

## Reference Guide to Reconciliation of

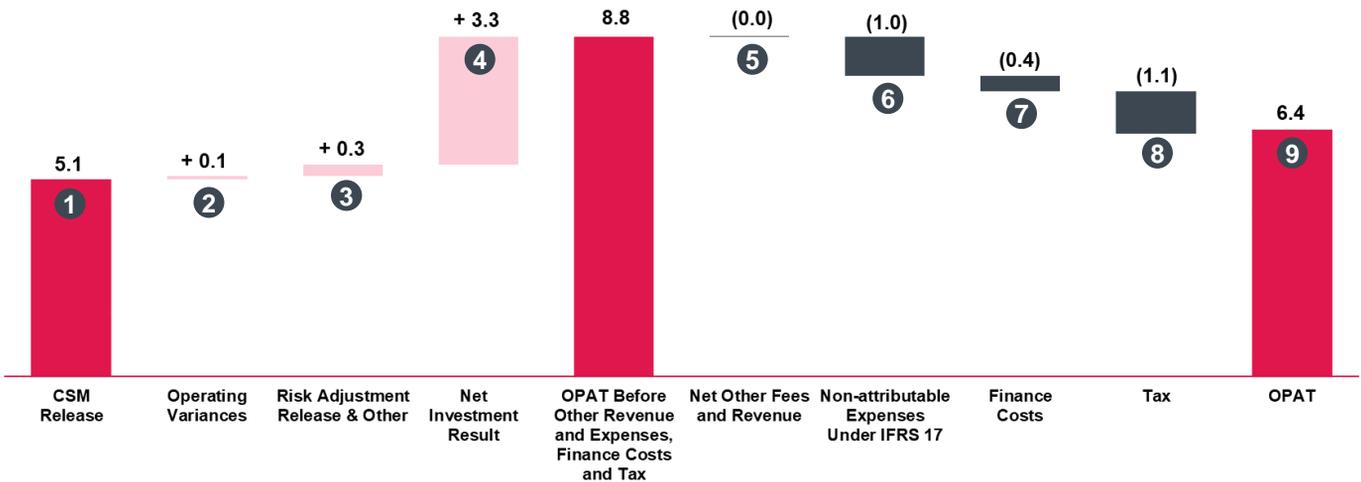
- **FY 2022 OPAT composition  
(presentation slide 7)**
- **FY 2022 CSM movement  
(presentation slide 9)**

**to FY 2022 consolidated financial information**



# Reconciliation of FY 2022 OPAT composition (presentation slide 7) to FY 2022 consolidated financial information

## FY 2022 OPAT Composition (\$b)



OPAT composition items	US\$ millions	Page number reference to this guide	Note number reference to consolidated financial information	Page number reference to consolidated financial information
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### 1) CSM release

1A) CSM recognised for services provided	5,363	<a href="#">Page 8</a>	Note 12	Page 70
1B) CSM recognised for service received	(242)	<a href="#">Page 9</a>	Note 12	Page 72
<i>CSM release</i>	5,121			

