QBE

2022 Full Year Result

QBE INSURANCE GROUP LIMITED

Enabling a more resilient future

All figures are in US$ unless otherwise stated. This presentation should be read together with the basis of presentation information detailed on page 25

Andrew Horton

Group Chief Executive Officer

Key messages

Resilient profitability: FY22 COR of 93.7%

Group COR of 93.7% improved on 95.0% in the prior year, and was in line with original FY22 outlook for a Group COR better than ~94%. The result demonstrated encouraging resilience in light of elevated catastrophe costs, geopolitical tensions and inflation

Strategic Priorities: momentum continues

In 2022 we established our six Strategic Priorities. As we've integrated the priorities into our business and culture, initial reactions and early outcomes have been encouraging. Benefits will build into 2023

FY23 outlook: ~93.5% COR and ongoing GWP growth

Recent momentum will continue. In FY23 we expect Group constant currency GWP growth in the mid-to-high single digits. Our Plan Group combined operating ratio for FY23 is ~93.5%

Enterprise mindset driving organisational uplift

The Group is becoming more aligned, collaboration is increasing and strategic decisions are being addressed as an enterprise. Embedding an enterprise-mindset will increasingly unlock value for QBE

Reserve transaction to optimise returns

Broad-based reserve transaction to de-risk the Group's exposure to reserves totalling ~$1.9B. Will support improved capital efficiency, reduced reserve volatility risk and increased bandwidth to focus on customer relationships and growth

People and culture: encouraging people surveys and stability

There has been pleasing stability of leadership while initiatives supporting Purpose embedment continue. Latest QBE people Voice survey results highlight continuation of recent improved engagement results

Strategic priorities: Progress and focus

Portfolio optimisation

2023 business planning more deliberately calibrated to multi-year enterprise portfolio mix targets

Refined property CAT appetite to reduce volatility and ensure more targeted deployment of in-demand capacity

Sustainable growth

Positive operating leverage to support expanded investment in people and capability surrounding growth focus areas

Work is progressing to set targets in accordance with the NZIA Target-Setting Protocol

Bring the enterprise together

More structured collaboration across certain global lines of business driving more consistency, and improved distribution and capital allocation outcomes

Simplification of internal delegated authorities to empower leaders and lift the pace of decisions and workflow

Modernise

Establishment of multi-year Australia Pacific modernisation program to support leading market shares through uplift in digital capability

Continued to execute on the simplification of our IT estate, with a significant shift of infrastructure and applications to the cloud

Our People

New remuneration model for 2022 more directly linked to culture (how) and performance (what) driving organisational uplift

QBE Voice people survey highlights improvement in employee wellbeing, sense of belonging and engagement

Our Culture

Developed bold new Inclusion of Diversity targets for launch in 2023

Established Culture Insights Panel to inform ongoing culture assessment and identification of new opportunities

Integrating sustainability

Our Strategic Priorities

- Portfolio optimisation
- Sustainable growth
- Bring the enterprise together
- Modernise our business
- Our People
- Our Culture

Three new Strategic Focus Areas

1. Foster an orderly and inclusive transition to a net-zero economy
2. Enable a sustainable and resilient workforce
3. Partner for growth through innovative, sustainable and impactful solutions

Our Framework

- Impact and responsible investments
- Sustainable insurance
- Operational excellence
- Governance
- Customer and community
- People and culture

Performance update

Performance

Statutory COR (incl RFR) 85.7%
Adjusted COR 93.7%

Ex cat claims ratio 58.2%

Cat claims ratio 7.2%

Adverse prior accident year claims development of 1.0%

Adjusted cash profit ROE of 10.5%

Rate and growth

Group-wide renewal rate increases averaged 7.9%

Continued gross written premium growth of 9%, or 13% in constant currency

Growth, in excess of premium rate increases of 8%

Excluding Crop, Group gross written premium increased by 10%, or 4% in excess of premium rate increases

Investments

FY22 net investment return of 2.0% ex RFR

4.1% fixed income running yield at 31 December 2022, up from 0.7% at 31 December 2021

Higher risk-free rates resulted in negative investment asset impact of $1,343M, largely offset by $1,234M beneficial claims discount rate impact

