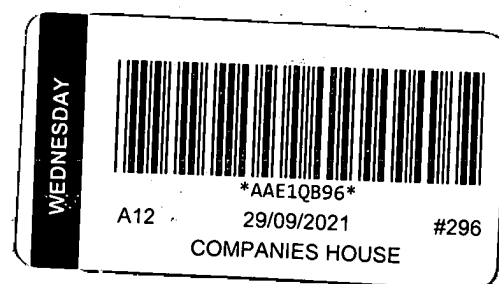


CHUBB MARKET COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2020

COMPANY REGISTRATION NUMBER: 03600577



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report for Chubb Market Company Limited (the "Company") for the year ended 31 December 2020 prepared in accordance with Section 414A of the Companies Act 2006.

RESULTS AND PERFORMANCE

The result for the year to 31 December 2020 before taxation amounted to a profit of £44,501k (2019: £19,021k) and the total shareholders' funds of the Company total £226,111k (2019: £181,613k).

KEY PERFORMANCE INDICATORS (KPIs)

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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 investment in subsidiary undertakings.

SECTION 172 STATEMENT

The directors are aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act and have acted in accordance with these responsibilities during the year.

The directors have identified that the key stakeholders for the company are:

- Employees;
- Community and environment; and
- The Chubb Group as shareholder.

Employees:

The company has no direct employees of its own but supports fully all initiatives undertaken within the Chubb group to promote the interests of employees working on behalf of the company and more broadly within the Chubb group. This includes promoting diversity and inclusion, provision of learning and development programmes for all employees, and the provision of an Employee Assistance Programme to provide expert and confidential support for employees in difficult situations, the UK Information Consultation Committee created in 2019 to provide a forum for employee engagement and an important additional communication channel, and wellbeing initiatives, many of which were created in 2020 to enable employees cope with the new remote working conditions implemented due to Covid-19 restrictions.

Community and environment:

The directors support fully the initiatives undertaken within the Chubb group in respect of environmental and community matters. Detailed information on each of these initiatives is provided in the Managing Agent's Report of Chubb Underwriting Agencies Limited included within the financial statements of Syndicate 2488. As an affiliate of the Chubb group of companies, the Company and its stakeholders share in the benefits of these initiatives.

Chubb Group as Shareholder:

The support and engagement of the company's shareholders is important to the ongoing success of the company. The board is committed to an open engagement with its shareholder and members of the board have the opportunity to meet regularly with directors from its parent company.

Approved by the board of directors on 20 September 2021 and signed on its behalf by:

DocuSigned by:

Dennis Whelan

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D T Whelan

Director

27 September 2021

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are pleased to submit their report and the audited financial statements for the Company for the year ended 31 December 2020.

It should be noted that 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").

RESULTS AND DIVIDENDS

The principal activity of the Company is that of an intermediate holding company and during the reporting period held listed debt on The International Stock Exchange. The result for the year to 31 December 2020 before taxation amounted to a profit of £44,501k (2019: £19,021k) and the total shareholders' funds of the Company total £226,111k (2019: £181,613k).

In 2020 the Company received dividends of £116.5m from Chubb Tarquin (2019: £nil) and £8.0m from Chubb Capital IV Limited (2019: £nil). In 2019 the Company received dividends of £23.3m from Chubb Capital I Limited. The directors do not recommend the payment of a dividend.

The Company held listed debt of \$130m ("Eurobond Notes") on The International Stock Exchange (Jersey) which was due in 2022. On 9 December 2020 a partial repayment of \$70m plus \$5m interest was paid and on 4 June 2021 the outstanding \$60m principle plus interest was repaid. The Eurobond Notes were then delisted from The International Stock Exchange. Further information on the Eurobond Notes is provided in Note 6 in the Notes to the Financial Statements.

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

M A Connole	Appointed 29 June 2020; Resigned 28 June 2021
J W Keen	Resigned 30 November 2020
A C Mullins	Resigned 29 June 2020
A M W Shaw	Appointed 30 November 2020
D T Whelan	Appointed 30 July 2021
R Q Wilson	

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) are in place for the benefit of the directors and, during the financial year 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. 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 investment in subsidiary undertakings.

During the year, some subsidiary holdings within the Company's group of subsidiaries declared dividends and effected share capital reductions. As a result of this re-organisation activity within the Chubb Market Company group during the year the Company's investment in subsidiary balances have been impaired.

