



# 2023 Fixed Income Supplement

QBE INSURANCE GROUP LIMITED

*Enabling a more resilient future*

# Important information

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## Basis of presentation (unless otherwise stated)

1. All figures are in US dollars
2. Premium growth rates are quoted on a constant currency basis
3. Premium rate change excludes North America Crop and/or Australian compulsory third party motor (CTP)
4. Adjusted net cash profit after tax adjusts statutory net profit for Additional Tier 1 capital coupon accruals, as well as any gains on disposal, amortisation or restructuring costs
5. 2021 and prior periods are presented on an adjusted AASB 1023 basis as presented in prior reports
6. APRA PCA calculations at 31 December 2023 are indicative. Prior period calculation has been updated to be consistent with APRA returns finalised subsequent to year end

# APRA regulatory capital

APRA PCA calculation (\$M)	31 DEC 2022	31 DEC 2023
Ordinary share capital and reserves	8,105	9,069
Net surplus relating to insurance liabilities	1,287	1,276
Regulatory adjustments to Common Equity Tier 1 Capital	(2,643)	(2,753)
<b>Common Equity Tier 1 Capital</b>	<b>6,749</b>	<b>7,592</b>
Additional Tier 1 Capital – Capital securities	886	886
<b>Total Tier 1 Capital</b>	<b>7,635</b>	<b>8,478</b>
Tier 2 Capital – Subordinated debt and hybrid securities	2,738	2,798
<b>Total capital base</b>	<b>10,373</b>	<b>11,276</b>
Insurance risk charge	3,465	3,701
Insurance concentration risk charge	788	749
Asset risk charge	2,243	2,505
Operational risk charge	602	649
Less: Aggregation benefit	(1,301)	(1,425)
<b>APRA Prescribed Capital Amount (PCA)</b>	<b>5,797</b>	<b>6,179</b>
<b>PCA multiple</b>	<b>1.79x</b>	<b>1.82x</b>
<b>CET1 ratio (APRA requirement &gt;60%)</b>	<b>116%</b>	<b>123%</b>

## APRA Tiers of Capital Requirement



Source: Prudential Standard GPS 112, "Capital Adequacy: Measurement of Capital", July 2023

### APRA: Point of non-viability loss absorption

- All Additional Tier 1 ("AT1") Capital and Tier 2 Capital must include loss absorption provisions (via conversion or write-down) upon a non-viability trigger event

### APRA Additional Tier 1 discussion paper

- APRA's Additional Tier 1 (AT1) Discussion paper "Enhancing bank resilience: Additional Tier 1 Capital in Australia" was released in September 2023. APRA is reviewing the effectiveness of AT1 capital to ensure it operates as intended to absorb losses during a crisis. APRA intends to undertake a formal consultation on proposals in the first half of 2024

# Balance sheet and ratings




<b>Summary balance sheet (\$M)</b>	<b>RESTATED 31 DEC 2022</b>	<b>31 DEC 2023</b>
Cash, investments and investment properties	28,167	30,064
Reinsurance contract assets	7,144	8,034
Intangible assets	2,018	2,112
Other receivables	423	519
Deferred tax assets	613	625
Current tax assets	45	30
Other assets	791	724
<b>Total assets</b>	<b>39,201</b>	<b>42,108</b>
Insurance contract liabilities	26,148	27,567
Borrowings	2,744	2,798
Other payables	347	432
Deferred tax liabilities	149	366
Current tax liabilities	39	127
Other liabilities	917	865
<b>Total liabilities</b>	<b>30,344</b>	<b>32,155</b>
<b>Net assets</b>	<b>8,857</b>	<b>9,953</b>
Shareholders' fund	7,969	9,064
Capital notes	886	886
Non-controlling interests	2	3
<b>Total equity</b>	<b>8,857</b>	<b>9,953</b>

## Capital and borrowings

- Repaid USD\$400M of subordinated Tier 2 notes in November 2023
- Debt to total capital ratio of 21.9% (FY22 restated: 23.7%)

## Credit ratings

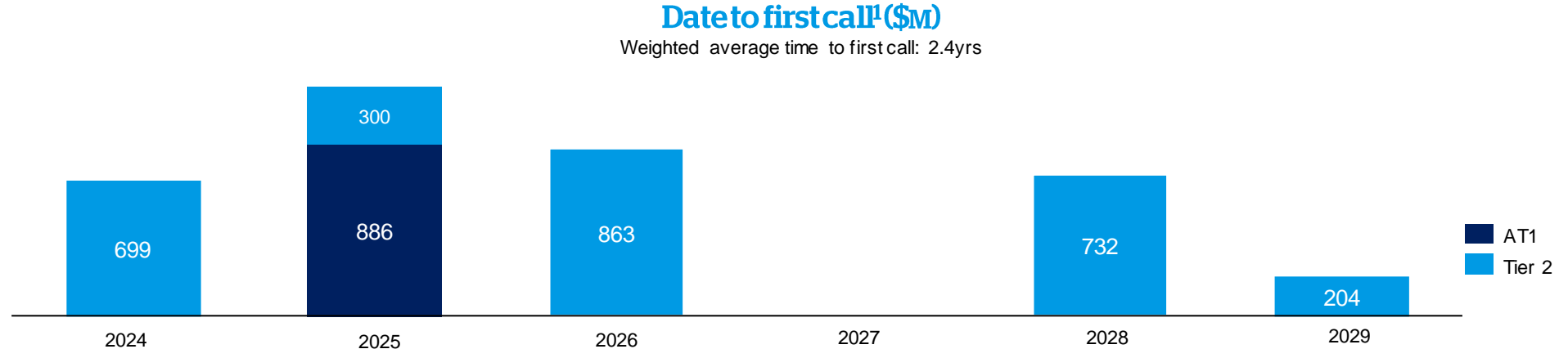
- QBE utilises three major rating agencies and is committed to maintaining its ratings at their current levels

	Long-term FSR	Debt issue ICR	Outlook	Effective date
 S&P Global Ratings	A+	A-	Stable	May 2023
 Fitch Ratings	A+	A-	Stable	November 2023
 A.M. BEST	A	-	Stable	May 2023



# Capital markets issuance profile

QBE has access to A\$MTN, EMTN and US144A capital markets



		Issued instruments	Issue date	Currency	Nominal value local currency	First call date <sup>1</sup>	Coupon	Maturity date	Carrying Value US\$M <sup>2</sup>
Accounted for as equity	Additional Tier 1 (AT1)	Capital Notes	Jul-20	US\$M	400	May-25	5.25%	Perp	393
		Capital Notes	May-20	US\$M	500	May-25	5.88%	Perp	493
		AT1 subtotal							
	Accounted for as debt	Tier 2	16NC6	Aug-20	A\$M	500	Aug-26	3M BBSW + 2.75%	Aug-36
17NC7			Sept-21	£M	400	Mar-28	2.50%	Sept -38	508
15NC5			Oct-23	A\$M	330	Oct-28	3M BBSW + 2.55%	Oct-38	224
16NC6			Jun-23	A\$M	300	Jun-29	3M BBSW + 3.10%	Jun-39	204
30NC10			Dec-14	US\$M	700	Dec-24	6.75%	Dec-44	699
30NC10			Nov-15	US\$M	300	Nov-25	6.10%	Nov-45	300
30NC10			Jun-16	US\$M	524	Jun-26	5.88%	Jun-46	523
Tier 2 subtotal								2,798	
Total instruments									3,684

1. Subject to prior written APRA approval  
2. As at 31 December 2023

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