Closing FUM of $28.2B, risk assets now account for 11% of total investments

Balance sheet

Regulatory capital at 1.79x

Full year dividend per share 39 cents, representing 48% payout ratio

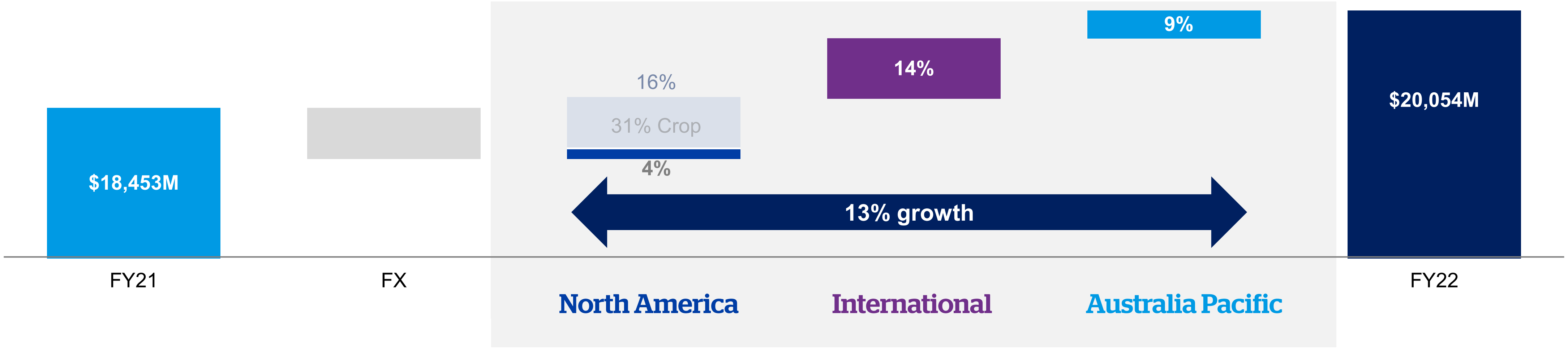
Capital above S&P ‘AA’ level

Debt to total capital 23.4%

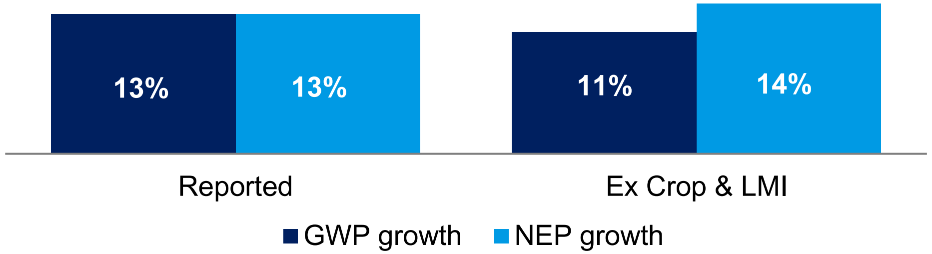
Gross written premium

Constant currency growth of 13%

Growth ex rate 8%



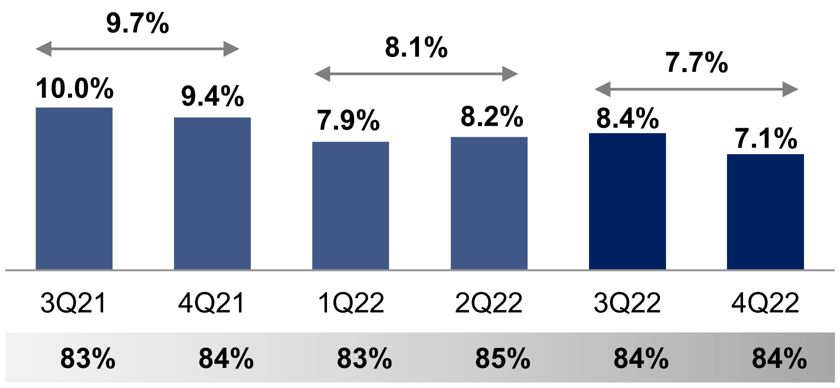
Premium growth



- Momentum continued with Group GWP growth of 13%, or 10% excluding Crop
- Growth continued across all divisions, with North America +16% driven by Crop GWP growth of 31%, International +14% and Australia Pacific +9%
- Excluding lines with high quota share reinsurance, NEP growth exceeded GWP growth

