing activities		18,879	32,874
Cash flows from financing activities			
Principal repayment of lease liabilities	17	(2,867)	(2,836)
Dividends paid to member of the Company	21	(34,500)	(62,400)
Net cash used in financing activities		(37,367)	(65,236)
Net increase / (decrease) in cash and cash equivalents held		17,447	10,286
Effects of currency translation on cash and cash equivalents		(463)	734
Cash and cash equivalents at beginning of financial year	13	38,507	27,487
Cash and cash equivalents at end of financial year	13	55,491	38,507

The accompanying notes form an integral part of these financial statements.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Chubb Insurance Singapore Limited (the “Company”) is incorporated and domiciled in Singapore. The address of its registered office is 138 Market Street, #11-01 CapitaGreen, Singapore 048946.

The Company is licensed under the Insurance Act 1966 (the “Insurance Act”) as a direct general insurer.

The principal activity of the Company consists of underwriting of general insurance including reinsurance of all classes of risks.

2. Summary of material accounting information

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The area involving a higher degree of judgement or complexity, or area where estimates and assumptions are significant to the financial statements is the estimation of insurance liabilities and reinsurance assets arising from claims made under insurance contracts, disclosed in Note 3 and Note 12.

Interpretations and amendments to published standards effective in 2025

On 1 January 2025, the Company adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(b) Intangible assets

Distribution rights

Distribution rights acquired are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses (Note 2(d)). These costs are amortised to profit or loss using the discounted cashflow approach over the estimated useful life of 20 years.

Computer software

The expenditure capitalised for software under development includes direct costs, direct salaries and overhead costs that are directly attributable to the development of this software.

Once the software under development is available for use, the capitalised development expenditure is transferred to computer software and is recognised at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 19 years.

(c) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2(d)).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is recognised as part of the cost of property, plant and equipment if such obligation is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated using the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold improvements	5 years	-	10 years
Office equipment	5 years	-	10 years
Furniture and fittings	3 years	-	10 years
Computer equipment	3 years	-	5 years

Assets less than \$1,000 in value are expensed to profit or loss in the month of acquisition. Work-in-progress assets are not depreciated.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(c) Property, plant and equipment (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

(d) Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss of an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets

(i) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(ii) Classification and measurement

The Company classifies its financial assets in the following categories:

- Amortised cost (“AC”),
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVTPL”).

The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification and subsequent measurement of financial assets depend on:

- a. the Company’s business model for managing the financial asset; and
- b. the cash flow characteristics of the financial asset

Based on these factors, the Company classifies its financial assets into one of the following three measurement categories:

- AC: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”), and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any expected credit loss (“ECL”) allowance recognised. Interest income from these financial assets is included in “net gains on financial assets, at fair value through profit or loss, including interest income” using the effective interest rate (“EIR”) method.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(ii) Classification and measurement (continued)

Financial assets (continued)

- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's AC, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net fair value gains/ (losses) on financial assets. Interest income from these financial assets is included in "net gains on financial assets, at fair value through profit or loss, including interest income" using the EIR method.
- FVTPL: Financial assets that do not meet the criteria for AC are measured at FVTPL. Also, some assets are voluntarily measured at FVTPL, because this significantly reduces an accounting mismatch. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised and presented in the profit or loss within net fair value gains/ (losses) on financial assets in the period in which it arises.

Business model assessment

The business model reflects how the Company manages assets in order to generate cash flows. That is, it reflects whether the Company's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of the other business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(ii) Classification and measurement (continued)

Solely payments of principal and interest ("SPPI")

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows meet SPPI test. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Company has determined that an accounting mismatch is reduced if all its investment assets are measured at FVTPL. For these instruments, the Company has applied the option to designate these financial assets at FVTPL.

Other financial assets

The Company measures all its other financial assets at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognised. Interest income from these financial assets, if any, is included in interest income from financial assets not measured at FVTPL using the EIR method.

(iii) Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company may determined that a reclassification is required in order to reduce accounting mismatch.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(iv) Impairment

The Company assesses on a forward-looking basis ECL associated with its financial assets carried at AC and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company measures loss allowance for financial assets carried at AC and FVOCI based on three-stage model for impairment depending on the changes in credit quality since initial recognition as summarised below:

- financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Company. ECL are provided for expected credit losses that result from default events that are possible within the next 12-months (12-month ECL).
- if a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. A loss allowance is provided for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).
- if the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. A loss allowance is then provided for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).
- A pervasive concept in measuring the ECL in accordance with FRS 109 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (lifetime ECL).

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(iv) Impairment (continued)

Measurement of ECL

ECL is a probability-weighted estimate of the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The ECL is the discounted product of the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"), defined as follows:

- PD – an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- EAD – an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- LGD – an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (that is, the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a financial instrument portfolio from the point of initial recognition throughout the lifetime of the financial instrument. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(iv) Impairment (continued)

Measurement of ECL (continued)

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

Loss allowances for ECL are presented as follows:

- AC: the loss allowance is deducted from the gross carrying amount of the assets; and
- FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value). Instead it is recognized directly in profit or loss.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortised cost and FVOCI are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Company on terms that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- disappearance of an active market for a security due to financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(iv) Impairment (continued)

Low credit risk financial assets

For financial assets that have low credit risk, loss allowance is calculated and the financial asset is measured using 12-month ECL, provided that the financial asset meets the following criteria:

- the financial instrument has a low risk of default;
- the borrower is considered to have a strong capacity to meet its obligation in the near term; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

(v) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

The Company's debt instruments are designated as FVTPL since initial recognition to reduce the accounting mismatch created by assets and liabilities being measured on different bases and, therefore, do not have any loss allowance from expected credit loss as of reporting date. All other financial assets are short-term and low risk in nature and loss allowance, if any, is immaterial to be disclosed.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(e) Financial assets (continued)

(vi) Derecognition

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

When the Company has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

(f) Fair value estimation

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. When appropriate, quoted market prices or dealer quotes for similar instruments are used where appropriate. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(g) Other liabilities

Other liabilities are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts

The Company issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract under which the Company (insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. The recognition and measurement of insurance contracts are set out in the financial statements. The adoption of FRS 117 did not change the classification of the Company's insurance contracts.

Investment contracts are those contracts that do not transfer significant insurance risk.

When insurance contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the balance sheet similar to investment contracts.

The Company uses Premium Allocation Approach ("PAA") measurement approach for all its general insurance contracts issued and reinsurance contracts held.

(i) Separating components

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be separated and not accounted for under FRS 117. After separating any distinct components, the Company applies FRS 117 to all remaining components of the host insurance contract. Currently, the Company does not have any contracts that require further separation or combination of insurance contracts.

Insurance contracts with refund features are not separated under FRS 117. Where refunds are paid to the policyholder in all circumstances, they are accounted for as non-distinct investment components and are measured as part of the insurance contracts.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(ii) Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together and dividing each portfolio into annual cohorts and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous at initial recognition;
- any contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- any remaining contracts in the portfolio.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business.

The Company deems the local regulatory reporting product lines level as sets of contracts that have similar insurance risk, are managed together.

For the product lines deemed as onerous, these product lines are typically priced with a low expected profitability margins due to the historical low price adequacy level of the market in which the Company operates in as a result of competition on pricing.

All other contracts measured using the PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

The level of aggregation for reinsurance contracts are similar to insurance contracts except for profitability:

- net gain position at initial recognition;
- at initial recognition, there is no significant possibility of a net gain arising subsequently; or
- any remaining contracts in the portfolio.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(iii) Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

A group of reinsurance contracts held is recognised at the earlier of:

- The beginning of the coverage period of the group; or
- The date the Company recognises an onerous group of underlying contracts, if the entity entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

(iv) Contract Boundary

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(v) Initial and subsequent measurement

Insurance contracts

The Company applies PAA to all the insurance contracts that it issues as the Company has modelled possible future scenarios and reasonably expects that the measurement of LFRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that are not onerous at initial recognition, the Company measures the LFRC as:

- the amount of premiums, if any, received at initial recognition;
- decreased for any insurance acquisition cash flows at that date;
- increased or decreased for any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows; and
- any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Subsequently, the Company measures the carrying amount of the LFRC at the end of each reporting period as the LFRC at the beginning of the period:

- increased by any premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- increased for any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period;
- increased for any adjustment to the financing component, where applicable;
- decreased by the amount recognised as insurance revenue for the services provided in the period; and
- decreased for any investment component paid or transferred to the liability for incurred claims.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(v) Initial and subsequent measurement (continued)

Insurance contracts (continued)

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the LFRC for such onerous group depicting the losses recognised.

