

Movements in carrying amounts of insurance contracts – analysis by remaining coverage and incurred claims (continued)

|   | Year ended 31 Dec 2022 <sup>1</sup>                    |                |                 |          |                                     |                |                 |       |          |
|---|--|----------------|-----------------|----------|-------------------------------------|----------------|-----------------|-------|----------|
|   | Life direct participating and investment DPF contracts |                |                 |          | Life other contracts                |                |                 |       |          |
|   | Liabilities for remaining coverage:                    |                |                 | Total    | Liabilities for remaining coverage: |                |                 | Total | Total    |
|   | Excluding loss component                               | Loss component | Incurred claims |          | Excluding loss component            | Loss component | Incurred claims |       |          |
|   | \$m  | \$m            | \$m             | \$m      | \$m                                 | \$m            | \$m             | \$m   | \$m      |
| Opening assets  | —  | —              | —               | —        | (159)                               | 7              | 36              | (116) | (116)    |
| Opening liabilities   | 114,952  | 93             | 226             | 115,271  | 3,825                               | 67             | 144             | 4,036 | 119,307  |
| Net opening balance at 1 Jan 2022   | 114,952  | 93             | 226             | 115,271  | 3,666                               | 74             | 180             | 3,920 | 119,191  |
| Changes in the statement of profit or loss and other comprehensive income                               |  |                |                 |          |                                     |                |                 |       |          |
| Insurance revenue   |  |                |                 |          |                                     |                |                 |       |          |
| Contracts under the fair value approach   | (571)  | —              | —               | (571)    | (234)                               | —              | —               | (234) | (805)    |
| Contracts under the modified retrospective approach   | (147)  | —              | —               | (147)    | (24)                                | —              | —               | (24)  | (171)    |
| Other contracts <sup>2</sup>  | (783)  | —              | —               | (783)    | (218)                               | —              | —               | (218) | (1,001)  |
| Total insurance revenue   | (1,501)  | —              | —               | (1,501)  | (476)                               | —              | —               | (476) | (1,977)  |
| Insurance service expenses  |  |                |                 |          |                                     |                |                 |       |          |
| Incurred claims and other insurance service expenses  | —  | 5              | 568             | 573      | —                                   | (6)            | 286             | 280   | 853      |
| Amortisation of insurance acquisition cash flows  | 102  | —              | —               | 102      | 30                                  | —              | —               | 30    | 132      |
| Losses and reversal of losses on onerous contracts  | —  | 84             | —               | 84       | —                                   | 86             | —               | 86    | 170      |
| Adjustments to liabilities for incurred claims  | —  | —              | 2               | 2        | —                                   | —              | 11              | 11    | 13       |
| Total insurance service expenses  | 102  | 89             | 570             | 761      | 30                                  | 80             | 297             | 407   | 1,168    |
| Investment components   | (5,487)  | —              | 5,487           | —        | (549)                               | —              | 549             | —     | —        |
| Insurance service result  | (6,886)  | 89             | 6,057           | (740)    | (995)                               | 80             | 846             | (69)  | (809)    |
| Net finance (income)/expense from insurance contracts <sup>3</sup>                                      | (16,038)   | —              | 2               | (16,036) | (154)                               | 2              | (4)             | (156) | (16,192) |
| Effect of movements in exchange rates   | (2,159)  | (4)            | (11)            | (2,174)  | (88)                                | (2)            | (3)             | (93)  | (2,267)  |
| Total changes in the statement of profit or loss and other comprehensive income                         | (25,083)   | 85             | 6,048           | (18,950) | (1,237)                             | 80             | 839             | (318) | (19,268) |
| Cash flows  |  |                |                 |          |                                     |                |                 |       |          |
| Premiums received   | 12,740   | —              | —               | 12,740   | 882                                 | —              | —               | 882   | 13,622   |
| Claims and other insurance service expenses paid, including investment components, and other cash flows | —  | —              | (5,783)         | (5,783)  | —                                   | —              | (880)           | (880) | (6,663)  |
| Insurance acquisition cash flows  | (423)  | —              | —               | (423)    | (162)                               | —              | —               | (162) | (585)    |
| Total cash flows  | 12,317   | —              | (5,783)         | 6,534    | 720                                 | —              | (880)           | (160) | 6,374    |
| Acquisition of subsidiaries and other movements   | 2,485  | (64)           | (136)           | 2,285    | 23                                  | (24)           | 99              | 98    | 2,383    |
| Net closing balance at 31 Dec 2022  | 104,671  | 114            | 355             | 105,140  | 3,172                               | 130            | 238             | 3,540 | 108,680  |
| Closing assets  | (5)  | —              | —               | (5)      | (187)                               | 21             | 35              | (131) | (136)    |
| Closing liabilities   | 104,676  | 114            | 355             | 105,145  | 3,359                               | 109            | 203             | 3,671 | 108,816  |
| Net closing balance at 31 Dec 2022  | 104,671  | 114            | 355             | 105,140  | 3,172                               | 130            | 238             | 3,540 | 108,680  |

1 From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data have been restated accordingly.

2 'Other contracts' are those contracts measured by applying IFRS 17 from inception of the contracts. These include contracts measured under the full retrospective approach at transition and contracts inception after transition and excludes reinsurance contracts.

3 'Net finance (income)/expense from insurance contracts' expense of \$8,300m (2022: \$16,192m income) comprises expense of \$7,809m (2022: \$13,799m income) recognised in the statement of profit or loss and expense of \$491m (2022: \$2,393m income) recognised in the statement of other comprehensive income.