Premium momentum

Continued group-wide premium rate increases +7.9%

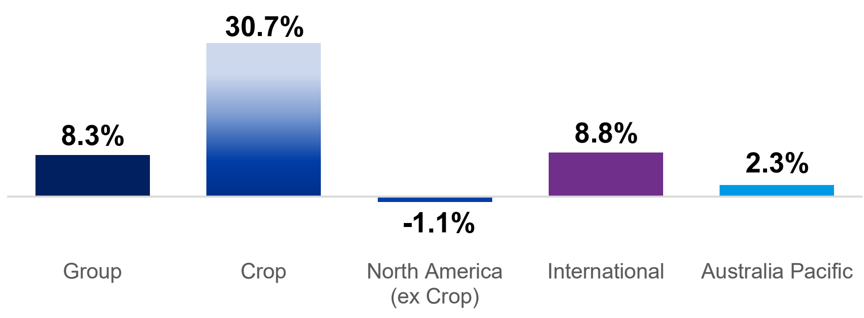


	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
North America +9.2%	11.2%		10.4%		8.1%	
	11.6%	10.6%	9.9%	11.0%	9.1%	6.7%
	75%	74%	73%	73%	74%	74%
International +6.5%	9.7%		7.0%		5.5%	
	11.0%	8.7%	7.1%	6.9%	6.3%	4.9%
	84%	86%	85%	88%	87%	87%
Australia Pacific +9.5%	8.8%		9.1%		9.9%	
	8.0%	9.8%	8.6%	9.4%	9.4%	10.4%
	87%	87%	87%	86%	87%	87%

YTD premium retention

- Compound premium rate increases continue across each division
- Rate increases have moderated in lines where rate adequacy has improved most, particularly across casualty classes
- Rate remains very firm across property classes
- Ex rate growth in North America offset by program terminations

Group ex rate growth trend



Inder Singh

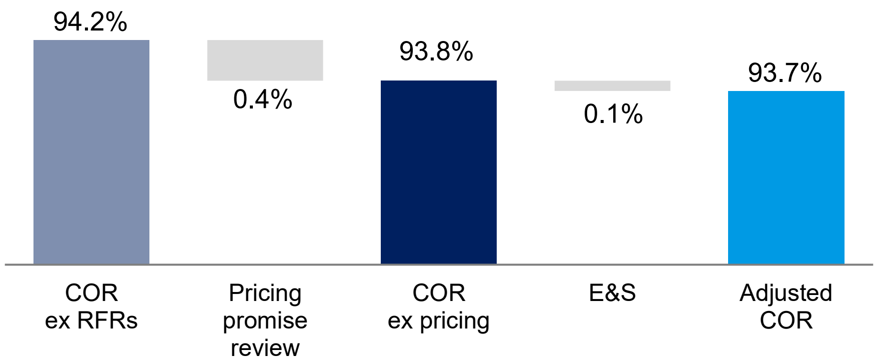
Group Chief Financial Officer

Result snapshot

Key result highlights

- Strong constant currency GWP growth +13% (10% ex Crop)
- Constant currency NEP growth of +13% (14% ex Crop)
- Underwriting profit of $933M, excludes $1,234M positive risk-free rate impact
- Investment income of $(776)M, or $567M ex risk-free rate movements
- Annualised adjusted cash ROE of 10.5%
- Final dividend AUD 30 cents per share. Full year payout ratio of 48%

Combined operating ratio



		FY21	FY22
Gross written premium	$M	18,453	20,054
Net earned premium	$M	13,779	14,770
Net claims ratio (ex risk-free rate)	%	66.5	67.0
Net commission ratio	%	15.2	14.3
Expense ratio	%	13.3	12.4
COR	**%**	**95.0**	**93.7**
Underwriting result (ex risk-free rate)	$M	695	933
Net investment income (ex risk-free rate)	$M	382	567
Statutory net profit after income tax	$M	750	770
Adjusted cash profit after income tax	$M	805	847
Adjusted cash return on equity	**%**	**10.3**	**10.5**

