

Table 11.3 – Insurance contracts analysis by remaining coverage and incurred claims

	December 31, 2023					
	Liability for remaining coverage		Liability for incurred claims			
	Excluding loss component	Loss Component <sup>1</sup>	Contracts under PAA			Total
			Contracts under GMM	Present value of future cash flows	Risk adjustment	
Year ended						
Insurance contract liabilities, beginning of year	7,350	2,341	52	18,642	745	29,130
Changes in comprehensive income:						
Insurance revenue	(25,507)	-	-	-	-	(25,507)
Incurred claims and other insurance service expense	-	(1,091)	1,537	16,136	345	16,927
Amortization of insurance acquisition cash flows	5,168	-	-	-	-	5,168
Losses and reversals on onerous contracts	-	1,224	-	-	-	1,224
Prior-year development	-	-	-	(439)	(296)	(735)
Insurance service expense	5,168	133	1,537	15,697	49	22,584
Investment component	(118)	-	-	118	-	-
Insurance service result from insurance contracts	(20,457)	133	1,537	15,815	49	(2,923)
Insurance finance expense (income)	96	88	-	870	37	1,091
Exchange rate differences	47	46	-	102	1	196
Total changes in comprehensive income	(20,314)	267	1,537	16,787	87	(1,636)
Cash flows						
Premiums received	24,375	-	-	-	-	24,375
Claims and other insurance service expense paid	-	-	(1,578)	(14,561)	-	(16,139)
Insurance acquisition cash flows	(5,397)	-	-	-	-	(5,397)
Total cash flows	18,978	-	(1,578)	(14,561)	-	2,839
Disposals and other <sup>2</sup>	20	-	-	-	-	20
Insurance contract liabilities, end of year	6,034	2,608	11	20,868	832	30,353

<sup>1</sup> Loss component related to acquired claims was \$2,595 million as at December 31, 2023 (\$2,250 million as at December 31, 2022) and mostly reflects claims that the Company will settle later than initially anticipated. The loss component not related to acquired claims is mainly due to certain groups of insurance contracts in the UK&I.

<sup>2</sup> Includes the write-off of insurance acquisition cash flows related to the UK Personal Lines exit. Refer to *Note 5.2 – Disposals* for more details.