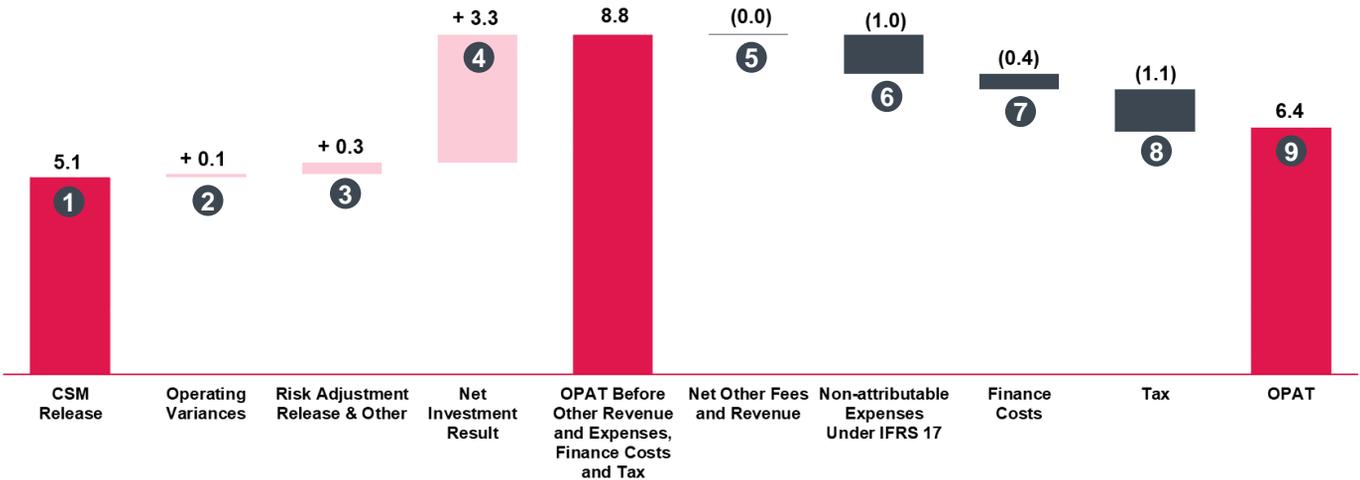
### 2) Operating variances

2A) Expected incurred claims and other insurance service expenses	8,092	<a href="#">Page 6</a>	Note 6	Page 51
2B) Recovery of insurance acquisition cash flows	696	<a href="#">Page 6</a>	Note 6	Page 51
<i>Expected net operating variances</i>	8,788			
2C) Incurred claims and other insurance service expenses	(8,303)	<a href="#">Page 7</a>	Note 12	Page 68
2D) Amortisation of insurance acquisition cash flows	(696)	<a href="#">Page 7</a>	Note 12	Page 68
2E) Adjustments to liabilities for incurred claims	259	<a href="#">Page 7</a>	Note 12	Page 68
<i>Incurred net operating variances</i>	(8,740)			
2F) Experience adjustments	(198)	<a href="#">Page 9</a>	Note 12	Page 72
2G) Changes that relate to past services	92	<a href="#">Page 9</a>	Note 12	Page 72
<i>Reinsurance operating variances</i>	(106)			
2H) Others ( <i>other operating variances</i> )	113	<a href="#">Page 6</a>	Note 6	Page 51
<i>Operating variances - total</i>	55			



# Reconciliation of FY 2022 OPAT composition (presentation slide 7) to FY 2022 consolidated financial information (con't)

## FY 2022 OPAT Composition (\$b)



OPAT composition items	US\$ millions	Page number reference to this guide	Note number reference to consolidated financial information	Page number reference to consolidated financial information
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### 3) Risk adjustment release and other

3A) Change in risk adjustment for non-financial risk for risk expired	260	<a href="#">Page 6</a>	Note 6	Page 51
3B) Change in risk adjustment for non-financial risk – Reinsurance	(43)	<a href="#">Page 9</a>	Note 12	Page 72
<i>RA release</i>	217			
3C) Insurance revenue under PAA	1,795	<a href="#">Page 6</a>	Note 6	Page 51
3D) Insurance service expenses under PAA	(1,565)	<a href="#">Page 10</a>	Note 12	Page 73
3E) Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(38)	<a href="#">Page 11</a>	Note 12	Page 74
3F) Losses and reversal of losses on onerous contracts	(129)	<a href="#">Page 7</a>	Note 12	Page 68
3G) Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	11	<a href="#">Page 9</a>	Note 12	Page 72
3H) Change in estimates that relate to losses and reversal of losses on underlying onerous contracts	(1)	<a href="#">Page 9</a>	Note 12	Page 72
<i>RA release and other</i>	290			

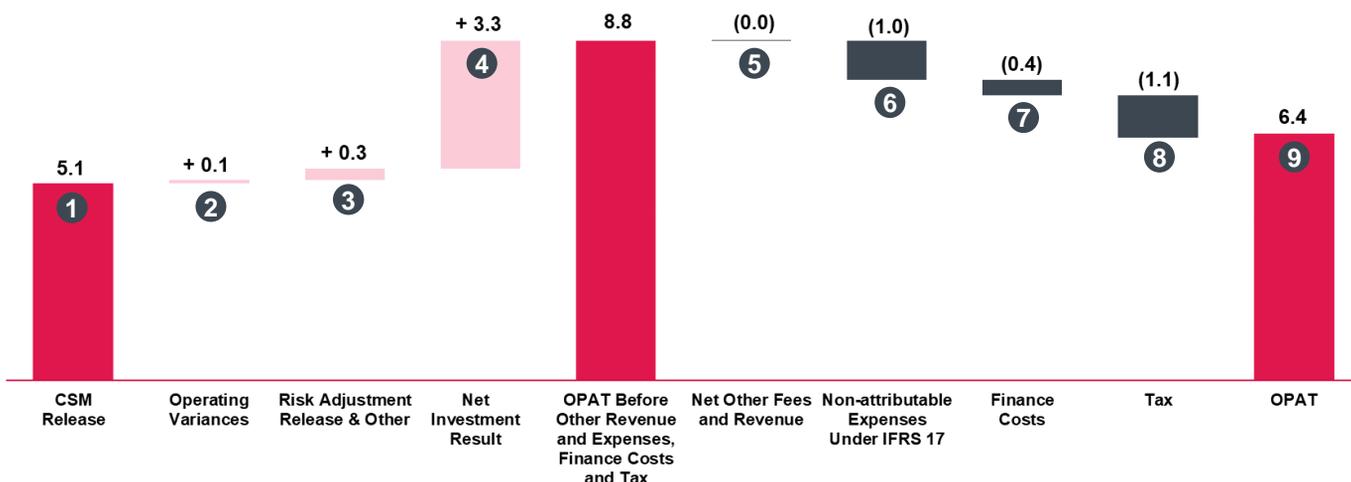
### 4) Net investment result

4A) Net investment result	3,597	<a href="#">Page 5</a>	Note 5	Page 49
4B) Investment management expense	(263)	<a href="#">Page 4</a>	n/a	n/a
<i>Net investment result</i>	3,334			