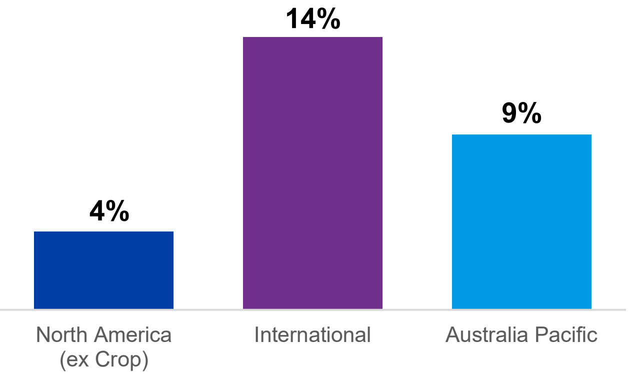
Group performance

GWP

$20,054M

13% from FY21

Premium growth



COR

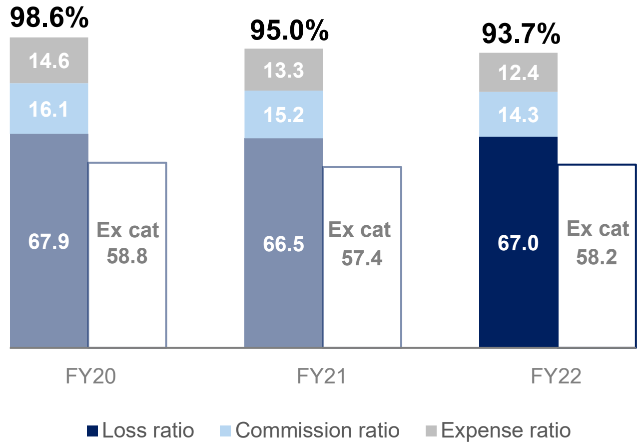
93.7%

FY21 95.0%

Ex cat claims ratio

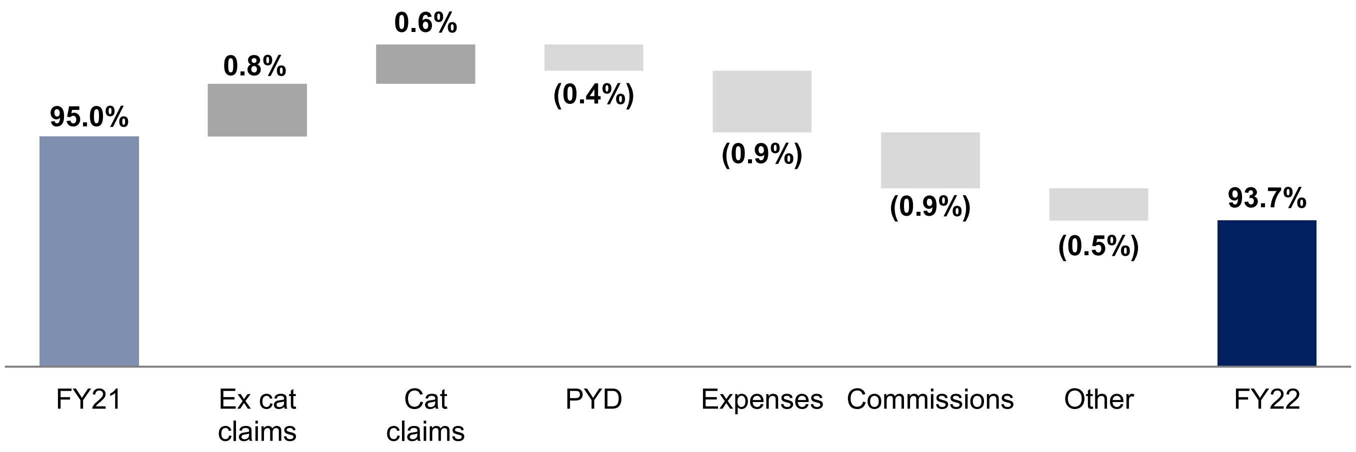
58.2%

FY21 57.4%



- Improved and more resilient result despite particularly challenging year for the insurance industry
- Material improvement in total acquisition costs due to disciplined expense management, positive operating leverage and higher reinsurance fee income
- Elevated catastrophe costs included significant flooding and storms in Australia, Hurricane Ian, French storms and the Russia/Ukraine conflict
- Higher inflation impacted both current and prior year claims, albeit adverse PYD mitigated by COVID risk margin release (within 'Other')

Improved COR despite challenging operating backdrop

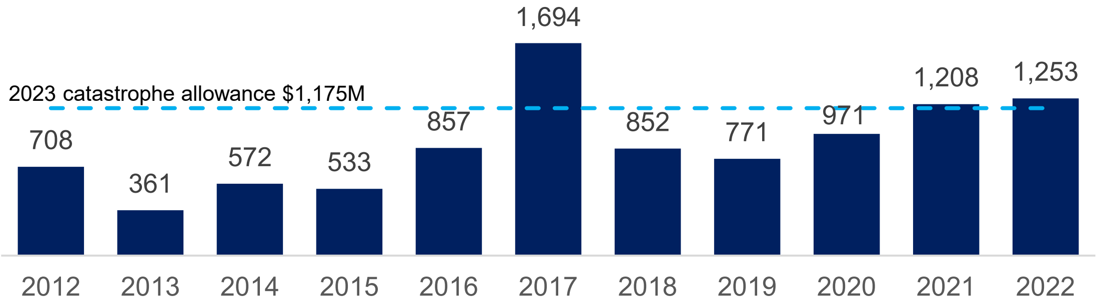


Reinsurance update

2023 reinsurance update

- 2023 reinsurance renewal completed largely as expected
- 2023 catastrophe allowance increased to $1,175M from $962M, largely reflecting growth in exposure, and non-renewal of certain CAT buy down covers. $400M CAT program attachment maintained
- Sufficiency of catastrophe allowance has increased compared to 2022
- APRA PCA ratio of 1.79x includes a ~0.03x adverse impact associated with the new reinsurance program
- “As-if” analysis highlights 2023 allowance would have been sufficient in 7 out of the last 10 years. This analysis overlays the 2023 reinsurance program and allowance against QBE’s historic catastrophe claims experience (adjusted for inflation and business sales)