In response to the Covid-19 pandemic, Chubb European Group took swift actions to minimise risk to employees, including restricting travel and instituting extensive work from home protocols. With respect to clients and business partners, Chubb European Group sought to minimise any disruption and was able to continue to operate effectively throughout the pandemic and region-wide lockdown restrictions. The actions taken apply to all the subsidiary entities within the Chubb Group of companies.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 - continued**Financial Risk Management**

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 and is conducted with consideration of the position and performance of the Group's legal entities.

The Company is primarily exposed to risk in relation to movements in foreign exchange rates and the valuation of its investment in subsidiary undertakings.

To mitigate foreign exchange risk, the Company holds balances denominated in sterling and US dollars only, and seeks to ensure that an approximate currency match of assets and liabilities is maintained.

Annual impairment reviews are carried out to ensure that the Company's investments in its subsidiaries are prudently stated at the lower of cost and the stated net assets of the subsidiaries.

The Company is also exposed to Liquidity risk and Credit risk, being the respective risks that the Company and its counterparties will be unable to meet their obligations as they fall due. Liquidity is managed on a managed on a group-wide basis to smooth the liquidity needs of individual companies. Credit risk is mitigated via the holding-company nature of the Company's activities – at 31 December 2020 99.5% (2019: 99.7%) of the Company's combined short and long-term debtor balance was due from other group companies, the recoverability of which is assessed at each Balance Sheet date.

FUTURE DEVELOPMENTS

The Company continues to act as an intermediate holding company for subsidiary undertakings of the Chubb Market Company Group and is expected to do so for the foreseeable future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

They 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.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

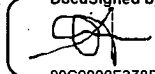
- i) So far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware, and
- ii) The director has taken all steps that he/she ought to have taken in his/her duty as a director in 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 auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By Order of the Board

DocuSigned by:



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A E Amana
for and on behalf of
Chubb London Services Limited
Secretary

27 September 2021

100 Leadenhall Street
London
EC3A 3BP

Independent auditors' report to the members of Chubb Market Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Market Company 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 profit 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.

Our audit approach

Overview

Audit scope

- We perform a full scope audit of the company in accordance with our risk assessment and materiality.

Key audit matters

- Valuation of Investment in Subsidiaries
- The impact of Covid-19 on the Company

Materiality

- Overall materiality: £4,544,760 (2019: £1,816,130) based on 2% of Net Assets.
- Performance materiality: £3,408,570.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of Investment in Subsidiaries</i></p> <p>As disclosed in Note 8, the total investment in subsidiaries is £149.7 million (2019: £104 million). We have deemed the investments in subsidiaries to be an area requiring greater audit focus due to the magnitude of the investments and the management judgement needed to assess the impairment of the subsidiaries, as indicators suggest certain subsidiaries' recoverable amount is lower than their carrying value.</p>	<p>In assessing the appropriateness of management's valuation of investment in subsidiaries we have performed the following procedures:</p> <ul style="list-style-type: none"> • We obtained management's analysis of the carrying amount recognised for each subsidiary and assessed the reasonableness against the financial records of records of the subsidiaries; • We agreed the costs disclosed in Note 8 for each subsidiary either remained consistent with the prior year audited financial statements or where it had increased, obtained evidence for basis of this change; • We have obtained managements impairment indicator assessment and validated the appropriateness of the analysis performed, obtaining supporting evidence where relevant; and • PwC have tested all material balances substantively. We have reviewed management's accounting records for accuracy and completeness in being included in the CMCL accounts. <p>In conclusion, the work performed and evidence obtained supports management's assessment of valuation of investment in subsidiaries. Furthermore, through our work we have not identified evidence of management bias or evidence that contradicts management's judgement;</p>