# Reconciliation of FY 2022 OPAT composition (presentation slide 7) to FY 2022 consolidated financial information (con't)

## FY 2022 OPAT Composition (\$b)



OPAT composition items	US\$ millions	Page number reference to this guide	Note number reference to consolidated financial information	Page number reference to consolidated financial information
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### 5) Net other fees and revenue

5A) Fee income and other operating revenue	451	<a href="#">Page 5</a>	Note 5	Page 49
5B) Share of losses/(profit) from associates and joint ventures	(121)	<a href="#">Page 5</a>	Note 5	Page 49
5C) Non-controlling interests	(33)	<a href="#">Page 5</a>	Note 5	Page 49
5D) Non-insurance expenses	(294)	As below	n/a	n/a
<i>Net other fees and revenue</i>	3			

### 6) Non-attributable expenses under IFRS 17

6A) Other expenses	(1,512)	<a href="#">Page 5</a>	Note 5	Page 49
<i>Less:</i>				
4B) Investment management expense	(263)	<a href="#">Page 3</a>	n/a	n/a
5D) Non-insurance expenses	(294)	As above	n/a	n/a
<i>Non-attributable expenses under IFRS 17</i>	(955)			

<b>7) Finance Costs</b>	(377)	<a href="#">Page 5</a>	Note 5	Page 49
<b>8) Tax</b>	(1,050)	<a href="#">Page 5</a>	Note 5	Page 49
<b>9) OPAT</b>	6,421	<a href="#">Page 5</a>	Note 5	Page 49

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## Note 5 – Segment information

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US\$m	Mainland					Other Markets	Group Corporate Centre	Total
	China	Hong Kong	Thailand	Singapore	Malaysia			
<b>Year ended 31 December 2022</b>								
<b>ANP</b>	1,319	1,078	655	531	440	1,384	-	5,407
<b>TWPI</b>	7,592	11,237	4,166	3,577	2,464	7,140	-	36,176
Insurance revenue	3,087	3,432	1,976	1,954	1,525	4,345	-	16,319
Insurance service expenses	(1,156)	(1,929)	(1,176)	(1,385)	(1,085)	(3,703)	-	(10,434)
Net (expenses)/income from reinsurance contracts held	(8)	(47)	(42)	(81)	9	(250)	-	(419)
<b>Insurance service result</b>	<b>1,923</b>	<b>1,456</b>	<b>758</b>	<b>488</b>	<b>449</b>	<b>392</b>	<b>-</b>	<b>5,466</b>
<b>Investment return</b>	759	(28,264)	907	(3,364)	190	322	857	(28,593)
– Participating <sup>(1)</sup> and unit-linked	(68)	(29,310)	(131)	(3,805)	61	(693)	5	(33,941) <sup>(2)</sup>
– Others	827	1,046	1,038	441	129	1,015	852	5,348
Net finance (expenses)/income from insurance contracts and reinsurance contracts held	(558)	28,597	(289)	3,438	(148)	98	(16)	31,122 <sup>(2)</sup>
Movement in investment contract liabilities	(27)	757	(81)	251	-	134	-	1,034 <sup>(2)</sup>
Movement in third-party interests in consolidated investment funds	-	34	-	-	-	-	-	34 <sup>(2)</sup>
<b>Net investment result</b>	<b>174</b>	<b>1,124</b>	<b>537</b>	<b>325</b>	<b>42</b>	<b>554</b>	<b>841</b>	<b>3,597</b> <b>4A</b>
Fee income and other operating revenue	1	252	20	24	12	145	(3)	451 <b>5A</b>
Other expenses	(187)	(329)	(113)	(137)	(55)	(302)	(389)	(1,512) <b>6A</b>
Other finance costs	(17)	(24)	(1)	(8)	(3)	(6)	(318)	(377) <b>7</b>
Share of (losses)/profit from associates and joint ventures	-	(1)	-	-	-	5	(125)	(121) <b>5B</b>
<b>Operating profit before tax</b>	<b>1,894</b>	<b>2,478</b>	<b>1,201</b>	<b>692</b>	<b>445</b>	<b>788</b>	<b>6</b>	<b>7,504</b>
Tax on operating profit before tax	(343)	(269)	(224)	(37)	(71)	(60)	(46)	(1,050) <b>8</b>
<b>Operating profit after tax</b>	<b>1,551</b>	<b>2,209</b>	<b>977</b>	<b>655</b>	<b>374</b>	<b>728</b>	<b>(40)</b>	<b>6,454</b>
<i>Operating profit after tax attributable to:</i>								
Shareholders of AIA Group Limited	1,551	2,202	977	655	362	710	(36)	6,421 <b>9</b>
Non-controlling interests	-	7	-	-	12	18	(4)	33 <b>5C</b>

### Notes:

- (1) Participating refers to participating funds and other participating business with distinct portfolios.
- (2) Net finance (expenses)/income from insurance contracts and reinsurance contracts held includes changes in fair value of underlying items of contracts with direct participation features. Net finance (expenses)/income from insurance contracts and reinsurance contracts held, net of investment return relating to participating and unit-linked businesses, movement in investment contract liabilities and movement in third-party interests in consolidated investment funds amounted to US\$(1,751)m, primarily related to other insurance contracts without direct participation features.