2023 catastrophe allowance “as-if” analysis ($M)



Division maximum event retention scenarios ($M)

Assumes event isolated within each division

	North America		International		Australia Pacific	
	Peak[1,2]	Non-peak[1]	Peak[1,2]	Non-peak[1]	Peak[1]	Non-peak[1]
Divisional retention	200	200	100	100	122.5	122.5
Group net retention (post Eq Re 50% quota share & buy downs)	**~300**	**~235**	**~250**	**~110**	**~260**	**~215**

Likely Group maximum event retention scenarios[3] for a first multi-division major event

International writes policies globally, and could have exposure to a US or Australian event

US peak[1,2]
Group retention
~$350m

US non-peak[1]
Group retention
~$285m

Australia peak[1]
Group retention
~$310m

Australia non-peak[1]
Group retention
~$270m

1. Peak perils defined as cyclone, hurricane & typhoon, and earthquake (and fire following) as respects Australia, New Zealand (quake only) and US (excluding Puerto Rico). All other perils are non-peak.
2. US peak perils defined as hurricane and earthquake (and fire following).
3. MER outcomes exclude QBE Re and could vary based on size and characteristics of event, and QBE’s exposure.

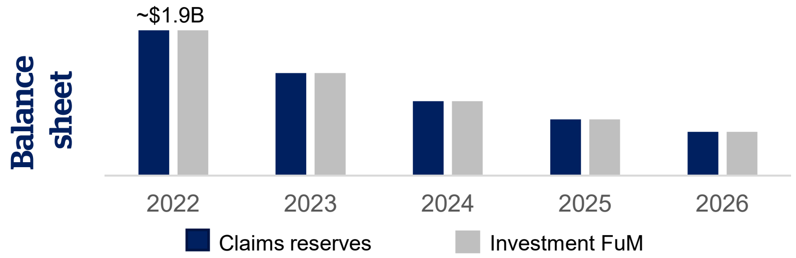
Reserve transaction

- QBE has entered into a broad-based reinsurance transaction with Enstar (NASDAQ: ESGR), that de-risks the Group's exposure to reserves totalling ~$1.9B. The transaction is subject to regulatory approvals
- The portfolio encompasses a range of North America and International long tail reserves. In aggregate these reserves account for ~10% of QBE's FY22 net reserves, or ~15% of QBE's FY22 long tail reserves
- The transaction will support much improved capital efficiency, reduced reserve volatility risk and increased bandwidth to focus on customer relationships and growth
- We anticipate the transaction will give rise to an increase in our APRA PCA multiple of ~0.06x or ~$400M capital equivalent
- Reserves subject to this transaction have contributed ~$0.6B of adverse prior year development over the past 5 years
- Expected pre-tax upfront cost for the transaction of ~$100M, with limited impact on earnings beyond

Upfront financial impact

Undiscounted reserves	$1.9B	Reinsurance premium	$1.9B
		– Discounted reserves	$1.7B
		– Risk margin above central estimate	$0.1B
		= **Pre-tax P&L impact**	~$0.1B

Current financial profile of in scope reinsured reserves



We currently earn investment income on the assets backing these reserves, which is broadly offset by the discount unwind associated with the reserves

