

CHUBB CAPITAL V LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY REGISTRATION NUMBER: 02949447

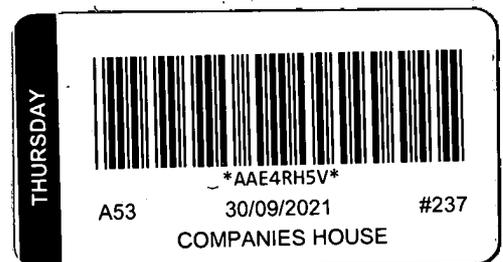


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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are pleased to submit their report and the audited financial statements for Chubb Capital V Limited ("the Company") for the year to 31 December 2020.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The company's financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), being applicable United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Prior to 2017 the Company's principal activity was as a corporate underwriting member of Syndicate 2488 at Lloyd's. The Company's last underwriting year of account was 2014, after which the Company's underwriting capacity was sold to Chubb Capital I Limited. The Company does not expect to resume underwriting in the foreseeable future.

RESULTS AND DIVIDENDS

The result for the year to 31 December 2020 before taxation amounted to a loss of £1,116k (2019: loss before taxation £2,357k) and shareholders' funds for the Company totalled £17,445k (2019: £135,953k). The reduction in shareholders' funds is a result of the reduction on 22 December 2020 in the Company's share capital by the cancellation of £38,552k share premium through the transfer of the funds to the profit and loss reserves.

During the year the Company paid dividends of £116,545k (2019: £Nil) to its parent company, Chubb Tarquin, utilising the transfer of a non-cash asset of equivalent value to satisfy the monies due to the parent company. The directors do not recommend the payment of a final dividend (2019: £Nil).

DIRECTORS

The following have been directors from 1 January 2020 to the date of this report unless otherwise indicated:

M A Connole	
J W Keen	(Appointed 5 June 2020, resigned 28 June 2021)
A C Mullins	(Resigned 30 November 2020)
A M W Shaw	(Resigned 5 June 2020)
D T Whelan	(Appointed 30 November 2020)
R Q Wilson	(Appointed 30 July 2021)

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in place for the benefit of the directors throughout the year and, at the date of this report, are in force in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

The Company also has the benefit of a group insurance company management activities policy effected by Chubb Limited (the Company's ultimate holding company). No charge was made to the Company during the year for this policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the Company are in relation to movements in foreign exchange markets and the valuation of its balances denominated in currencies other than sterling.

The Company benefits from the risk management and monitoring processes that operate within the Chubb Group. The Group employs and monitors risk guidelines to ensure acceptable risk accumulations and capital, earnings and liquidity positions are robust. This work includes conducting scenario analysis for major stress events, such as a pandemic, for the Group's active underwriting entities but with consideration also for the position and performance of the Group's subsidiaries, including the Company.

In respect of the continuing impact of Covid19 on the Company during 2021, the directors do not foresee any material negative impact and no impairment to the Company's ability to satisfy its obligations in a timely manner.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 – continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of this report confirms that:

- i) So far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware; and
- ii) The director has taken all steps that he/she ought to have taken in his/her duty as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The Company's independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board

A E Amana

for and on behalf of
Chubb London Services Limited
Secretary

29 September 2021

100 Leadenhall Street
London
EC3A 3BP

Independent auditors' report to the members of Chubb Capital V Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Capital V Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Chubb Capital V Limited

Report on the audit of the financial statements - continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Chubb Capital V Limited

Report on the audit of the financial statements - continued

Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries that may impact the financial performance and position of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- discussions with senior management involved in the Legal and Internal Audit functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of any matters reported on the company's whistleblowing helpline and the results of management's investigation of such matters;
- reviewing relevant meeting minutes including the Board meetings;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Chubb Capital V Limited

Report on the audit of the financial statements – continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Siobhan Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2021

CHUBB CAPITAL V LIMITED

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £'000	2019 £'000
Other (expenses) / income	5	(11)	1,899
Loss on exchange		(1,105)	(4,256)
LOSS BEFORE TAXATION		(1,116)	(2,357)
Tax (charge) / credit on losses	6	(847)	971
LOSS FOR THE FINANCIAL YEAR		(1,963)	(1,386)

Results for the current and prior year derive from continuing operations.