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## Note 6 – Insurance revenue

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US\$m	Note	Year ended 31 December 2022
<b>Contracts not measured under the PAA</b>		
Amounts related to changes in liabilities for remaining coverage		
Contractual service margin recognised for services provided	12	5,363
Change in risk adjustment for non-financial risk for risk expired		260 <sup>3A</sup>
Expected incurred claims and other insurance service expenses		8,092 <sup>2A</sup>
Others		113 <sup>2H</sup>
Recovery of insurance acquisition cash flows		696 <sup>2B</sup>
	12	14,524
<b>Contracts measured under the PAA</b>	12	1,795 <sup>3C</sup>
<b>Total insurance revenue</b>		16,319
<b>Represented by:</b>		
Contracts measured under the modified retrospective approach		1,798
Contracts measured under the fair value approach		9,669
Other contracts		4,852



Analysis by remaining coverage and incurred claims of insurance contracts not measured under the premium allocation approach

		Year ended 31 December 2022			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total
US\$m	Notes	Excluding loss component	Loss component		
Opening assets		(2,753)	10	625	(2,118)
Opening liabilities		210,450	204	7,875	218,529
<b>Net opening balance</b>		<b>207,697</b>	<b>214</b>	<b>8,500</b>	<b>216,411</b>
Insurance revenue	6	(14,524)	–	–	(14,524)
<b>Insurance service expenses</b>					
Incurred claims and other insurance service expenses		–	(68)	8,371	8,303 <b>2C</b>
Amortisation of insurance acquisition cash flows		696	–	–	696 <b>2D</b>
Losses and reversal of losses on onerous contracts		–	129	–	129 <b>3F</b>
Adjustments to liabilities for incurred claims		–	–	(259)	(259) <b>2E</b>
<b>Total insurance service expenses</b>		<b>696</b>	<b>61</b>	<b>8,112</b>	<b>8,869</b>
Investment components		(10,674)	–	10,674	–
Other changes		(14)	–	14	–
<b>Insurance service result</b>		<b>(24,516)</b>	<b>61</b>	<b>18,800</b>	<b>(5,655)</b>
Net finance (income)/expenses from insurance contracts	7	(35,058)	3	(460)	(35,515)
Effect of movements in exchange rates		(5,145)	(8)	(493)	(5,646)
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>		<b>(64,719)</b>	<b>56</b>	<b>17,847</b>	<b>(46,816)</b>

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## Note 12 – Insurance contracts and reinsurance contracts held

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### Analysis by measurement component of insurance contracts not measured under the premium allocation approach

		Year ended 31 December 2022							
		CSM							
US\$m	Notes	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Opening assets		(10,154)	796	7,240	(2,118)	-	5,900	1,340	7,240
Opening liabilities		167,514	3,097	47,918	218,529	11,983	31,017	4,918	47,918
<b>Net opening balance</b>		<b>157,360</b>	<b>3,893</b>	<b>55,158</b>	<b>216,411</b>	<b>11,983</b>	<b>36,917</b>	<b>6,258</b>	<b>55,158</b>
<b>Insurance service result</b>									
<b>Changes that relate to current services</b>									
CSM recognised for services provided	6	-	-	(5,363)	(5,363)	1A (1,059)	(3,072)	(1,232)	(5,363)
Change in risk adjustment for non-financial risk		-	(179)	-	(179)	-	-	-	-
Experience adjustments		151	-	-	151	-	-	-	-
Others		(134)	-	-	(134)	-	-	-	-
<b>Changes that relate to future services</b>									
Contracts initially recognised in the year		(6,358)	450	5,983	75	-	-	5,983	5,983
Changes in estimates that adjust the CSM		2,783	(364)	(2,419)	-	140	(2,068)	(491)	(2,419)
Changes in estimates that result in losses and reversal of losses on onerous contracts		71	(17)	-	54	-	-	-	-
<b>Changes that relate to past services</b>									
		(186)	(73)	-	(259)	-	-	-	-
<b>Total insurance service result</b>		<b>(3,673)</b>	<b>(183)</b>	<b>(1,799)</b>	<b>(5,655)</b>	<b>(919)</b>	<b>(5,140)</b>	<b>4,260</b>	<b>(1,799)</b>
Net finance (income)/expenses from insurance contracts	7	(36,703)	-	1,188	(35,515)	492	447	249	1,188
Effect of movements in exchange rates		(3,333)	(175)	(2,138)	(5,646)	(929)	(830)	(379)	(2,138)
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>									
		<b>(43,709)</b>	<b>(358)</b>	<b>(2,749)</b>	<b>(46,816)</b>	<b>(1,356)</b>	<b>(5,523)</b>	<b>4,130</b>	<b>(2,749)</b>
<b>Cash flows</b>									
Cash flows		13,990	-	-	13,990	-	-	-	-
<b>Non-cash operating expenses</b>									
Non-cash operating expenses		(240)	-	-	(240)	-	-	-	-
<b>Other non-cash items</b>									
Other non-cash items		(343)	-	-	(343)	-	-	-	-
<b>Net closing balance</b>		<b>127,058</b>	<b>3,535</b>	<b>52,409</b>	<b>183,002</b>	<b>10,627</b>	<b>31,394</b>	<b>10,388</b>	<b>52,409</b>
Closing assets		(8,689)	739	7,380	(570)	-	4,983	2,397	7,380
Closing liabilities		135,747	2,796	45,029	183,572	10,627	26,411	7,991	45,029
<b>Net closing balance</b>		<b>127,058</b>	<b>3,535</b>	<b>52,409</b>	<b>183,002</b>	<b>10,627</b>	<b>31,394</b>	<b>10,388</b>	<b>52,409</b>