North America

GWP

$7,274M

16% from FY21

COR

98.9%

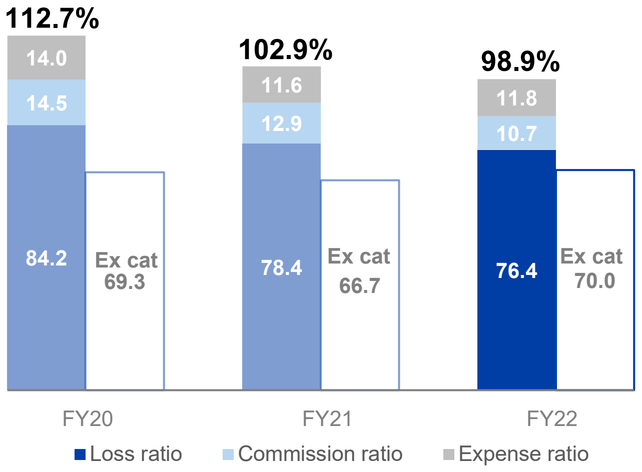
FY21 102.9%

Ex cat claims ratio

70.0%

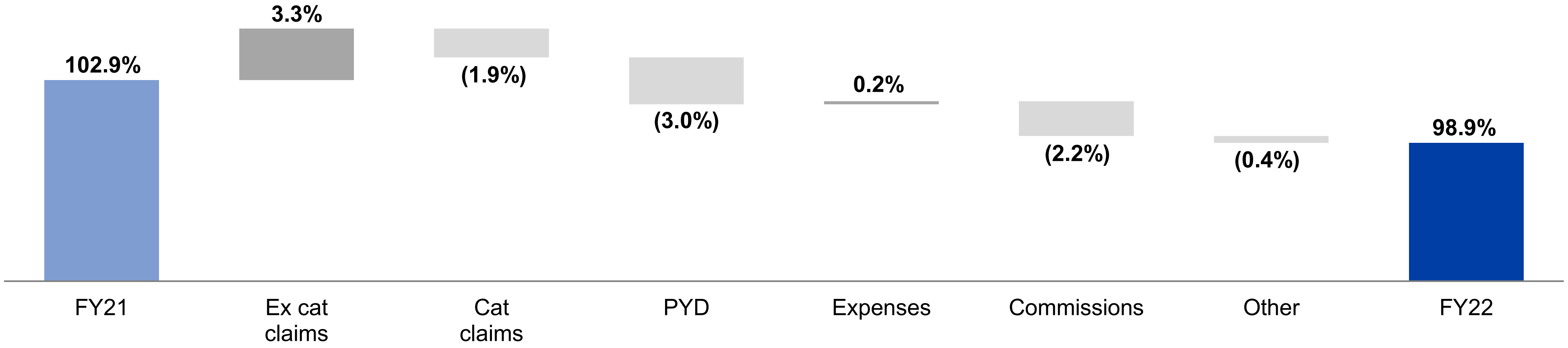
FY21 66.7%

Combined operating ratio



- GWP growth of 16%, or 4% excluding Crop. Supportive market conditions for targeted growth in commercial lines offset by reduced program exposure
- Pleasing return to underwriting profitability for the first time in four years
- COR improvement driven by lower catastrophe costs and prior accident year development, alongside further reduction in total acquisition costs
- Crop COR deteriorated by 2.8% to 95.5%, primarily relating to drier conditions across a number of states

Improved catastrophe experience and reduced adverse reserve development



International

GWP

$7,546M

14% from FY21

COR

92.5%

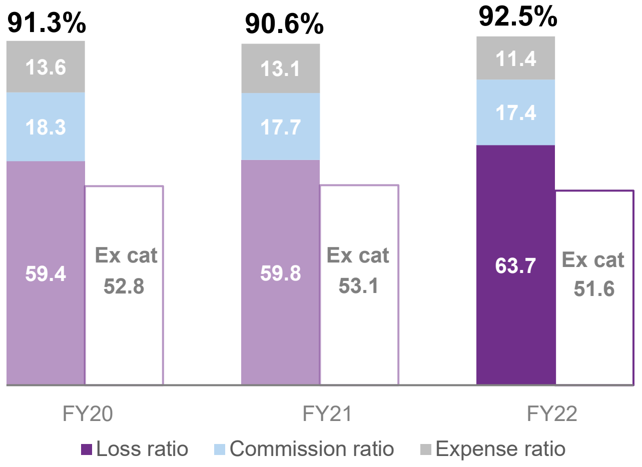
FY21 90.6%

Ex cat claims ratio

51.6%

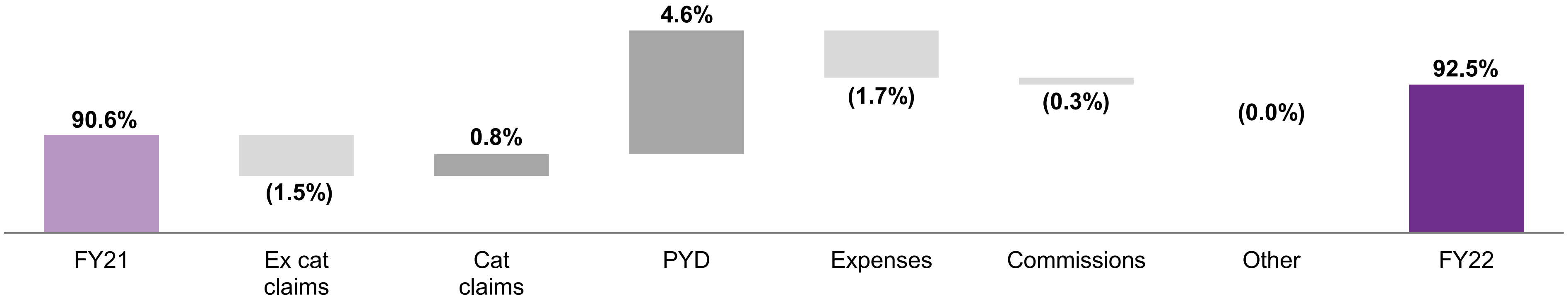
FY21 53.1%

Combined operating ratio



- GWP growth of 14%, with ex rate growth of 9% driven by solid retention and organic growth across most segments
- COR deterioration driven by PYD and elevated catastrophe experience
- Adverse PYD largely reflects higher inflation assumptions in long-tail classes to build resilience for persistency, alongside an adverse COVID-19 legal judgement
- Increased catastrophe claims include Hurricane Ian, French storms in June and Russia/Ukraine