The Company does not adjust the LFRC for insurance contracts issued for the effect of the time value of money, because most insurance premiums are due within the coverage period of contracts, which is one year or less.

The Company estimates the LFIC as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). Future cash flows are adjusted for the time value of money.

Reinsurance Contracts

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on to the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued.

Reinsurance contracts held by the Company falls into the following categories:

- Facultative reinsurance contracts;
- Loss occurring reinsurance treaty contracts; and
- Risk attaching reinsurance treaty contracts.

Facultative reinsurance contracts are assessed for PAA eligibility on the same basis as the underlying insurance contract attached.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(v) Initial and subsequent measurement (continued)

Reinsurance contracts (continued)

Loss occurring and risk attaching reinsurance treaty contracts are assessed for PAA eligibility based on the maximum coverage period of a group of contracts under each treaty by taking the earliest start date and the latest expiry date in a group of contracts.

The Company has modelled possible future scenarios and reasonably expects that the measurement of LFRC for the reinsurance contracts held, under the PAA does not differ materially from the measurement that would be produced applying the general model.

On initial recognition, the remaining coverage for reinsurance contracts held is:

- the amount of ceding premiums paid;
- increased by broker fees paid to a party other than the reinsurance; and
- increased by any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

At each of the subsequent reporting dates, the remaining coverage for reinsurance contracts held is:

- increased for ceding premiums paid in the period;
- increased for broker fees paid in the period; and
- decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(v) Initial and subsequent measurement (continued)

Reinsurance contracts (continued)

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts; and
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

The Company does not recognise any insurance acquisition cash flows for renewals outside the contract boundary as of the reporting date.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(vi) Derecognition and contract modification

The Company derecognises a contract when it is extinguished, i.e., when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(vii) Presentation

The Company has presented separately, in the balance sheet, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are allocated and included in the carrying amount of the related groups of insurance contracts.

The Company disaggregates the total amount recognised in profit or loss into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

(i) Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(vii) Presentation (continued)

(ii) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- incurred claims and other insurance service expenses;
- losses on onerous contracts and reversals of such losses;
- adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein; and
- impairment losses on assets for insurance acquisition cash flows and its reversals.

(iii) Net income or expense from reinsurance contracts held

Net income or expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
 - for changes in fulfilment cash flows of the Company of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.
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CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(h) Insurance and reinsurance contracts (continued)

(vii) Presentation (continued)

(iii) Net income or expense from reinsurance contracts held (continued)

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

(iv) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

(i) Leases

When the Company is the lessee

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contact are changed.

(i) Right-of-use asset

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(i) Leases (continued)

When the Company is the lessee (continued)

(ii) Lease liability

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- there is a change in future lease payments arising from changes in an index or rate; or
- there is a change in the Company's assessment of whether it will exercise an extension option; or
- there are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short-term and low-value leases

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to profit or loss.

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognize those lease payments in profit or loss in the periods that triggered those lease payments.

For contract which contains lease and non-lease components, the Company allocates the consideration based on a relative stand-alone selling price basis.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(j) Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

(k) Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2. Summary of material accounting information (continued)

(l) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(ii) Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(iii) Share-based compensation

The Company's ultimate holding corporation operates several share-based compensation plans. The total amount of equity-settled transactions to be recognised over the vesting period is determined by reference to the fair value on the date of the grant. The cost of equity-settled transactions is recognised as an expense together with a corresponding increase in equity over the vesting period, and subsequently recharged by the Company's ultimate holding corporation.

(m) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at balance sheet date are recognised in profit or loss.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2 Summary of material accounting information (continued)

(m) Currency translation (continued)

(ii) Transactions and balances (continued)

Changes in the fair value of monetary securities denominated in foreign currencies classified as FVTPL are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and fixed deposits with financial institutions which are subject to an insignificant risk of change in value.

(o) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants are recognised in other operating income in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

(p) Share capital

Ordinary shares are classified as equity.

(q) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Dividend

Dividends to the Company's member are recognised when the dividends are approved for payment.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. Critical accounting estimates, assumptions and judgements

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.

Insurance contract liabilities and reinsurance assets

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under FRS 104 Insurance Contracts. However, when measuring liabilities for incurred claims, the Company now discounts projected future claims payment, both gross and net of reinsurance and other recoveries and associated claims handling costs, to a present value using bottom-up approach to reflect the time value of money.

(i) Liability for remaining coverage – Onerous groups

The Company has assessed and identified insurance contracts that are onerous based on the facts and circumstances which indicate that the contracts are onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

Loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

(ii) Liability for incurred claims

Liabilities for incurred claims for each group of business are estimated by reference to a variety of estimation techniques, generally based on a statistical analysis of historical experience which assumes an underlying pattern of claims development, claims payment and the direct and indirect claims-related expenses. Risk adjustment on non-financial risk was also included in liabilities for incurred claims. It is a component of the value of the insurance liabilities which is set at a level such that there is a higher level of confidence (or probability) that the provisions will ultimately be sufficient. For the purpose of this valuation basis, the level of confidence is at 75% at an overall Company level. The stand-alone risk adjustments for liability for incurred claims for each portfolio were determined using bootstrapping analysis.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. Critical accounting estimates, assumptions and judgements (continued)

Insurance contract liabilities and reinsurance assets (continued)

(ii) Liability for incurred claims (continued)

The final selected estimates are based on a judgemental consideration of results of each method and qualitative information, for example, the class of business, the maturity of the portfolio and expected term to settlement of the class. Projections are based on historical experience and external benchmarks where relevant.

The ultimate costs of outstanding claims were assessed using five standard actuarial valuation methods:

Chain Ladder methods:

The Chain Ladder method is based on the analysis of the historical claim development by accident year and assumption that the Company's own claim experience is indicative of future claim development patterns. Selected claim development factors are implicitly derived from the aforementioned historical claim development data and are then applied to cumulative claims data for each accident year that is not fully developed to produce an estimated ultimate cost of outstanding claims for each accident year.

Chain Ladder on Incurred Claim Development method is based on the development of reported incurred claims by accident year. This method is generally applied onto the older accident years where the claim experience has matured and are close to the ultimate.

Chain Ladder on Paid Claim Development method is based on the development of paid claims by accident year. This method while generally not suitable for direct use due to the inherent variability in corporate lines business, is a necessary method as a check on other actuarial models applied and to determine claim payment patterns to enable discounted liability estimates to be derived.

Chain Ladder on Average Incurred Cost Development method is based on the development of the reported average claim size multiplied by the selected ultimate claim counts by accident year. This method is used primarily as a sense-check against the results derived from the Chain Ladder on Incurred Claim Development method and Bornhuetter Ferguson method.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. Critical accounting estimates, assumptions and judgements (continued)

Insurance contract liabilities and reinsurance assets (continued)

(ii) Liability for incurred claims (continued)

Bornhuetter Ferguson method:

The Bornhuetter Ferguson method estimates the ultimate cost of outstanding claims based on a blend of projected losses (i.e. starting expected ultimate loss ratio assumption) and the actual emerging loss experience. This method is applied to recent accident years where claim experience is deemed to be less mature and added conservatism is adopted to derive the Incurred but not reported reserves ("IBNR").

The methods adopted for each class of business depends on the nature of the portfolio, the volume and stability of past claim data and the expected future claim development.

The key assumptions and the sensitivity analysis of liabilities of incurred claims are disclosed in Note 12 to the financial statements.

Expected loss ratio method:

The Expected Loss Ratio method estimates the ultimate cost of outstanding claims by applying a priori expected loss ratio ("IELR") to the earned premium. The IELR is typically derived from historical experience, industry benchmarks or company's business plan loss ratio.