## FY 2022 Consolidated financial information (page 72)

## Note 12 – Insurance contracts and reinsurance contracts held

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## Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach

		Year ended 31 December 2022								
						CSM				
US\$m	Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Contracts under retrospective approach	Contracts under fair value approach	Other contracts	Total	
Opening assets		3,785	750	1,814	6,349	(1,643)	3,763	(306)	1,814	
Opening liabilities		(1,377)	270	398	(709)	-	77	321	398	
<b>Net opening balance</b>		<b>2,408</b>	<b>1,020</b>	<b>2,212</b>	<b>5,640</b>	<b>(1,643)</b>	<b>3,840</b>	<b>15</b>	<b>2,212</b>	
<b>Net expenses from reinsurance contracts held</b>										
<b>Changes that relate to current services</b>										
CSM recognised for services received		-	-	(242)	(242)	1B	125	(391)	24	(242)
Change in risk adjustment for non-financial risk		-	(43)	-	(43)	3B	-	-	-	-
Experience adjustments		(198)	-	-	(198)	2F	-	-	-	-
<b>Changes that relate to future services</b>										
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM		-	-	11	11	3G	-	-	11	11
Contracts initially recognised in the year		12	47	(59)	-	-	-	(59)	(59)	
Changes in estimates that adjust the CSM		(171)	(160)	331	-	437	(136)	30	331	
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts		(1)	-	-	(1)	3H	-	-	-	-
Changes that relate to past services		113	(21)	-	92	2G	-	-	-	-
Effect of changes in non-performance risk of reinsurers		-	-	-	-	-	-	-	-	-
<b>Total net (expenses)/income from reinsurance contracts held</b>		<b>(245)</b>	<b>(177)</b>	<b>41</b>	<b>(381)</b>		<b>562</b>	<b>(527)</b>	<b>6</b>	<b>41</b>
Net finance (expenses)/income from reinsurance contracts held	7	(151)	-	(22)	(173)		(87)	80	(15)	(22)
Effect of movements in exchange rates		(102)	(66)	(47)	(215)		137	(168)	(16)	(47)
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>		<b>(498)</b>	<b>(243)</b>	<b>(28)</b>	<b>(769)</b>		<b>612</b>	<b>(615)</b>	<b>(25)</b>	<b>(28)</b>
Cash flows		438	-	-	438		-	-	-	-
Non-cash operating expenses		1	-	-	1		-	-	-	-
Other non-cash items		-	-	-	-		-	-	-	-
<b>Net closing balance</b>		<b>2,349</b>	<b>777</b>	<b>2,184</b>	<b>5,310</b>		<b>(1,031)</b>	<b>3,225</b>	<b>(10)</b>	<b>2,184</b>
Closing assets		3,356	523	1,826	5,705		(1,031)	3,110	(253)	1,826
Closing liabilities		(1,007)	254	358	(395)		-	115	243	358
<b>Net closing balance</b>		<b>2,349</b>	<b>777</b>	<b>2,184</b>	<b>5,310</b>		<b>(1,031)</b>	<b>3,225</b>	<b>(10)</b>	<b>2,184</b>

## FY 2022 Consolidated financial information (page 73)

## Note 12 – Insurance contracts and reinsurance contracts held

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Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach

Year ended 31 December 2022						
US\$m	Notes	Liabilities for remaining coverage		Liabilities for incurred claims		Total
		Excluding loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets		1	-	-	-	1
Opening liabilities		285	-	372	18	675
<b>Net opening balance</b>		<b>286</b>	<b>-</b>	<b>372</b>	<b>18</b>	<b>676</b>
Insurance revenue	6	(1,795)	-	-	-	(1,795)
<b>Insurance service expenses</b>						
Incurred claims and other insurance service expenses		-	-	1,391	11	1,402
Amortisation of insurance acquisition cash flows		207	-	-	-	207
Losses and reversal of losses on onerous contracts		-	-	-	-	-
Adjustments to liabilities for incurred claims		-	-	(34)	(10)	(44)
<b>Total insurance service expenses</b>		<b>207</b>	<b>-</b>	<b>1,357</b>	<b>1</b>	<b>1,565</b>
Investment components		(2)	-	2	-	-
Other changes		(3)	-	3	-	-
<b>Insurance service result</b>		<b>(1,593)</b>	<b>-</b>	<b>1,362</b>	<b>1</b>	<b>(230)</b>
Net finance income from insurance contracts	7	-	-	-	-	-
Effect of movements in exchange rates		(14)	-	(9)	(1)	(24)
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>		<b>(1,607)</b>	<b>-</b>	<b>1,353</b>	<b>-</b>	<b>(254)</b>
<b>Cash flows</b>						
Premiums received		1,834	-	-	-	1,834
Claims and other insurance service expenses paid, including investment components		(1)	-	(1,309)	-	(1,310)
Insurance acquisition cash flows paid		(200)	-	-	-	(200)
Other amounts received		-	-	-	-	-
<b>Total cash flows</b>		<b>1,633</b>	<b>-</b>	<b>(1,309)</b>	<b>-</b>	<b>324</b>
<b>Adjusted for:</b>						
Non-cash operating expenses		(4)	-	(3)	-	(7)
Other non-cash items		-	-	-	-	-
<b>Total non-cash items</b>		<b>(4)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(7)</b>
<b>Net closing balance</b>		<b>308</b>	<b>-</b>	<b>413</b>	<b>18</b>	<b>739</b>
Closing assets		-	-	1	-	1
Closing liabilities		308	-	412	18	738
<b>Net closing balance</b>		<b>308</b>	<b>-</b>	<b>413</b>	<b>18</b>	<b>739</b>

## FY 2022 Consolidated financial information (page 74)

## Note 12 – Insurance contracts and reinsurance contracts held

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Analysis by measurement component of reinsurance contracts held measured under the premium allocation approach

		Year ended 31 December 2022					
		Asset for remaining coverage		Asset for incurred claims			
US\$m	Note	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	Risk adjustment for non-financial risk	Total	
Opening assets		(191)	–	275	3	87	
Opening liabilities		(5)	–	5	–	–	
<b>Net opening balance</b>		<b>(196)</b>	<b>–</b>	<b>280</b>	<b>3</b>	<b>87</b>	
<b>Changes in the consolidated income statement and consolidated statement of comprehensive income</b>							
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)		(289)	–	251	–	(38)	
Effect of changes in non-performance risk of reinsurers		–	–	–	–	–	
<b>Net (expenses)/income from reinsurance contracts held</b>		<b>(289)</b>	<b>–</b>	<b>251</b>	<b>–</b>	<b>(38)</b>	
Investment components		(28)	–	28	–	–	
Other changes		–	–	–	–	–	
Net finance expenses from reinsurance contracts held	7	(8)	–	–	–	(8)	
Effect of movements in exchange rates		17	–	(11)	–	6	
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>		<b>(308)</b>	<b>–</b>	<b>268</b>	<b>–</b>	<b>(40)</b>	
<b>Cash flows</b>							
Premiums paid		179	–	–	–	179	
Amounts paid/(received)		1	–	(181)	–	(180)	
Other amounts (received)/paid		(1)	–	2	–	1	
<b>Total cash flows</b>		<b>179</b>	<b>–</b>	<b>(179)</b>	<b>–</b>	<b>–</b>	
<b>Adjusted for:</b>							
Non-cash operating expenses		–	–	–	–	–	
Other non-cash items		–	–	–	–	–	
<b>Total non-cash items</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Net closing balance</b>		<b>(325)</b>	<b>–</b>	<b>369</b>	<b>3</b>	<b>47</b>	
Closing assets		(248)	–	304	2	58	
Closing liabilities		(77)	–	65	1	(11)	
<b>Net closing balance</b>		<b>(325)</b>	<b>–</b>	<b>369</b>	<b>3</b>	<b>47</b>	