<p><i>The impact of Covid-19 on the Company</i></p> <p>Refer to Note 1 to the financial statements for related disclosures. The impact of Covid-19 has been significant and wide ranging. In addition to responding to the operational challenges brought about by remote working, the Company has assessed the impact of Covid-19 on the Company's ability to continue as a going concern.</p>	<p>The procedures performed in respect of going concern, and the results of those procedures, are set out in the "Conclusion relating to going concern" section below.</p>
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How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. The Company serves as an intermediate holding company for subsidiary undertakings within the Chubb Limited Group. We have focused on material assets which are the investments in subsidiaries. These are either 100% direct or indirect ownership of other intermediate holding companies, Lloyd's of London corporate members, or Lloyd's of London managing agents. In addition, we have challenged management to evidence the recoverability of intercompany debtors, and the Company's ability to settle intercompany loan creditors.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	£4,544,760 (2019: £1,816,130).
<i>How we determined it</i>	2% of Net Assets
<i>Rationale for benchmark applied</i>	We believe that as the principal business of the Company is that of a holding company, net assets is an appropriate measure to assess the financial performance and position of the Company, and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 2% of overall materiality, amounting to £3,408,570 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £0.5 million (2019: £0.2 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment which considered the company's financial condition and liquidity position;
- Validating management's analysis to supporting documentation;
- Assessing the reasonableness of management's analysis given our understanding of the company and challenging it accordingly; and
- Assessing the disclosures made by management in respect of 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.

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 or, 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 Strategic report and 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.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and 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 Strategic report and 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, 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.

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 UK Company Law 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 whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing relevant meeting minutes including those of the board meetings;
- 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

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.



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

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

		2020	2019
	Note	£'000	£'000
Turnover	2	124,512	23,337
Administrative expenses	4	(85,727)	(6,882)
Other operating income	5	5,716	2,566
OPERATING PROFIT		44,501	19,021
Interest receivable and similar income	6	3,756	3,942
Interest payable and similar expenses	6	(3,756)	(3,942)
PROFIT BEFORE TAXATION		44,501	19,021
Tax on profit	7	(3)	(7)
PROFIT FOR THE FINANCIAL YEAR		44,498	19,014

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

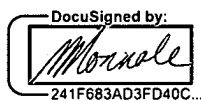
A statement of other comprehensive income has not been prepared as there are no recognised gains and losses other than the profit for the year as shown above.

BALANCE SHEET AS AT 31 DECEMBER 2020

		2020	2019
	Note	£'000	£'000
FIXED ASSETS			
Investments	8	149,652	104,000
Debtors: amounts falling due after more than one year	9	141,731	193,201
		<u>291,383</u>	<u>297,201</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	69,144	80,632
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(67,317)	(78,801)
		<u>1,827</u>	<u>1,831</u>
NET CURRENT ASSETS			
		<u>293,210</u>	<u>299,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	10	(67,099)	(117,419)
		<u>226,111</u>	<u>181,613</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium account		63,727	63,727
Profit and loss account		162,383	117,885
		<u>226,111</u>	<u>181,613</u>
TOTAL SHAREHOLDERS' FUNDS			

The notes on pages 14 to 23 are an integral part of these financial statements.

The financial statements on pages 11 to 23 were approved by the board of directors on 20 September 2021 and were signed on its behalf by:

DocuSigned by:

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M A Connoole
 Director

27 September 2021

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	1	63,727	122,208	185,936
Profit for the financial year	-	-	19,014	19,014
Dividends paid	-	-	(23,337)	(23,337)
AT 31 DECEMBER 2019	1	63,727	117,885	181,613
Profit for the financial year	-	-	44,498	44,498
AT 31 DECEMBER 2020	1	63,727	162,383	226,111

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****Basis of preparation**

Chubb Market Company 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 and applicable accounting standards in the United Kingdom, being 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 FRS 102.

The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements as it and its subsidiary undertakings are wholly-owned subsidiaries within the Chubb Limited group and are included within the consolidated financial statements of Chubb Limited.

The principal accounting policies, applied consistently throughout the year, are set out below:

Investments

Investments in group undertakings are stated at cost less any accumulated impairments.

Indicators of impairment are assessed at least annually. The methods used include comparing the carrying amount of the investment in a subsidiary with the corresponding recoverable amount. The recoverable amount assessment can be based on considering the future profitability of the subsidiary or by considering the net assets of the subsidiary.

Profits and losses arising on the sale of investments represent the difference between the sale proceeds and the carrying value at the time of the sale.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency, pounds sterling, at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Exchange differences arising from the retranslation of monetary assets and liabilities denominated in foreign currencies are included in the profit and loss account.

Dividends

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

Turnover

Dividend income is recognised when the right to receive payment is established.

Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis. Rental costs and associated service charges, net of rents and service charges receivable from sub-letting, are recharged to other Chubb Limited group companies.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**1. ACCOUNTING POLICIES - continued****Current tax**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in future, or a right to pay less tax in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Administrative expenses

Administrative expenses, primarily consisting of impairments of investments in subsidiaries, lease payments incurred for the 100 Leadenhall Street building and the rental of Lloyd's of London boxes, are charged to the profit and loss account on an accruals basis as they are incurred.

Other operating income

Other operating income is accounted for on an accruals basis as it is incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment arising from actual or potential irrecoverability. Long term debtors, including loan balances, are measured at initial value plus interest, less repayments settled.

Creditors

Short term and long term creditors, including intercompany loans are measured at the transaction price. Long term creditors, including loan balances, are measured at initial value plus interest, less settlements made.

Interest receivable and similar income

Interest receivable is accounted for on an accruals basis.

Interest payable

Interest payable is accounted for on an accruals basis.

Reserves

The called-up share capital account represents the nominal value of shares that have been issued. The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. The profit and loss account includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**2. TURNOVER**

During the year the Company received dividends of £116.5m from Chubb Tarquin (2019: £nil) and £8.0m from Chubb Capital IV Limited (2019: £nil). In 2019 the Company received dividends of £23.3m from Chubb Capital I Limited.

3. DIRECTORS AND EMPLOYEES

The Company has no employees (2019: None) 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 have been made in these financial statements.

4. ADMINISTRATIVE EXPENSES

	2020	2019
	£'000	£'000
Rent expense	6,867	6,867
Other expenses	-	15
Impairment loss on investments in subsidiaries	78,860	-
	<u>85,727</u>	<u>6,882</u>

Fees payable to the Company's auditors and their associates for the following services are borne by Chubb Services UK Limited, a fellow group undertaking:

	2020	2019
	£'000	£'000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	11	10
Fees payable to the Company's auditors and their associates for other services:		
The audit of the Company's subsidiaries and the managed syndicate	491	400
Audit-related assurance services	107	95
Other non-audit services	-	-
	<u>609</u>	<u>505</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. OTHER OPERATING INCOME

	2020	2019
	£'000	£'000
Rent and service charges receivable	444	461
Net property expenses recharged to other group companies	6,423	6,405
Exchange loss arising on retranslation of US dollar	(1,152)	(4,300)
	<u>5,715</u>	<u>2,566</u>

6. INTEREST PAYABLE AND RECEIVABLE

On 27th November 2014 the Company issued listed debt of \$130m on The International Stock Exchange (Jersey). The debt note was purchased by fellow Chubb Limited Group company Chubb Bermuda Insurance Limited (formerly ACE Bermuda Insurance Limited) (CBIL). The debt was due in 2022 and bears compound interest at a rate of 3.82% per annum, payable on redemption of the loan, as per Note 10.

At the same time, the Company issued loan notes to Chubb Capital I Limited of \$130m and \$100m bearing interest of 3.82% per annum and 0.00% per annum respectively. The final interest payment date is 27 November 2022, at which time the principal is also to be repaid in full.

On 4 December 2020 the Company received a partial repayment of the \$130m debt due from Chubb Capital I Limited of \$70m plus interest of \$5m. At the same time, the Company made a partial repayment of the \$130m debt owed to Chubb Bermuda Insurance Limited of \$70m plus interest of \$5m.

In June 2021, the Company received full repayment of the outstanding \$60m plus interest from Chubb Capital I Limited. At the same time, the Company made full repayment of \$60m plus interest to Chubb Bermuda Insurance Limited resulting in the \$130m debt repaid in full in advance of the maturity date. An application was subsequently submitted to The International Stock Exchange to delist the \$130 3.82% Note Instrument which was accepted on 9 June 2021.