Discount rates

A bottom-up approach was applied in the determination the discount rates used to discount insurance contract liabilities and reinsurance contract assets. Under this approach, the discount rates are determined as the risk-free yield, adjusted for difference in liquidity characteristics between the financial assets used to deliver the risk-free yield and the relevant cash flows (known as 'illiquidity premium'). Risk-free rates are determined by reference to the government bond yield curves to derive an appropriate discount rate which matches cashflows in terms of duration, timing and currency. The illiquidity premium has been considered to be zero considering the short-term liability duration. The Company applies judgment in assessing the liquidity characteristics of the liability cash flows.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. Critical accounting estimates, assumptions and judgements (continued)

Insurance contract liabilities and reinsurance assets (continued)

(ii) Liability for incurred claims (continued)

Discount rates

Discount rates applied for discounting of future cash flows are listed below:

	<u>6 Months</u>	<u>1 Year</u>	<u>2 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>30 Years</u>
<u>2025</u>							
SGD	1.60%	1.37%	1.48%	1.84%	2.22%	2.20%	2.32%
USD	3.59%	3.48%	3.47%	3.73%	4.18%	4.79%	4.84%
<u>2024</u>							
SGD	3.00%	2.78%	2.72%	2.82%	2.86%	2.83%	2.81%
USD	4.24%	4.16%	4.25%	4.38%	4.58%	4.86%	4.78%

4. Analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held

	2025	2024
	\$'000	\$'000
Insurance revenue from contracts measured	499,816	485,064
Total insurance revenue	499,816	485,064
Incurred claims and other directly attributable expenses	(264,008)	(118,712)
Insurance acquisition cash flow amortization	(123,923)	(116,436)
(Losses on onerous contracts) and reversal of those losses	1,352	(1,294)
Total insurance service expenses	(386,579)	(236,442)
Reinsurance expenses - contracts measured under PAA	(231,593)	(222,882)
Incurred claims recovery	188,223	79,395
Income on initial recognition of onerous underlying contracts and (reversal)	(540)	708
Total net expenses from reinsurance contracts held	(43,910)	(142,779)
Total insurance service result	69,327	105,843

CHUBB INSURANCE SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025*

5. Net gains on investments

	2025 \$'000	2024 \$'000
Interest income from cash and cash equivalents	405	562
Net gains on financial assets, at fair value through profit or loss, including interest income	14,246	16,334
Net gains on investments	14,651	16,896

6. Other operating expenses

The following items have been included in other operating income/(expenses) during the financial year:

	2025 \$'000	2024 \$'000
Government grant	(108)	143
Other gains	(108)	143
Management fee from related company	75	171
Other miscellaneous (expenses)/ income	(17)	65
Other income	58	236
Losses on foreign currency exchange	(2,612)	(1,149)
Loss on sale of PPE	(1)	(2)
Other losses	(2,613)	(1,151)
Directors' fees	(65)	(68)
Other operating expenses	(30,699)	(65,043)
Other expenses	(30,764)	(65,111)
Total other operating expenses	(33,427)	(65,883)

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. Other operating expenses (continued)

Breakdown of Other expenses for 2025

	Expenses attributable to insurance acquisition cash flows	Other directly attributable expense	Other operating expenses	Total
	\$'000	\$'000	\$'000	\$'000
Advertising expenses	4,022	114	136	4,272
Audit Legal and other professional fees*	-	84	627	711
Bank Charges	709	489	-	1,198
Depreciation and amortisation	-	3,113	13	3,126
Depreciation for right of use	717	1,465	171	2,353
Employee expenses	15,041	23,337	5,583	43,961
Interest expenses on lease liabilities	-	-	168	168
IT related expenses	-	8,902	1	8,903
Management fees paid to related parties	-	-	21,064	21,064
Outsourcing expenses	-	4,400	-	4,400
Other expenses	1,206	4,448	2,936	8,590
Total other expenses	21,695	46,352	30,699	98,746

Breakdown of Other expenses for 2024

	Expenses attributable to insurance acquisition cash flows	Other directly attributable expense	Other operating expenses	Total
	\$'000	\$'000	\$'000	\$'000
Advertising expenses	3,795	2	1,357	5,154
Audit Legal and other professional fees*	-	-	729	729
Bank Charges	714	-	488	1,202
Depreciation and amortisation	-	284	2,383	2,667
Depreciation for right of use	698	-	1,654	2,352
Employee expenses	15,709	2,806	24,032	42,547
Interest expenses on lease liabilities	-	-	272	272
IT related expenses	-	849	5,279	6,128
Management fees paid to related parties	-	-	21,172	21,172
Outsourcing expenses	-	1,197	2,834	4,031
Other expenses	1,126	575	4,843	6,544
Total other expenses	22,042	5,713	65,043	92,798

*Includes herein the audit remuneration to external auditor of \$373k (2024: \$491k) and non-audit remuneration to external auditor of \$91k (2024: \$99k).

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. Income taxes

(a) Income tax expense

	2025 \$'000	2024 \$'000
Tax expense attributable to profit is made up of:		
- Current income tax	4,706	6,021
- Deferred income tax (credit)/expense (Note 15)	(730)	486
- Withholding tax expenses	133	47
	<u>4,109</u>	<u>6,554</u>
Under/ (over)provision in prior financial years	150	(33)
	<u>4,259</u>	<u>6,521</u>

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2025 \$'000	2024 \$'000
Profit before income tax	<u>33,332</u>	<u>51,450</u>
Tax calculated at a tax rate of 17% (2024: 17%)	5,666	8,746
Effects of:		
- Income taxed at concessionary rate of 10%	(1,867)	(2,312)
- Expenses not deductible for tax purposes	246	128
- Singapore statutory stepped income exemption	(17)	(17)
- Tax incentives	(52)	(38)
- Withholding tax (credit)/expense	133	47
- Under/ (over)provision in prior financial years	150	(33)
Tax expense	<u>4,259</u>	<u>6,521</u>

(b) Movements in current income tax liabilities

	2025 \$'000	2024 \$'000
Beginning of financial year	6,436	5,588
Income tax paid	(5,797)	(5,140)
Tax expense	4,706	6,021
Under/ (Over)provision in prior financial years	150	(33)
End of financial year	<u>5,495</u>	<u>6,436</u>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. Income taxes (continued)

(c) Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Company is part of Chubb Limited and its subsidiaries (the "Group"), which falls within the scope of the OECD Pillar Two model rules. In December 2024, Singapore enacted Pillar Two legislation and implemented the Income Inclusion Rule ("IIR") and the Domestic Minimum Top-up Tax ("DTT"), effective from 1 January 2025. Under this legislation, the Group is liable to pay a top-up tax equal to the difference between its Global Anti-Base Erosion ("GloBE") effective tax rate in each jurisdiction and the 15% minimum rate.

The DTT applies on a jurisdictional basis to the Group's entities in Singapore. No DTT liability has been allocated to the Company on a standalone basis for the financial year. The Group has elected to recognise the full DTT expense in Chubb Asia Pacific Pte. Ltd., being the designated filing entity with the legal obligation to settle the DTT. Accordingly, any DTT arising in Singapore is borne by Chubb Asia Pacific Pte. Ltd. on behalf of the Singapore entities, and is not recharged to the Company.

The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income taxes.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. Intangible assets

	Distribution rights	Computer software	Work in progress ("WIP")	Total
	\$'000	\$'000	\$'000	\$'000
2025				
<u>Cost</u>				
Beginning of financial year	97,640	17,659	1,600	116,899
Additions	-	678	1,448	2,126
Transfer WIP to computer software	-	1,860	(1,860)	-
Disposals	-	(228)	-	(228)
End of financial year	<u>97,640</u>	<u>19,969</u>	<u>1,188</u>	<u>118,797</u>
<u>Accumulated amortisation</u>				
Beginning of financial year	40,067	7,761	-	47,828
Amortisation	6,940	1,981	-	8,921
Disposals	-	(228)	-	(228)
End of financial year	<u>47,007</u>	<u>9,514</u>	<u>-</u>	<u>56,521</u>
Net carrying amount				
End of financial year	<u>50,633</u>	<u>10,455</u>	<u>1,188</u>	<u>62,276</u>
2024				
<u>Cost</u>				
Beginning of financial year	97,640	14,990	3,068	115,698
Additions	-	2,511	1,335	3,846
Transfer WIP to computer software	-	2,803	(2,803)	-
Disposals	-	(2,645)	-	(2,645)
End of financial year	<u>97,640</u>	<u>17,659</u>	<u>1,600</u>	<u>116,899</u>
<u>Accumulated amortisation</u>				
Beginning of financial year	32,980	8,909	-	41,889
Amortisation	7,087	1,497	-	8,584
Disposals	-	(2,645)	-	(2,645)
End of financial year	<u>40,067</u>	<u>7,761</u>	<u>-</u>	<u>47,828</u>
Net carrying amount				
End of financial year	<u>57,573</u>	<u>9,898</u>	<u>1,600</u>	<u>69,071</u>

CHUBB INSURANCE SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025***9. Property and equipment**