# Reconciliation of FY 2022 CSM movement (presentation slide 9) to FY 2022 consolidated financial information

## FY 2022 CSM Movement, Net of Reinsurance (\$b)

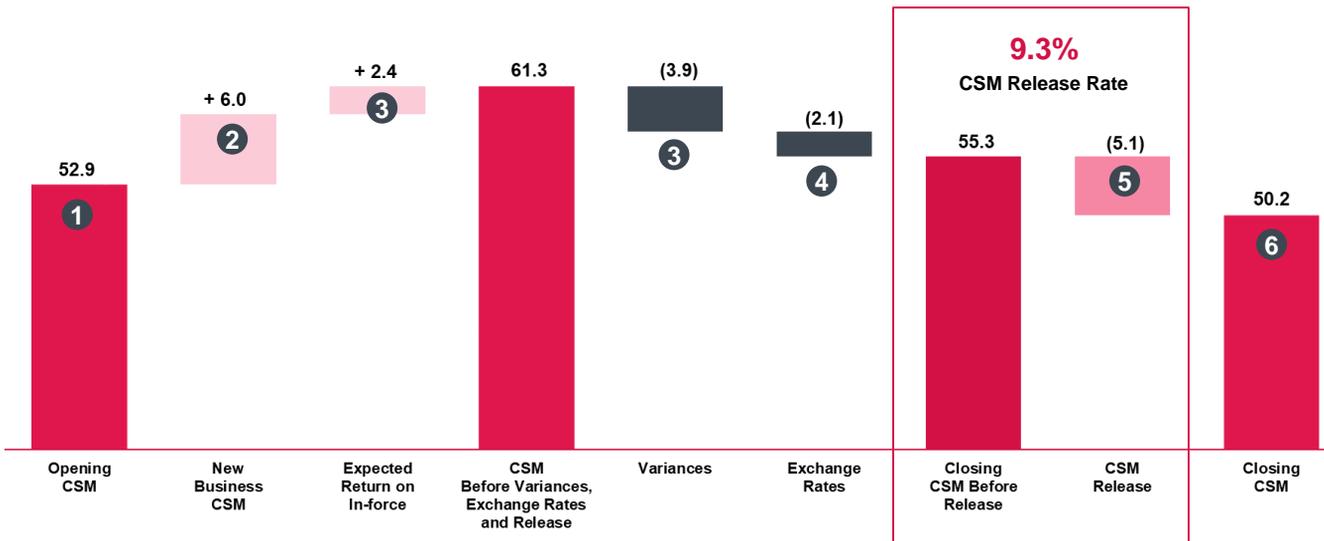


CSM movement items	US\$ millions	Page number reference to this guide	Note number reference to consolidated financial information	Page number reference to consolidated financial information
<b>1) Opening CSM</b>				
1A) Net opening balance	55,158	<a href="#">Page 14</a>	Note 12	Page 70
1B) Net opening balance – Reinsurance	(2,212)	<a href="#">Page 15</a>	Note 12	Page 72
<i>Opening CSM</i>	52,946			
<b>2) New Business CSM</b>				
2A) Contracts initially recognised in the year	5,983	<a href="#">Page 14</a>	Note 12	Page 70
2B) Contracts initially recognised in the year – Reinsurance	59	<a href="#">Page 15</a>	Note 12	Page 72
2C) Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	(11)	<a href="#">Page 15</a>	Note 12	Page 72
<i>New Business CSM</i>	6,031			
<b>3) Expected return on in-force and variances</b>				
3A) Changes in estimates that adjust the CSM	(2,419)	<a href="#">Page 14</a>	Note 12	Page 70
3B) Changes in estimates that adjust the CSM – Reinsurance	(331)	<a href="#">Page 15</a>	Note 12	Page 72
3C) Net finance income from insurance contracts	1,188	<a href="#">Page 14</a>	Note 12	Page 70
3D) Net finance expenses from reinsurance contracts held	22	<a href="#">Page 15</a>	Note 12	Page 72
<i>Expected return on in-force and variances</i>	(1,540)			
<i>Split into:</i>				
<i>Expected return on in-force</i>	2,361			
<i>Variances</i>	(3,901)			



# Reconciliation of FY 2022 CSM movement (presentation slide 9) to FY 2022 consolidated financial information (con't)

## FY 2022 CSM Movement, Net of Reinsurance (\$b)



CSM movement items	US\$ millions	Page number reference to this guide	Note number reference to consolidated financial information	Page number reference to consolidated financial information
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#### 4) Exchange rates

4A) Effect of movements in exchange rates	(2,138)	<a href="#">Page 14</a>	Note 12	Page 70
4B) Effect of movements in exchange rates – Reinsurance	47	<a href="#">Page 15</a>	Note 12	Page 72
<i>Exchange rates</i>	(2,091)			

#### 5) CSM release

5A) CSM recognised for services provided	(5,363)	<a href="#">Page 14</a>	Note 12	Page 70
5B) CSM recognised for services received – Reinsurance	242	<a href="#">Page 15</a>	Note 12	Page 72
<i>CSM release</i>	(5,121)			

#### 6) Closing CSM

6A) Net closing balance	52,409	<a href="#">Page 14</a>	Note 12	Page 70
6B) Net closing balance – Reinsurance	(2,184)	<a href="#">Page 15</a>	Note 12	Page 72
<i>Closing CSM</i>	50,225			

## FY 2022 Consolidated financial information (page 70)

## Note 12 – Insurance contracts and reinsurance contracts held

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## Analysis by measurement component of insurance contracts not measured under the premium allocation approach