COR impacted by reserve strengthening and heightened catastrophe activity



Australia Pacific

GWP

$5,241M

9% from FY21

COR

90.1%

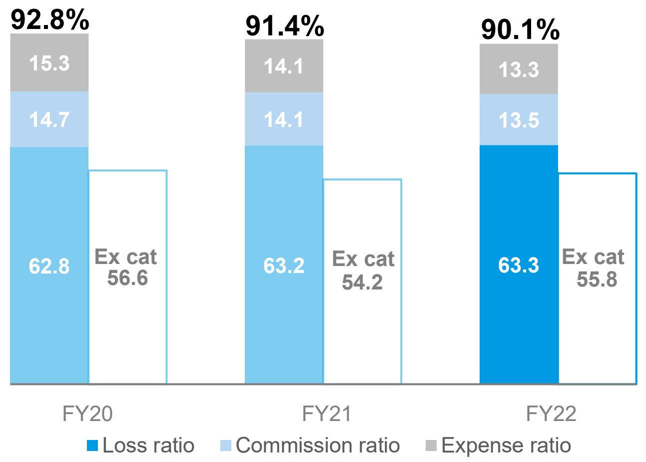
FY21 91.4%

Ex cat claims ratio

55.8%

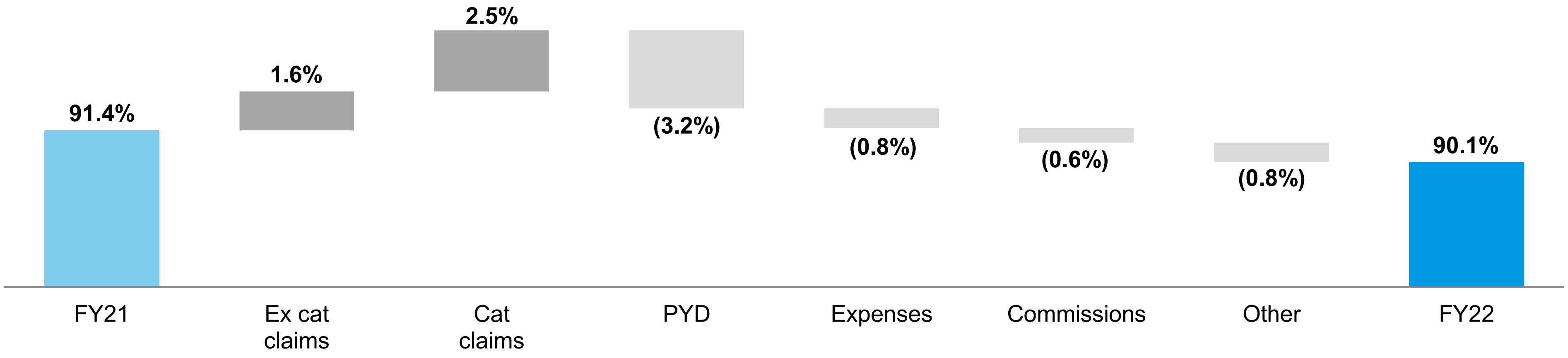
FY21 54.2%

Combined operating ratio



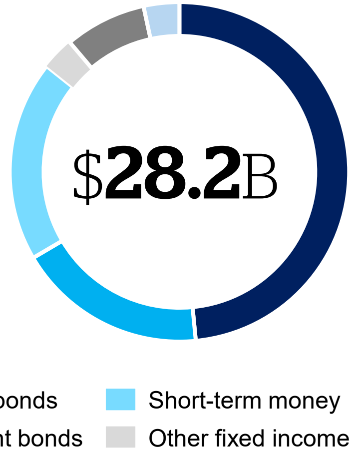
- GWP growth of 9%, with premium rate increases averaging 9.5%, up from 8.3% in the prior period and steadily built over the course of the year
- Ex rate growth of 2% reflected ongoing momentum in a number of commercial classes partially offset by lower volumes in LMI
- Catastrophe claims above allowance due to heavy flooding along the east coast of Australia, and an elevated frequency of smaller events
- Ex cat claims ratio deteriorated due to greater levels of non-cat weather related claims, and higher inflation particularly in short tail classes