7. TAXATION ON PROFIT

(a) Tax on profit

The tax charge is made up as follows:

	2020	2019
	£'000	£'000
Current taxation		
UK corporation tax charge / (credit) at 19% (2019: 19%)	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation		
Origination and reversal of timing differences	6	6
Effect of change in tax rates	(3)	1
Total deferred tax	<u>3</u>	<u>7</u>
Tax charge / (credit) on profit / (loss)	<u>3</u>	<u>7</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. TAXATION ON PROFIT - continued

(b) Factors affecting the total tax charge

The tax charge assessed for the year is at the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020	2019
	£'000	£'000
Profit / (loss) before tax	44,501	19,021
Profit / (loss) multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	8,455	3,614
Effects of:		
Group relief surrendered for nil consideration	225	824
Dividends not chargeable to corporation tax	(23,657)	(4,434)
Effect of change in tax rates	(3)	-
Expenses not allowed for tax purposes	14,983	3
Total tax charge / (credit) for the year	3	7

(c) Deferred tax

	2020	2019
	£'000	£'000
Asset at 1 January	30	37
Utilisation in the year (Note 7(a))	(6)	(6)
Change in tax rate	3	(1)
Asset at 31 December (Note 9)	27	30
Analysis of asset at 31 December:		
Accelerated capital allowances	27	30

The amount of the net reversal of deferred tax assets and liabilities expected to occur in 2021 is £4,813 (2020: £5,280) in respect of the reversal of timing differences on qualifying fixed assets.

The change in tax rate above is in respect of the Corporation Tax rate not having reduced to 17% as of 1 April 2020 as was previously intended. As the Corporation Tax rate has remained at 19%, the deferred tax has been calculated in accordance using the 19% rate.

Legislation will be introduced in Finance Bill 2021 to amend the main rate of Corporation Tax from 19% to 25% from 1 April 2023. This has yet to be substantively enacted.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. INVESTMENTS

	2020	2019
	£'000	£'000
Cost:		
Investment in Chubb Tarquin	360,310	360,310
Investment in Chubb Capital I Limited	125,012	500
Investment in Chubb Capital III Limited	2,973	2,973
Investment in Chubb Capital IV Limited	5,564	5,564
Investment in Chubb Capital VI Limited	10	10
Investment in Chubb London Group Limited	17,395	17,395
Investment in Chubb London Holdings Limited	-	-
	<u>511,264</u>	<u>386,752</u>
Accumulated impairments:		
Investment in Chubb Tarquin	(337,114)	(261,994)
Investment in Chubb Capital I Limited	-	-
Investment in Chubb Capital III Limited	(2,973)	(2,973)
Investment in Chubb Capital IV Limited	(4,120)	(380)
Investment in Chubb Capital VI Limited	(10)	(10)
Investment in Chubb London Group Limited	(17,395)	(17,395)
Investment in Chubb London Holdings Limited	-	-
	<u>(361,612)</u>	<u>(282,752)</u>
Net carrying value	<u>149,652</u>	<u>104,000</u>

The investments in Chubb Tarquin and Chubb Capital IV Limited were impaired by £75.1m and £3.7m respectively as a result of the dividend payments and capital reductions that took place within the CMCL group during the year. The Company purchased one £1 share in Chubb Capital I Limited for £1 plus £124,512,041 share premium, such that the share premium represents the £8m and £116.5m dividends received from Chubb Capital IV Limited and Chubb Tarquin, which the Company subsequently re-invested in Chubb Capital I Limited.

The investments comprise 100% of the ordinary share capital of each of the above unlisted undertakings, which are registered and incorporated in England and Wales. Having made the necessary accumulated impairments, in the opinion of the directors the investments are worth not less than their carrying value.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. INVESTMENTS - continued

Subsidiary undertakings as at 31 December 2020 were as follows:

CHUBB TARQUIN	Intermediate holding company	100% Direct
CHUBB LONDON HOLDINGS LIMITED†	Intermediate holding company	100% Direct
CHUBB LONDON INVESTMENTS LIMITED†	Intermediate holding company	100% Indirect
CHUBB LEADENHALL LIMITED	Intermediate holding company	100% Indirect
CHUBB CAPITAL I LIMITED	Corporate member of Lloyd's	100% Direct
CHUBB CAPITAL II LIMITED†	Former corporate member of Lloyd's	100% Indirect
CHUBB CAPITAL III LIMITED†	Former corporate member of Lloyd's	100% Direct
CHUBB CAPITAL IV LIMITED	Former corporate member of Lloyd's	100% Direct
CHUBB CAPITAL V LIMITED	Former corporate member of Lloyd's	100% Indirect
CHUBB CAPITAL VI LIMITED†	Former corporate member of Lloyd's	100% Direct
CHUBB UNDERWRITING AGENCIES LIMITED	Lloyd's managing agency	100% Indirect
CHUBB LONDON AVIATION LIMITED†	Former Lloyd's managing agency	100% Indirect
CHUBB LONDON LIMITED†	Former Lloyd's managing agency	100% Indirect
CHUBB LONDON SERVICES LIMITED†	Former service company	100% Indirect
CHUBB COMPANY SERVICES LIMITED†	Former service company	100% Indirect
CHUBB LONDON GROUP LIMITED*	Intermediate holding company	100% Direct
CHUBB GROUP HOLDINGS LIMITED **	Intermediate holding company	100% Direct