		Year ended 31 December 2022							
		CSM							
US\$m	Notes	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total
Opening assets		(10,154)	796	7,240	(2,118)	-	5,900	1,340	7,240
Opening liabilities		167,514	3,097	47,918	218,529	11,983	31,017	4,918	47,918
<b>Net opening balance</b>		<b>157,360</b>	<b>3,893</b>	<b>55,158</b>	<b>216,411</b>	<b>11,983</b>	<b>36,917</b>	<b>6,258</b>	<b>55,158</b>
<b>Insurance service result</b>									
Changes that relate to current services									
CSM recognised for services provided	6	-	-	(5,363)	(5,363)	(1,059)	(3,072)	(1,232)	(5,363)
Change in risk adjustment for non-financial risk		-	(179)	-	(179)	-	-	-	-
Experience adjustments		151	-	-	151	-	-	-	-
Others		(134)	-	-	(134)	-	-	-	-
Changes that relate to future services									
Contracts initially recognised in the year		(6,358)	450	5,983	75	-	-	5,983	5,983
Changes in estimates that adjust the CSM		2,783	(364)	(2,419)	-	140	(2,068)	(491)	(2,419)
Changes in estimates that result in losses and reversal of losses on onerous contracts		71	(17)	-	54	-	-	-	-
Changes that relate to past services		(186)	(73)	-	(259)	-	-	-	-
<b>Total insurance service result</b>		<b>(3,673)</b>	<b>(183)</b>	<b>(1,799)</b>	<b>(5,655)</b>	<b>(919)</b>	<b>(5,140)</b>	<b>4,260</b>	<b>(1,799)</b>
Net finance (income)/expenses from insurance contracts	7	(36,703)	-	1,188	(35,515)	492	447	249	1,188
Effect of movements in exchange rates		(3,333)	(175)	(2,138)	(5,646)	(929)	(830)	(379)	(2,138)
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>									
		<b>(43,709)</b>	<b>(358)</b>	<b>(2,749)</b>	<b>(46,816)</b>	<b>(1,356)</b>	<b>(5,523)</b>	<b>4,130</b>	<b>(2,749)</b>
Cash flows		13,990	-	-	13,990	-	-	-	-
Non-cash operating expenses		(240)	-	-	(240)	-	-	-	-
Other non-cash items		(343)	-	-	(343)	-	-	-	-
<b>Net closing balance</b>		<b>127,058</b>	<b>3,535</b>	<b>52,409</b>	<b>183,002</b>	<b>10,627</b>	<b>31,394</b>	<b>10,388</b>	<b>52,409</b>
Closing assets		(8,689)	739	7,380	(570)	-	4,983	2,397	7,380
Closing liabilities		135,747	2,796	45,029	183,572	10,627	26,411	7,991	45,029
<b>Net closing balance</b>		<b>127,058</b>	<b>3,535</b>	<b>52,409</b>	<b>183,002</b>	<b>10,627</b>	<b>31,394</b>	<b>10,388</b>	<b>52,409</b>

## FY 2022 Consolidated financial information (page 72)

## Note 12 – Insurance contracts and reinsurance contracts held

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## Analysis by measurement component of reinsurance contracts held not measured under the premium allocation approach

Year ended 31 December 2022

US\$m	Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk			CSM				
				CSM	Total	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Total	
Opening assets		3,785	750	1,814	6,349	(1,643)	3,763	(306)	1,814	
Opening liabilities		(1,377)	270	398	(709)	-	77	321	398	
<b>Net opening balance</b>		<b>2,408</b>	<b>1,020</b>	<b>2,212</b>	<b>5,640</b>	<b>(1,643)</b>	<b>3,840</b>	<b>15</b>	<b>2,212</b>	
<b>Net expenses from reinsurance contracts held</b>										
<b>Changes that relate to current services</b>										
CSM recognised for services received		-	-	(242)	5B (242)	125	(391)	24	(242)	
Change in risk adjustment for non-financial risk		-	(43)	-	(43)	-	-	-	-	
Experience adjustments		(198)	-	-	(198)	-	-	-	-	
<b>Changes that relate to future services</b>										
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM		-	-	11	2C 11	-	-	11	11	
Contracts initially recognised in the year		12	47	(59)	2B -	-	-	(59)	(59)	
Changes in estimates that adjust the CSM		(171)	(160)	331	3B -	437	(136)	30	331	
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts		(1)	-	-	(1)	-	-	-	-	
Changes that relate to past services		113	(21)	-	92	-	-	-	-	
Effect of changes in non-performance risk of reinsurers		-	-	-	-	-	-	-	-	
<b>Total net (expenses)/income from reinsurance contracts held</b>		<b>(245)</b>	<b>(177)</b>	<b>41</b>	<b>(381)</b>	<b>562</b>	<b>(527)</b>	<b>6</b>	<b>41</b>	
Net finance (expenses)/income from reinsurance contracts held	7	(151)	-	(22)	3D (173)	(87)	80	(15)	(22)	
Effect of movements in exchange rates		(102)	(66)	(47)	4B (215)	137	(168)	(16)	(47)	
<b>Total changes in the consolidated income statement and consolidated statement of comprehensive income</b>		<b>(498)</b>	<b>(243)</b>	<b>(28)</b>	<b>(769)</b>	<b>612</b>	<b>(615)</b>	<b>(25)</b>	<b>(28)</b>	
Cash flows		438	-	-	438	-	-	-	-	
Non-cash operating expenses		1	-	-	1	-	-	-	-	
Other non-cash items		-	-	-	-	-	-	-	-	
<b>Net closing balance</b>		<b>2,349</b>	<b>777</b>	<b>2,184</b>	<b>5,310</b>	<b>(1,031)</b>	<b>3,225</b>	<b>(10)</b>	<b>2,184</b>	
Closing assets		3,356	523	1,826	5,705	(1,031)	3,110	(253)	1,826	
Closing liabilities		(1,007)	254	358	(395)	-	115	243	358	
<b>Net closing balance</b>		<b>2,349</b>	<b>777</b>	<b>2,184</b>	<b>5,310</b>	<b>(1,031)</b>	<b>3,225</b>	<b>(10)</b>	<b>2,184</b>	