	<u>Leasehold improvements</u> \$'000	<u>Office equipment</u> \$'000	<u>Furniture and fittings</u> \$'000	<u>Computer equipment</u> \$'000	<u>Total</u> \$'000
2025					
<u>Cost</u>					
Beginning of financial year	3,732	337	743	1,824	6,636
Addition for the year	-	6	6	589	601
Disposals	-	-	(4)	(514)	(518)
End of financial year	<u>3,732</u>	<u>343</u>	<u>745</u>	<u>1,899</u>	<u>6,719</u>
<u>Accumulated depreciation</u>					
Beginning of financial year	2,444	326	454	1,187	4,411
Depreciation charge	635	11	145	354	1,145
Disposal	-	-	(3)	(514)	(517)
End of financial year	<u>3,079</u>	<u>337</u>	<u>596</u>	<u>1,027</u>	<u>5,039</u>
Net book value					
End of financial year	<u>653</u>	<u>6</u>	<u>149</u>	<u>872</u>	<u>1,680</u>
2024					
<u>Cost</u>					
Beginning of financial year	3,563	488	740	2,210	7,001
Addition for the year	169	-	5	334	508
Disposals	-	(151)	(2)	(720)	(873)
End of financial year	<u>3,732</u>	<u>337</u>	<u>743</u>	<u>1,824</u>	<u>6,636</u>
<u>Accumulated depreciation</u>					
Beginning of financial year	1,751	463	311	1,587	4,112
Depreciation charge	693	14	144	319	1,170
Disposal	-	(151)	(1)	(719)	(871)
End of financial year	<u>2,444</u>	<u>326</u>	<u>454</u>	<u>1,187</u>	<u>4,411</u>
Net book value					
End of financial year	<u>1,288</u>	<u>11</u>	<u>289</u>	<u>637</u>	<u>2,225</u>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

10. Financial assets, at fair value through profit or loss

The movements during the year are as follows:

	2025	2024
	\$'000	\$'000
Beginning of financial year	368,593	389,181
Additions	188,852	276,523
Fair value gains recognised through profit or loss	5,371	8,018
Maturities and disposals	(201,345)	(305,129)
End of financial year	361,471	368,593

Financial assets, at fair value through profit or loss are analysed as follows:

	2025	2024
	\$'000	\$'000
Government securities:		
Government securities - SGD	182,581	205,148
Government securities - USD	17,031	16,720
	199,612	221,868
Debt securities:		
Debt securities - SGD	131,613	117,183
Debt securities - USD	30,246	29,542
	161,859	146,725
	361,471	368,593

The government and debt securities have maturity dates from January 2026 to August 2035 (2024: January 2025 to May 2034) with the following weighted average effective interest rates:

	2025	2024
SGD	2.17%	2.17%
USD	2.23%	1.55%

The exposure of investments to interest rate risks is disclosed in Note 19(a)(ii).

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

11. Other assets

	2025 \$'000	2024 \$'000
Prepayments	87	2,578
Rental and other deposits	980	979
Amounts due from related companies	254	332
Tax receivables from third party	5,080	3,939
Accrued interest receivable	2,308	2,127
Sundry receivables	1,546	1,491
Other receivables	9,188	7,889
Total Other Assets	10,255	11,446

The carrying amounts of other assets approximate their fair values.

12. Insurance and reinsurance contracts

An analysis of the liabilities for remaining coverage and liabilities for incurred claims for insurance contracts as at 31 December 2025

	Liabilities for <u>remaining coverage</u>		Liabilities for <u>incurred claims</u>		Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
At 1 January 2025					
Insurance contract liabilities	93,746	4,344	431,930	46,366	576,386
Insurance revenue from contracts measured under PAA	(499,816)	-	-	-	(499,816)
Insurance service expenses					
Incurred claims and directly attributable expenses	-	-	351,116	27,470	378,586
Amortisation of insurance acquisition cash flows	123,923	-	-	-	123,923
Losses on onerous contracts and reversals	-	(1,352)	-	-	(1,352)
Changes related to past service - liabilities for incurred claims	-	-	(98,436)	(16,142)	(114,578)
	123,923	(1,352)	252,680	11,328	386,579
Total insurance service result	(375,893)	(1,352)	252,680	11,328	(113,237)
Insurance finance expenses					
Insurance finance expenses	-	-	35,046	-	35,046
Effect of movements in exchange rates	18,460	-	(5,163)	-	13,297
	18,460	-	29,883	-	48,343
Total changes in the statement of comprehensive income	(357,433)	(1,352)	282,563	11,328	(64,894)
Investment components	58	-	(58)	-	-
Cash flows					
Premiums received	476,452	-	-	-	476,452
Claims and other insurance service expenses paid including investment component paid	-	-	(157,195)	-	(157,195)
Insurance acquisition cash flows	(104,912)	-	-	-	(104,912)
Total Cash flows	371,540	-	(157,195)	-	214,345
At 31 December 2025					
Insurance contract liabilities	107,911	2,992	557,240	57,694	725,837

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

An analysis of the liabilities for remaining coverage and liabilities for incurred claims for insurance contracts as at 31 December 2024

	Liabilities for remaining coverage		Liabilities for incurred claims		Total \$'000
	Excluding loss component \$'000	Loss component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
At 1 January 2024					
Insurance contract liabilities	105,784	3,050	420,235	44,549	573,618
Insurance revenue from contracts measured under PAA	(485,064)	-	-	-	(485,064)
Insurance service expenses					
Incurring claims and directly attributable expenses	-	-	203,068	17,107	220,175
Amortisation of insurance acquisition cash flows	116,435	-	-	-	116,435
Losses on onerous contracts and reversals	-	1,294	-	-	1,294
Changes related to past service - liabilities for incurred claims	-	-	(86,172)	(15,290)	(101,462)
	116,435	1,294	116,896	1,817	236,442
Total insurance service result	(368,629)	1,294	116,896	1,817	(248,622)
Insurance finance expenses					
Insurance finance expenses	-	-	19,922	-	19,922
Effect of movements in exchange rates	(3,927)	-	1,871	-	(2,056)
	(3,927)	-	21,793	-	17,866
Total changes in the statement of comprehensive income	(372,556)	1,294	138,689	1,817	(230,756)
Investment components	129	-	(129)	-	-
Cash flows					
Premiums received	488,950	-	-	-	488,950
Claims and other insurance service expenses paid including investment component paid	-	-	(126,865)	-	(126,865)
Insurance acquisition cash flows	(128,561)	-	-	-	(128,561)
Total Cash flows	360,389	-	(126,865)	-	233,524
At 31 December 2024					
Insurance contract liabilities	93,746	4,344	431,930	46,366	576,386

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

An analysis of the assets for remaining coverage and assets for incurred claims for reinsurance contracts as at 31 December 2025

	Assets for remaining coverage		Assets for incurred claims		Total \$'000
	Excluding loss-recovery component \$'000	Loss-recovery component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
At 1 January 2025					
Reinsurance contract assets	18,309	2,292	318,909	32,704	372,214
Net income/(expenses) from reinsurance contracts held					
Allocation of reinsurance premiums paid	(231,593)	-	-	-	(231,593)
Recoveries of incurred claims and other insurance service expenses	-	-	235,573	21,966	256,534
Changes relating to past services - adjustments to incurred claims	-	-	(59,174)	(10,142)	(68,311)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(540)	-	-	(540)
	(231,593)	(540)	176,399	11,824	(43,910)
Finance income from reinsurance contracts held					
Finance income from reinsurance contracts held	-	-	26,570	-	26,570
Effect of movements in exchange rates	10,961	-	(5,954)	-	5,007
	10,961	-	20,616	-	31,577
Total changes in the statement of comprehensive income	(220,632)	(540)	197,015	11,824	(12,333)
Cash flows					
Premiums paid net of ceding commissions	226,646	-	-	-	226,646
Recoveries from reinsurance	-	-	(69,186)	-	(69,186)
Total Cash flows	226,646	-	(69,186)	-	157,460
At 31 December 2025					
Reinsurance contract assets	24,323	1,752	446,738	44,528	517,341

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

An analysis of the assets for remaining coverage and assets for incurred claims for reinsurance contracts as at 31 December 2024