The Company has no other income in the current or prior year other than that presented and hence no separate Statement of Comprehensive Income is presented.

CHUBB CAPITAL V LIMITED

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BALANCE SHEET AS AT 31 DECEMBER 2020

		2020	2019
		£'000	£'000
	Note		
ASSETS			
DEBTORS - amounts falling due within one year			
Other debtors	7	67,234	207,048
TOTAL ASSETS		<u>67,234</u>	<u>207,048</u>
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Called-up share capital	8	4,284	4,284
Share premium account	8	-	38,552
Profit and loss account		13,161	93,117
TOTAL SHAREHOLDERS' FUNDS		<u>17,445</u>	<u>135,953</u>
CREDITORS- amounts falling due within one year			
Other creditors including taxation and social security	9	49,789	71,095
TOTAL CAPITAL, RESERVES AND LIABILITIES		<u>67,234</u>	<u>207,048</u>

The notes on pages 11 to 14 are an integral part of these financial statements.

The financial statements on pages 8 to 14 were approved by the board of directors on 20 September 2021 and were signed on its behalf by:

M A Connole
Director
29 September 2021

COMPANY REGISTRATION NUMBER: 02949447

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called-up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 1 January 2019	4,284	38,552	94,503	137,339
Loss for the financial year	-	-	(1,386)	(1,386)
At 31 December 2019	4,284	38,552	93,117	135,953
Loss for the financial year	-	-	(1,963)	(1,963)
Transfer of share premium to profit and loss account	-	(38,552)	38,552	-
Dividend payments	-	-	(116,545)	(116,545)
At 31 December 2020	4,284	-	13,161	17,445

NOTES TO THE FINANCIAL STATEMENTS**1. BASIS OF PREPARATION**

Chubb Capital V Limited is a private limited company limited by shares, incorporated in the United Kingdom and registered in England. The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006, Financial Reporting Standard FRS 102 ("The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102")).

The Company is a wholly owned subsidiary within the Chubb Limited group and is included in the consolidated financial statements of Chubb Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement and disclosing details of key management personnel and related party transactions under the terms of FRS102.

The Company has also taken advantage of the exemption under Section 414B of the Companies Act 2006 from the requirement to present a Strategic Report in the financial statements as the Company meets the criteria to prepare accounts in accordance with the small companies regime for the current accounting period.

2. ACCOUNTING POLICIES

The principal accounting policies, which are set out below, have been applied consistently to all the years presented unless otherwise stated.

Taxation

UK taxation in the profit and loss account is based on the income and charges for the year as determined in accordance with the relevant tax legislation, together with adjustments for prior periods.

Debtors and creditors

Debtors and creditors are recognised at fair value less any provision for impairment. Any impairment of a receivable will be recognised if there is evidence that the Company will not be able to collect the amounts receivable according to the original terms of the receivable.

Foreign currency transactions

Foreign currency transactions are converted to the sterling functional currency at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of foreign currency transactions, from translating such transactions into the functional currency of the Company, and from the revaluation to year end exchange rates of monetary assets and liabilities, are recognised in the profit and loss account.

At each period end foreign currency monetary balances are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Dividends

Interim dividends are recognised when paid and final dividends when declared.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CAPITAL MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Following the capacity transfer to Chubb Capital I Limited in 2015, the Company no longer has any exposure to insurance liabilities. Consequently, there are no capital requirements or capital management objectives for the Company to manage.

The Company still has an exposure to credit risk due to its debtor balances. These debtors are largely intercompany debtors within the Chubb Group, which has an A++ Credit Rating from AM Best. The credit risk is therefore considered to be immaterial.

Many of these balances are denominated in US dollar. The accounting policy for foreign currencies is stated in note 2 to the financial statements. Balance sheet components (monetary assets and liabilities) are translated to sterling using the rates of exchange at year end. No profit and loss transactions in 2020 were denominated in foreign currency.