† Dormant company

* These companies are currently in liquidation

** This company was formally liquidated prior to the signing and approval of these accounts

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

The group is the beneficial owner of all of the share capital and voting rights of all of the above undertakings. All of the above undertakings operate in the United Kingdom and are registered and incorporated in England and Wales. The address of all the above undertakings is 100 Leadenhall Street, London EC3A 3BP.

9. DEBTORS**Amounts falling due within one year**

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	68,083	79,782
Corporation tax	1,034	820
Deferred tax (Note 7)	27	30
	<u>69,144</u>	<u>80,632</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Amounts falling due after more than one year

	2020	2019
	£'000	£'000
Loan to Chubb Capital I Limited	<u>141,731</u>	<u>193,201</u>

During November 2014, the Company issued a loan of \$230m to Chubb Capital I Limited. Of which \$100m is 0.00% interest, and \$130m is bearing compound interest at the rate of 3.82% per annum, receivable on redemption of the loan.

On 4 December 2020 the Company received a partial repayment of \$70m plus \$5m interest from Chubb Capital I Limited in respect of the loan of \$130m bearing compound interest as per the above. On 4 June 2021 the Company received a repayment of \$60m plus interest being a final payment of the \$130m debt due from Chubb Capital I Limited.

10. CREDITORS**Amounts falling due within one year**

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>67,317</u>	<u>78,801</u>
	<u>67,317</u>	<u>78,801</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

10. CREDITORS - continued

Amounts falling due after more than one year

	2020 £'000	2019 £'000
Loan from Chubb Bermuda Insurance Ltd	67,099	117,419

On 14 November 2014 the Company issued listed debt of \$130m on The International Stock Exchange (Jersey). The debt note was purchased by fellow Chubb Limited Group company Chubb Bermuda Insurance Limited. The debt is due in 2022 and bears compound interest at the rate of 3.82% per annum, payable on redemption of the loan, as laid out below:

Repayable with interest:

	Principal £'000	Repayment 4 December 2020 £'000	Cumulative interest to 31 December 2020 £'000	Balance at 31 December 2020 £'000	Balance at 31. December 2019 £'000
US dollar loan notes : 14 November 2014 (\$130,000,000)	97,021	(52,242)	22,320	67,099	117,419
	97,021	(52,242)	22,320	67,099	117,419

On 4 December 2020 a partial repayment of the \$130m debt owed of \$70m plus interest of \$5m was made by the Company to Chubb Bermuda Insurance Limited. On 4 June 2021 the Company made a payment of \$60m plus interest being the final payment due on the \$130m debt owed to Chubb Bermuda Insurance Limited.

11. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Allotted, called-up and fully paid:		
1,000 (2019: 1,000) Ordinary shares of £1 each	1	1
	1	1

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

12. LEASE COMMITMENTS

The Company has annual operating lease commitments of £6,250,000 (2019: £6,250,000) in respect of a leasehold property and £308,000 (2019: £308,000) in respect of Lloyd's boxes; these costs are recharged to other group companies, as disclosed in note 5. The lease in respect of the leasehold property expires within five years. The rental agreements for the Lloyd's boxes expire within one year.

	2020	2019
	£'000	£'000
Operating leases which expire:		
Not later than one year	6,558	6,558
Later than one year and not later than five years	12,500	18,750
	<u>19,058</u>	<u>25,308</u>

13. 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.

14. POST BALANCE SHEET EVENTS

The Company held listed debt of \$130m ("Eurobond Notes") on The International Stock Exchange (Jersey) which was due in 2022. On 9 December 2020 a partial repayment of \$70m plus \$5m interest was paid and on 4 June 2021 the outstanding \$60m principle plus interest was repaid. The Eurobond Notes were then delisted from The International Stock Exchange. Further information on the Eurobond Notes is provided in Note 6 in the Notes to the Financial Statements.

15. ULTIMATE HOLDING COMPANY

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