	Assets for <u>remaining coverage</u>		Assets for <u>incurred claims</u>		Total \$'000
	Excluding loss-recovery component \$'000	Loss- recovery component \$'000	Present value of future cash flows \$'000	Risk adjustment \$'000	
<u>At 1 January 2024</u>					
Reinsurance contract assets	49,501	1,584	293,397	30,605	375,087
<u>Net income/(expenses) from reinsurance contracts held</u>					
Allocation of reinsurance premiums paid	(222,883)	-	-	-	(222,883)
Recoveries of incurred claims and other insurance service expenses	-	-	128,308	11,427	139,735
Changes relating to past services - adjustments to incurred claims	-	-	(51,011)	(9,328)	(60,339)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	708	-	-	708
	(222,883)	708	77,297	2,099	(142,779)
<u>Finance income from reinsurance contracts held</u>					
Finance income from reinsurance contracts held	-	-	13,452	-	13,452
Effect of movements in exchange rates	(2,471)	-	1,915	-	(556)
	(2,471)	-	15,367	-	12,896
<u>Total changes in the statement of comprehensive income</u>					
	(225,354)	708	92,664	2,099	(129,883)
<u>Cash flows</u>					
Premiums paid net of ceding commissions	194,162	-	-	-	194,162
Recoveries from reinsurance	-	-	(67,152)	-	(67,152)
Total Cash flows	194,162	-	(67,152)	-	127,010
<u>At 31 December 2024</u>					
Reinsurance contract assets	18,309	2,292	318,909	32,704	372,214

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

Actuarial methods, assumptions and sensitivity analysis

(a) Methods

Five standard actuarial methods (Chain ladder on Incurred and Paid Claims, Bornhuetter-Ferguson, Expected Loss Ratio Method and Chain Ladder on Average Incurred Cost Development) have been applied to each class of business to determine the insurance liabilities. The selection of an appropriate method depends on the nature of the claim development and claim volatility. The Best estimate liability is equal to the Case Estimates in situations where no further loss development is expected.

The insurance liabilities also include an appropriate allowance for allocated and unallocated future claim handling expenses. In addition, an administration expense reserve of 5.0% (2024: 5.2%) of gross unearned premium reserve has been included in the assessment of the premium liability.

(b) Assumptions

The following assumptions were used in determining the gross outstanding claim liabilities.

Ultimate claim number - current year

The ultimate claim number for the current accident year is estimated separately by class of business by projecting the number of claims reported to date based on historical reporting patterns.

Average claim size - current year

The average claim size for the current accident year is estimated separately by class of business by projecting the ultimate claims cost based on historical claim development patterns and dividing by the estimated ultimate claim number.

Unallocated claim expense rate (or indirect claim expense rate)

The unallocated claim expense rate is calculated separately by class of business based on historical unallocated claim expenses as a percentage of historical payments.

Inflation rate

The inflation rate is implicit in the valuation models used so no explicit inflation rate is used in the valuation. Movement in average claim size provides a de facto estimate of the inflation rate implied in the valuation.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

Actuarial methods, assumptions and sensitivity analysis (continued)

(b) Assumptions (continued)

Discount rate

The discount rate is derived from market yields of government securities at the balance sheet date and adjusted for illiquidity premium.

Initial expected loss ratio for current accident year

Expected loss ratio for current accident year is estimated separately derived by class of business by one of the four methods under Note 3 (ii).

Risk adjustment

The overall risk adjustment was determined after allowing for uncertainty of the outstanding claim estimate. Uncertainty was analysed for each class of business taking into account potential uncertainties relating to the actuarial models and assumptions, the quality of the underlying data used in the models and the general insurance environment.

The estimate of uncertainty is greater for long tailed classes when compared to short tail classes due to the longer time until settlement of outstanding claims.

The assumptions regarding uncertainty for each class were applied to the gross and net central estimates, and the results were aggregated to arrive at an overall provision which is intended to have a 75% probability of sufficiency. The risk adjustment applied in 2025 is 10.4% (2024: 10.7%).

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

(c) Sensitivity analysis

The Company conducts sensitivity analysis to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results for 2025 are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the performance and equity of the Company. The table below shows how a reasonable possible change in each assumption will affect the outstanding claims liabilities and profit or loss. As no explicit inflation rate is used in the valuation no sensitivity analysis is performed for a change in the inflation rate.

2025

<u>Variables</u>	<u>Change in variables</u>	<u>Impact on gross liabilities</u> \$'000	<u>Impact on net liabilities</u> \$'000	<u>Impact on profit before tax gross of reinsurance</u> \$'000	<u>Impact on profit before tax net of reinsurance</u> \$'000	<u>Impact on equity gross of reinsurance</u> \$'000	<u>Impact on equity net of reinsurance</u> \$'000
Discounted average weighted term to settlement	+0.5%	(4,844)	(1,109)	4,848	1,109	4,020	920
	-0.5%	4,882	1,118	(4,882)	(1,118)	(4,052)	(928)
Ultimate claim number - current year	+10%	35,235	7,059	(35,235)	(7,059)	(29,245)	(5,859)
	-10%	(35,235)	(7,059)	35,235	7,059	29,245	5,859
Average claim size - current year	+10%	35,235	7,059	(35,235)	(7,059)	(29,245)	(5,859)
	-10%	(35,235)	(7,059)	35,235	7,059	29,245	5,859
Unallocated claim expense rate	+1%	5,723	5,722	(5,723)	(5,722)	(4,750)	(4,749)
	-1%	(5,723)	(5,722)	5,723	5,722	4,750	4,749
Discount rate	+1%	(9,836)	(1,969)	9,836	1,969	8,164	1,634
	-1%	10,095	2,017	(10,095)	(2,017)	(8,379)	(1,674)
Initial expected loss ratio on current accident year	+10%	15,612	4,006	(15,612)	(4,006)	(12,958)	(3,325)
	-10%	(15,612)	(4,006)	15,612	4,006	12,958	3,325
Risk adjustment	+20%	11,602	2,838	(11,602)	(2,838)	(9,630)	(2,356)
	-20%	(11,496)	(2,497)	11,496	2,497	9,542	2,072

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

(c) Sensitivity analysis (continued)

2024

<u>Variables</u>	<u>Change in variables</u>	<u>Impact on gross liabilities</u> \$'000	<u>Impact on net liabilities</u> \$'000	<u>Impact on profit before tax gross of reinsurance</u> \$'000	<u>Impact on profit before tax net of reinsurance</u> \$'000	<u>Impact on equity gross of reinsurance</u> \$'000	<u>Impact on equity net of reinsurance</u> \$'000
Discounted average weighted term to settlement	+0.5%	(6,508)	(1,969)	6,508	1,969	5,402	1,634
	-0.5%	6,598	1,996	(6,598)	(1,969)	(5,476)	(1,657)
Ultimate claim number - current year	+10%	22,381	8,659	(22,381)	(8,659)	(18,576)	(7,187)
	-10%	(22,381)	(8,659)	22,381	8,659	18,576	7,187
Average claim size - current year	+10%	22,381	8,659	(22,381)	(8,659)	(18,576)	(7,187)
	-10%	(22,381)	(8,659)	22,381	8,659	18,576	7,187
Unallocated claim expense rate	+1%	4,385	4,372	(4,385)	(4,372)	(3,639)	(3,629)
	-1%	(4,385)	(4,372)	4,385	4,372	3,639	3,629
Discount rate	+1%	(6,772)	(1,896)	6,772	1,896	5,621	1,574
	-1%	6,937	1,941	(6,937)	(1,941)	(5,757)	(1,611)
Initial expected loss ratio on current accident year	+10%	11,879	5,526	(11,879)	(5,526)	(9,859)	(4,587)
	-10%	(11,879)	(5,526)	11,879	5,526	9,859	4,587
Risk adjustment	+20%	9,362	2,794	(9,362)	(2,794)	(7,770)	(2,319)
	-20%	(9,214)	(2,692)	9,214	2,692	7,648	2,234

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

(d) Claims development tables (for all lines)

The following tables show the development of gross and net liabilities for incurred claims relative to the ultimate expected claims for the five most recent accident years:

Gross

Accident year	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2024</u> \$'000	<u>2025</u> \$'000	<u>Total</u> \$'000
Estimate of ultimate claims incurred:						
- at end of accident year	128,262	153,269	202,281	199,156	314,678	
- one year later	111,285	142,541	189,168	195,106		
- two years later	84,217	104,127	155,237			
- three years later	67,929	91,568				
- four years later	66,168					
Current estimate of cumulative claims incurred	66,168	91,568	155,237	195,106	314,678	822,757
Cumulative payments to date	(60,928)	(62,549)	(94,884)	(64,504)	(36,030)	(318,895)
Undiscounted liabilities for incurred claims	5,240	29,019	60,353	130,602	278,648	503,862
Effect of discounting	(160)	(703)	(2,254)	(5,580)	(15,284)	(23,981)
Discounted liabilities for incurred claims	5,080	28,316	58,099	125,022	263,364	479,881
Liabilities for incurred claims in respect of prior accident year						39,266
Risk adjustment						57,693
Claims handling expenses						38,094
Total gross liabilities for incurred claims						<u>614,934</u>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12. Insurance and reinsurance contracts (continued)