For the monetary components of the balance sheet, the year-end rates used to convert US dollars to sterling has increased 1.5% to US\$1.34/£1 (2019: US\$1.32/£1). Assuming that year-end exchange rates had resulted in sterling being 10% weaker against the US dollar, and all other variables remained constant, the effect of translating year end net assets based on these parameters would have resulted in increased shareholders' funds of £6.5 million.

4. DIRECTORS AND EMPLOYEES

The Company has no employees (2019: Nil) and no emoluments were paid by the Company to any of its directors during the year (2019: £nil). The emoluments of the directors are paid by an associated company. The services of the directors and other key management personnel to the Company are incidental and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no disclosures of emoluments has been made in these financial statements."

All executive directors are entitled to shares in Chubb Limited under long-term incentive plans. During the year, three directors received shares in Chubb Limited under long-term incentive plans and two directors exercised options over the shares of Chubb Limited.

5. OTHER (EXPENSES) / INCOME

	2020 £'000	2019 £'000
Management charge	(11)	(11)
Write-back / cancellation of intercompany balances	-	1,910
Other (expenses) / income	(11)	1,899

The management charge includes fees payable to the Company's auditors and their associates for the following services:

	2020 £'000	2019 £'000
Audit of the Company's financial statements	7	7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TAX (CHARGE) / CREDIT ON LOSSES

(a) The tax charge / (credit) is made up as follows:

	2020	2019
	£'000	£'000
Current taxation:		
UK corporation tax on loss for the period	(215)	(796)
Prior period adjustments	0	(175)
Total current taxation	<u>(215)</u>	<u>(971)</u>
Overseas taxation:		
Overseas tax	1,062	-
Total overseas taxation	<u>1,062</u>	<u>-</u>
Total tax charge / (credit) on ordinary activities	<u>847</u>	<u>(971)</u>

(b) Factors affecting tax credit for period

The tax credit for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19.0%). The differences are reconciled below:

	2020	2019
	£'000	£'000
Loss on ordinary activities before taxation	<u>(1,116)</u>	<u>(2,357)</u>
Loss multiplied by standard rate of UK corporation tax of 19% (2019: 19.0%)	(212)	(448)
Income not deductible for tax purposes	(3)	(348)
Prior period adjustments	-	(175)
Overseas tax	<u>1,062</u>	<u>-</u>
Total tax charge / (credit) for the year (note 6(a))	<u>847</u>	<u>(971)</u>

Finance Bill 2021 sets out that the main rate of corporation tax is to increase from 19% to 25% effective 1 April 2023. This was substantively enacted on 24 May 2021, which is after the accounting period and therefore the change is not reflected in these financial statements. However, the impact on the Company is expected to be 'nil' as it does not have any deferred tax balances

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. OTHER DEBTORS

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	67,103	205,896
Corporation tax	117	-
Other debtors	14	1,152
	<u>67,234</u>	<u>207,048</u>

During the year the Company has worked with other group undertakings to settle the majority of the amounts owed to and from other group undertakings brought forward at 1 January 2020.

8. CALLED UP SHARE CAPITAL

	2020	2019	2020	2019
	\$'000	\$'000	£'000	£'000
Allotted, issued and fully paid 6,725,202 (2019: 6,725,202) Ordinary shares of US\$1	6,725	6,725	4,284	4,284
Share premium account at US\$9 per ordinary share	-	60,527	-	38,552

On 22 December 2020 the Company cancelled £38,552k (\$60,527k) of share premium and added this amount to distributable reserves.

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Amounts owed to group undertakings	49,759	70,982
Corporation tax	-	113
Other creditors	30	-
	<u>49,789</u>	<u>71,095</u>

During the year the Company has worked with other group undertakings to settle the majority of the amounts owed to and from other group undertakings brought forward at 1 January 2020.

10. TRANSACTIONS WITH RELATED PARTIES

Advantage has been taken of the exemption provided in FRS 102 from disclosing details of transactions with Chubb Limited and its subsidiary undertakings.

11. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Chubb Tarquin. The ultimate holding company is Chubb Limited, a company registered in Zurich, Switzerland and quoted on the New York Stock Exchange. Copies of Chubb Limited's consolidated financial statements can be obtained from Investor Relations at Chubb's executive offices at 17 Woodbourne Avenue, Hamilton HM 08, Bermuda.