(d) Claims development tables (for all lines) (continued)

Net

Accident year	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2024</u> \$'000	<u>2025</u> \$'000	<u>Total</u> \$'000
Estimate of ultimate claims incurred:						
- at end of accident year	44,220	48,537	57,927	60,473	58,688	
- one year later	39,829	44,707	54,927	54,144		
- two years later	35,552	36,906	50,828			
- three years later	32,548	34,580				
- four years later	30,727					
Current estimate of cumulative claims incurred	30,727	34,580	50,828	54,144	58,688	228,967
Cumulative payments to date	(27,723)	(28,709)	(39,236)	(34,281)	(26,006)	(155,955)
Undiscounted liabilities for incurred claims	3,004	5,871	11,592	19,863	32,682	73,012
Effect of discounting	(68)	(196)	(493)	(874)	(1,560)	(3,191)
Discounted liabilities for incurred claims	2,936	5,675	11,099	18,989	31,122	69,821
Liabilities for incurred claims in respect of prior accident year						2,588
Risk adjustment						13,166
Claims handling expenses						38,094
Total net liabilities for incurred claims						<u>123,669</u>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank		
- SGD	4,394	2,464
- USD	1,819	2,810
Fixed deposits with financial institutions - SGD	11,207	12,860
Fixed deposits with financial institutions - USD	38,071	20,373
	55,491	38,507

The carrying amounts of cash and cash equivalents approximate their fair values.

The Company held fixed deposits with financial institutions with an average maturity of 1.0 months and 0.4 months for SGD and USD respectively as at the end of the financial year 2025 (2024: 0.8 month and 0.6 months for SGD and USD respectively) with the following weighted average interest rates:

	2025	2024
SGD	0.92%	2.03%
USD	3.10%	3.85%

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 19(a)(ii).

14. Other liabilities

	2025 \$'000	2024 \$'000
Amounts due to related companies	5,765	2,043
Cash collateral	40	40
Share-based remuneration payable	978	914
Sundry creditors	5,364	3,831
GST payable	1,766	3,417
Accrued operating expenses	30,748	29,965
Total other liabilities	44,661	40,210

Amounts due to related companies are unsecured, interest-free and are repayable on demand. The carrying amounts of other liabilities approximate their fair values.

CHUBB INSURANCE SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025***15. Deferred income taxes**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	2025 \$'000	2024 \$'000
Deferred tax assets	(579)	(103)
Deferred tax liabilities	2,517	2,771
Net deferred tax liabilities	1,938	2,668

The movement in the deferred income tax account is as follows:

	2025 \$'000	2024 \$'000
Beginning of financial year	2,668	2,182
Tax charge/(credit) to:		
- Profit or loss (Note 7(a))	(730)	486
End of financial year	1,938	2,668

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities/(assets)

	<u>Accelerated</u> <u>tax</u> <u>depreciation</u> \$'000	<u>Tax</u> <u>losses</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2025				
At 1 January 2025	2,771	-	(103)	2,668
Charged/(credited) to profit or loss	(1,219)	(471)	960	(730)
At 31 December 2025	1,552	(471)	857	1,938
2024				
At 1 January 2024	2,284	-	(102)	2,182
Charged/(credited) to profit or loss	487	-	(1)	486
At 31 December 2024	2,771	-	(103)	2,668

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

15. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unutilised tax losses of \$2,768,394 (2024: nil) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

16. Share capital

(a)	No. of shares <u>issued</u>	Share <u>capital</u> \$'000
2025		
Beginning and end of financial year	212,788	212,788
2024		
Beginning and end of financial year	212,788	212,788

All issued ordinary shares are fully paid with no par value.

(b) Movements in share-based remuneration reserves

	2025 \$'000	2024 \$'000
Beginning of financial year	-	-
(Decrease)/increase in equity due to value of employee services	178	208
Transfer to share-based remuneration payables	(178)	(208)
End of financial year	-	-

CHUBB INSURANCE SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025*

17. Leases**(a) The Company as a lessee**

The Company leases office space and office equipment for the purpose of business operations.

There is no externally imposed covenant on these lease arrangements.

	<u>Office space</u> \$'000	<u>Office equipment</u> \$'000	<u>Total</u> \$'000
Right-of-use asset			
2025			
<u>Cost</u>			
Beginning of financial year	17,997	689	18,686
Additions for the year	-	-	-
End of financial year	<u>17,997</u>	<u>689</u>	<u>18,686</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	13,388	524	13,912
Depreciation charge	2,258	95	2,353
End of financial year	<u>15,646</u>	<u>619</u>	<u>16,265</u>
Net book value			
End of financial year	<u>2,351</u>	<u>70</u>	<u>2,421</u>
Lease liabilities			
Beginning of financial year	5,475	178	5,653
Additions for the year	-	-	-
Principal repayment	(2,776)	(91)	(2,867)
Interest expenses	168	-	168
End of financial year	<u>2,867</u>	<u>87</u>	<u>2,954</u>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

17. Leases (continued)

(a) The Company as a lessee (continued)

	<u>Office space</u> \$'000	<u>Office equipment</u> \$'000	<u>Total</u> \$'000
Right-of-use asset			
2024			
<u>Cost</u>			
Beginning of financial year	17,997	682	18,679
Additions for the year	-	7	7
End of financial year	<u>17,997</u>	<u>689</u>	<u>18,686</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	11,130	430	11,560
Depreciation charge	2,258	94	2,352
End of financial year	<u>13,388</u>	<u>524</u>	<u>13,912</u>
Net book value			
End of financial year	<u>4,609</u>	<u>165</u>	<u>4,774</u>
Lease liabilities			
Beginning of financial year	7,981	229	8,210
Additions for the year	-	7	7
Principal repayment	(2,778)	(58)	(2,836)
Interest expenses	272	-	272
End of financial year	<u>5,475</u>	<u>178</u>	<u>5,653</u>
		2025	2024
		\$'000	\$'000
Lease liabilities			
Current		2,826	2,696
Non-current		128	2,957
		<u>2,954</u>	<u>5,653</u>

Total cash outflow for all leases in 2025: \$2,867,000 (2024: \$2,836,000).

18. Immediate and ultimate holding corporations

The Company is a wholly-owned subsidiary of ACE INA Overseas Insurance Company Ltd, incorporated in Bermuda.

The ultimate holding corporation is Chubb Limited, incorporated in Switzerland.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management

The Company's activities expose it to a variety of financial risks. The components of financial risk are market risk (including currency risk, and interest rate risk), credit risk and liquidity risk.

These financial risks arise from the investment and underwriting activities of the business. Investment activity of the business is exposed to the general and specific market movements. The underwriting activity of the business generates credit and liquidity risk through insurance and reinsurance receivables and payables.

The Company's overall risk management focuses to mitigate potential adverse effects of these risks on the financial performance of the Company. The notes below explain the management of financial risks.

Underwriting activity governance

The underwriting activity is governed by the Company's Risk Management Framework. In the framework, the Board of Directors has overall risk management responsibility of the Company and approves its risk management strategy ensuring key risks are identified and managed appropriately. The framework includes the following:

- (i) continuous identification of risks and the management of internal controls;
- (ii) training and guidance of all relevant employees in the management of risk;
- (iii) management reporting, monitoring and action to address significant issues adversely affecting the business;
- (iv) implementation of loss prevention and control measures to reduce loss, injury, or damage;
- (v) maintenance of the highest practicable protection standards against losses to assets and business interruption;
- (vi) efficient management of information, records and loss recording systems;
- (vii) implementation of proactive strategies to limit the liability of the Company and protect its reputation;
- (viii) crisis management and recovery by planning for significant risks; and
- (ix) cost benefit management of insurance and other risk control programs; and clearly defined managerial responsibilities and controls.

Investment activity governance

The principal investment objective of the Company is to ensure that funds will be available to meet the Company's primary insurance and reinsurance obligations. Within this broad liquidity constraint, the investment portfolio's structure seeks to maximise return subject to specifically-approved guidelines of overall asset classes, credit quality, liquidity, and volatility of expected returns. As such, the Company's investment portfolio is invested primarily in investment-grade fixed-income securities as measured by the major rating agencies.

The management of the Company's investment portfolio is the responsibility of the Investment Committee which is accountable to Chubb Asset Management Inc., incorporated in the United States of America, for monitoring, evaluating, development and coordination of the Company's investment related activities.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

Investment activity governance (continued)

The Investment Committee is chaired by the Asia Pacific Regional Chief Financial Officer and is comprised of at least three members. Under the guidance of the Chubb Asset Management Inc., the Investment Committee shall:

- (i) establish recommended investment guidelines that are appropriate to the prescribed asset allocation targets;
- (ii) monitor performance of investment returns, reporting and internal controls for all investment activities, foreign exchange, interest rate, liquidity and credit risks and to ensure appropriate systems in place for identifying and monitoring such risks; and
- (iii) recommend the appointment of fund managers.

The investment management function is outsourced to Western Asset Management Company Pte Limited.

(a) Market risk

(i) Currency risk

The Company's currency risk arises mainly with respect to insurance business and investment activities transactions denominated in United States Dollar ("USD"). USD liabilities are backed by assets in the underlying currency. Exposures to foreign currency risks are monitored on an on-going basis.

The Company's policy seeks to ensure an approximate currency match of assets and liabilities is maintained, with the bulk of surplus funds matched by Singapore Dollar and lesser surpluses held in USD.

The Company's currency exposure based on the information provided to key management is as follows:

	2025			
	<u>SGD</u>	<u>USD</u>	<u>Others</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets, at fair value through profit or loss	314,194	47,277	-	361,471
Other assets	7,299	2,956	-	10,255
Reinsurance contract assets	206,495	301,583	9,263	517,341
Cash and cash equivalents	15,601	39,890	-	55,491
	543,589	391,706	9,263	944,558
Financial liabilities				
Insurance contract liabilities	342,532	370,890	12,415	725,837
Other liabilities	44,661	-	-	44,661
	397,193	370,890	12,415	770,498
Currency exposure		20,816	(3,152)	

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	2024			
	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Financial assets				
Financial assets, at fair value through profit or loss	322,331	46,262	-	368,593
Other assets	9,616	1,830	-	11,446
Reinsurance contract assets	303,341	62,381	6,492	372,214
Cash and cash equivalents	15,324	23,183	-	38,507
	<u>650,612</u>	<u>133,656</u>	<u>6,492</u>	<u>790,760</u>
Financial liabilities				
Insurance contract liabilities	477,281	100,020	(915)	576,386
Other liabilities	30,152	11,814	(1,756)	40,210
	<u>507,433</u>	<u>111,834</u>	<u>(2,671)</u>	<u>616,596</u>
Currency exposure		<u>21,822</u>	<u>9,163</u>	

If USD changes against the SGD by **6.08%** (2024: 6.02%) with all other variables including tax rate being held constant, the effects arising from the currency exposure will be as follows:

	← Increase/(decrease) →			
	2025		2024	
Increase/(decrease)	Profit before tax S\$'000	Impact on equity S\$'000	Profit before tax S\$'000	Impact on equity S\$'000
USD against SGD				
- strengthened	1,266	1,051	1,310	1,087
- weakened	<u>(1,266)</u>	<u>(1,051)</u>	<u>(1,310)</u>	<u>(1,087)</u>

(ii) Interest rate risks

Cashflow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The income and operating cash flows are substantially independent of the changes in market interest rates as the Company's investment policy is to only invest in fixed income securities.

A change of 50 basis points ("bps") (2025: 50 basis points) for financial assets interest yield across all portfolio consecutively would increase/(decrease) the market value of the financial assets and equity by the amounts as shown below. This analysis assumes that all other variables remain constant.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risks* (continued)

	2025		2024	
	<u>Profit before tax</u> S\$'000	<u>Equity</u> S\$'000	<u>Profit before tax</u> S\$'000	<u>Equity</u> S\$'000
Cash				
- increased by 50 bps (2024: (50 bps))	246	205	166	138
- decreased by 50 bps (2024: (50 bps))	(246)	(205)	(166)	(138)
Financial assets at FVTPL				
- increased by 50 bps (2024: (50 bps))	(3,739)	(3,104)	(3,052)	(2,534)
- decreased by 50 bps (2024: (50 bps))	3,830	3,179	3,109	2,580

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are insurance receivables, reinsurance assets, investments in government securities and debt securities, cash and bank deposits.

Credit risk - investment

The Company is exposed to investment credit and price risk as a result of its holdings in fixed income investments. The investment guidelines seek to limit the credit risk of each of the portfolios through specifying eligible/ineligible investments; setting maximum counterparty exposures and minimum weighted credit quality and individual issuer credit quality.

Credit risk - insurance operations

The Company is exposed to credit risk as a result of its regular insurance and reinsurance activity. The areas of key exposure are:

- (i) reinsurers' share of provision for claims outstanding;
- (ii) debtors arising from reinsurers in respect of claims already paid;
- (iii) amount due from direct insurance and reinsurance policyholders; and
- (iv) amount due from direct insurance and reinsurance intermediaries.

Ceded reinsurance is used to manage and mitigate inwards direct insurance and reinsurance risk. Ceded reinsurance does not discharge the Company's liability as primary insurer. If a ceded reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk - insurance operations (continued)

With regard to direct insurance and reinsurance receivables, the Company operates a credit control committee to review all outstanding receivables, a process for monitoring credit risk from insurance operations.

The Company manages its credit risk through brokers and reinsurers that have good credit history. The Head Office approves such reinsurers based on a credit worthiness with a minimum A rating by the rating agencies.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The credit risk for each class of financial instruments based on information provided to key management is as follows:

	<u>Rating*</u> <u>(AAA to A)</u> \$'000	<u>Rating*</u> <u>(BBB to B)</u> \$'000	<u>Rating*</u> <u>(CCC to D)</u> \$'000	<u>Unrated</u> \$'000	<u>Total</u> \$'000
<u>As at 31 December 2025</u>					
Other assets	2,553	1,050	-	6,652	10,255
Reinsurance contract assets	493,020	-	-	24,321	517,341
Financial assets	304,414	27,138	-	29,919	361,471
Cash and cash equivalents	55,491	-	-	-	55,491
	855,478	28,188	-	60,892	944,558
<u>As at 31 December 2024</u>					
Other assets	2,658	587	-	8,201	11,446
Reinsurance contract assets	353,157	-	-	19,057	372,214
Financial assets	335,710	13,595	-	19,288	368,593
Cash and cash equivalents	38,507	-	-	-	38,507
	730,032	14,182	-	46,546	790,760

* Based on public ratings assigned by external rating agencies including S&P, Moody's and A.M. Best.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company maintains its investment in fixed income instruments which are easily convertible to cash whenever needed.

The table below analyses the maturity profile of the Company's financial liabilities based on projected undiscounted cash flows.

	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>5 years</u>	More than	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>5 years</u>	<u>\$'000</u>
						<u>\$'000</u>	
As at 31 December 2025							
Insurance contract liabilities	479,663	122,449	66,195	53,994	16,297	16,016	754,614
Other liabilities	44,661	-	-	-	-	-	44,661
Lease liabilities	2,885	128	-	-	-	-	3,013
	527,209	122,577	66,195	53,994	16,297	16,016	802,288
As at 31 December 2024							
Insurance contract liabilities	231,532	170,810	102,269	59,026	37,998	25,858	627,493
Other liabilities	40,210	-	-	-	-	-	40,210
Lease liabilities	2,867	2,885	128	-	-	-	5,880
	274,609	173,695	102,397	59,026	37,998	25,858	673,583

(d) Capital risk

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements as set out in the Insurance Act 1966, Insurance (Valuation and Capital) Regulations and also MAS Notice 133 (Notice on Valuation and Capital Framework for Insurers), including any subsequent revisions to the notice and regulations. In this respect the Company manages its capital on a basis of 120% of its minimum regulatory capital position. Management considers the current capital adequacy ratio of 234% (2024: 258%) sufficient to optimise shareholder's return and to support the capital required to write its business;
- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In addition to other applicable regulatory requirements, insurers are required to maintain actuarial reserves under the Insurance Act 1966 to protect against the risk of adverse development in claims reserves in the future. The amount of the actuarial reserve is disclosed in Note 12.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(e) Fair value measurements

The following table presents the assets measured at fair value and classified by level of the following fair value measurement hierarchy:

- unadjusted quoted price in active markets for identical assets or liabilities (Level 1); and
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Total</u> \$'000
As at 31 December 2025			
Financial assets	15,622	345,849	361,471
	<hr/>		
As at 31 December 2024			
Financial assets	15,355	353,238	368,593
	<hr/>		

The Company uses pricing services to estimate fair value measurements for the majority of our fixed maturities. The pricing services use market quotations for fixed maturities that have quoted prices in active markets; such securities are classified within Level 1. For fixed maturities that generally do not trade on a daily basis, the pricing services prepare estimates of fair value measurements using their pricing applications, which include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. Additional valuation factors that can be taken into account are nominal spreads, dollar basis, and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news. The market inputs used in the pricing evaluation, listed in the approximate order of priority include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, and industry and economic events. The extent of the use of each input is dependent on the asset class and the market conditions. Given the asset class, the priority of the use of inputs may change or some market inputs may not be relevant. Additionally, fixed maturities valuation is more subjective when markets are less liquid due to the lack of market based inputs (i.e., stale pricing), which may increase the potential that an investment's estimated fair value is not reflective of the price at which an actual transaction would occur. The overwhelming majority of fixed maturities are classified within Level 2 because the most significant inputs used in the pricing techniques are observable. There are no level 3 investments as at 31 December 2026.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(f) Insurance risk

The risk under any one insurance contract is the possibility that an insured event occurs and the uncertainty of the amount of the resulting claims. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The Company's operations are diversified by line of business and the geographic spread of risk. A global approach to risk management allows the Company to underwrite and accept large insurance accounts.

Clearly defined underwriting authorities, standards and guidelines are in place in the Company. Experienced underwriting teams maintain underwriting discipline through the use of pricing models, sophisticated catastrophe and risk management methodologies, and strict risk selection criteria. Qualified actuaries from the region work closely with the underwriting teams to provide additional expertise in the underwriting process. Centrally-coordinated reinsurance management facilitates appropriate risk transfer and efficient cost-effective use of external reinsurance markets. Reinsurers utilised by the Company must meet certain financial experience requirements and are put through a stringent financial review process in order to be pre-approved by the Head Office's Reinsurance Security Committee, comprising senior management personnel. As a result of these controls, reinsurance is placed with a select group of only the most financially secure and experienced companies in the reinsurance industry. Consistent approach to reserving practices and the settlement of claims are also ensured. In addition to these internal controls, the Company's operating units and functional areas are subject to review by the corporate audit team that regularly carries out operational audits.

The concentration of insurance risk before and after reinsurance by territory in relation to the major lines of business is summarised below, with reference to the carrying amount of the liabilities for incurred claims (gross and net of reinsurance):

<u>Territory</u>		<u>Financial lines</u> \$'000	<u>General liabilities</u> \$'000	<u>Accident and health</u> \$'000	<u>Fire</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2025							
Singapore	Gross	182,044	67,478	36,624	133,730	14,436	434,082
	Net	36,719	27,961	12,864	10,762	2,110	90,416
Middle East	Gross	144	125	23	116	1,460	1,868
	Net	33	57	46	13	485	634
Other Asian Countries	Gross	6,820	5,290	2,364	62,262	37,241	113,977
	Net	1,639	2,550	662	8,487	4,932	18,270
Europe & USA	Gross	11,514	4,020	319	41,014	8,140	65,007
	Net	2,188	2,466	180	8,434	1,081	14,349
Total	Gross	200,522	76,913	39,330	237,122	61,047	614,934
	Net	40,579	33,034	13,752	27,696	8,608	123,669

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. Financial risk management (continued)

(f) Insurance risk (continued)

<u>Territory</u>		<u>Financial lines</u> \$'000	<u>General liabilities</u> \$'000	<u>Accident and health</u> \$'000	<u>Fire</u> \$'000	<u>Others</u> \$'000	<u>Total</u> \$'000
2024							
Singapore	Gross	188,092	69,352	37,113	41,055	16,900	352,512
	Net	53,161	27,153	18,484	9,656	1,410	109,864
Middle East	Gross	139	31	16	15	1,196	1,397
	Net	32	11	60	4	364	471
Other Asian Countries	Gross	8,160	6,382	1,735	28,721	34,722	79,720
	Net	2,079	2,409	952	8,741	2,989	17,170
Europe & USA	Gross	9,926	4,617	211	20,520	9,393	44,667
	Net	3,236	2,103	199	7,975	3,703	17,216
Total	Gross	206,317	80,382	39,075	90,311	62,211	478,296
	Net	58,508	31,676	19,695	26,376	8,466	144,721

(g) Offsetting financial assets and financial liabilities

The Company has a legally enforceable right to set off the intercompany balances with one of its related company and intends to settle on a net basis. The following table presents the recognised financial instruments that are offset as at 31 December 2025 and 31 December 2024.

	<u>Related amounts set off in the balance sheet</u>		
	<u>Gross amount - financial assets</u> \$'000	<u>Gross amount - financial liabilities</u> \$'000	<u>Net amount - presented in balance sheet</u> \$'000
As at 31 December 2025			
Other liabilities	8	(255)	(247)
As at 31 December 2024			
Other liabilities	15	(128)	(113)

CHUBB INSURANCE SINGAPORE LIMITED**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2025***20. Related party transactions**

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and related parties during the financial year at terms agreed between the parties:

(a) Sales and purchases of services

	2025	2024
	\$'000	\$'000
Immediate holding company		
Premium income	11,105	10,322
Commission expense	(5)	(13)
Claims paid	(1,014)	(460)
Premiums ceded	(18,901)	(16,211)
Commission received	2,388	2,731
Claims recovered	4,101	2,351
	<hr/>	<hr/>
Other related parties		
Premium income	78,767	85,699
Commission expense	(7,330)	(8,246)
Claims paid	(7,864)	(18,433)
Premiums ceded	(227,463)	(212,942)
Commission received	67,081	64,796
Claims recovered	63,111	63,787
	<hr/>	<hr/>
General expenses billed to related companies	98	682
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General expenses allocated by regional office	(18,425)	(20,707)
	<hr/>	<hr/>
Information processing expenses billed by a related company	(9,248)	(9,407)
	<hr/>	<hr/>
Service fees billed by related companies	(7,236)	(4,660)
Service fees billed to related companies	75	171
	<hr/>	<hr/>

(b) Key management personnel compensation

The key management personnel compensation includes salary, bonus and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Company and when the Company did not incur any costs, the value of the benefits.

Key management personnel compensation is analysed as follows:

	2025	2024
	\$'000	\$'000
Salaries and other short-term employee benefits	4,991	4,758
Share based remuneration expenses	382	228
	<hr/>	<hr/>
	5,373	4,986
	<hr/>	<hr/>

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

21. Dividends

	2025 \$'000	2024 \$'000
<i>Ordinary dividends paid</i>		
Final dividend paid in respect of the previous financial year	<u>34,500</u>	<u>62,400</u>

At the Annual General Meeting on 20 June 2025, a final dividend of \$16,500,000 was declared to be paid out of the profits of the Company, in respect of the financial year ended 31 December 2024 to ACE INA Overseas Insurance Company Ltd.

On 25 June 2025, an interim dividend of \$4,500,000 was declared and paid out of the profits of the Company, in respect of the financial year ended 31 December 2025 to ACE INA Overseas Insurance Company Ltd.

On 20 November 2025, an interim dividend of \$13,500,000 was declared and paid out of the profits of the Company, in respect of the financial year ended 31 December 2025 to ACE INA Overseas Insurance Company Ltd.

22. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 January 2026 and which the Company has not early adopted:

Effective for annual periods beginning on or after 1 January 2026:

- Amendments to FRS 109 and FRS 107: Classification and Measurement of Financial Instruments
- Amendments to FRS 109 and FRS 107: Contracts Referencing Nature-dependent Electricity
- Annual Improvements to FRSs-Volume 11

Effective for annual periods beginning on or after 1 January 2027:

- FRS 118: Presentation and Disclosure in Financial Statements
- FRS 119: Subsidiaries without Public Accountability: Disclosures
- Amendments to FRS 119: Subsidiaries without Public Accountability: Disclosures

All other revisions and amendments to existing standards that are effective for financial periods commencing on or after 1 January 2026 are not expected to have a material impact on the Company's results and financial position.

CHUBB INSURANCE SINGAPORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the board of directors of Chubb Insurance Singapore Limited on 30 April 2026.