COR impacted by significant catastrophe experience



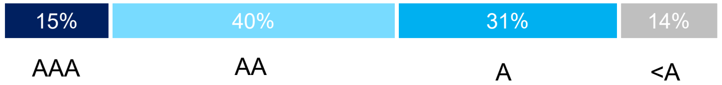
Investment portfolio performance

Investment portfolio



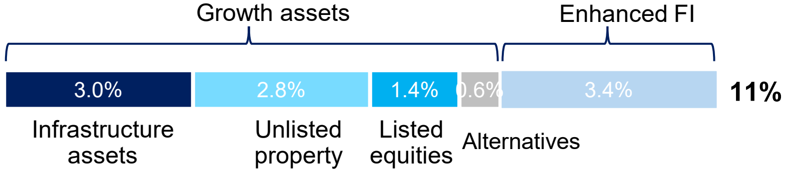
Fixed income assets - S&P security grading

Fixed income and enhanced fixed income



Risk assets

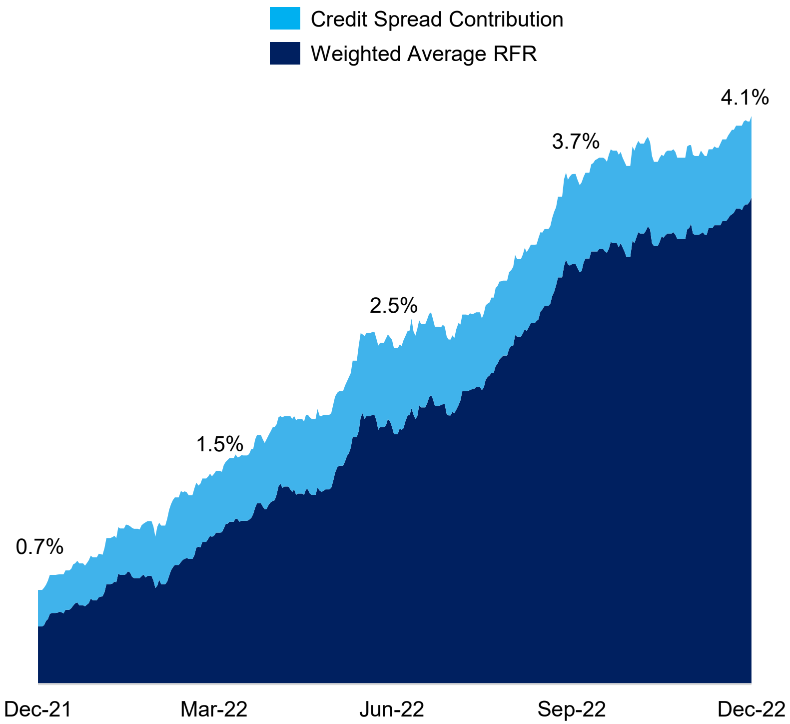
11% of total FUM



FY22 investment return	$M	%
FI yield (ex risk-free rate)	671	2.6
Credit spreads MTM	(128)	(0.5)
Risk assets	47	1.2
Expenses and other	(23)	(0.1)
Net return (ex risk-free rate)	**567**	**2.0**
Asset risk-free rate impact	(1,343)	(4.7)
Net return	**(776)**	**(2.7)**

- Duration ‘economically’ matched at 1.6 years
- Adverse risk-free rate mismatch of $109M given beneficial underwriting impact of $1,234M

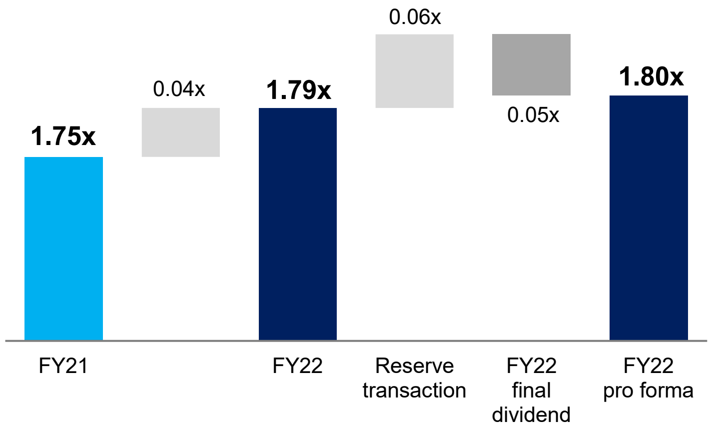
Fixed income running yield



- Material improvement in fixed income running yield driven by higher risk-free-rates across all currencies

Balance sheet and capital management

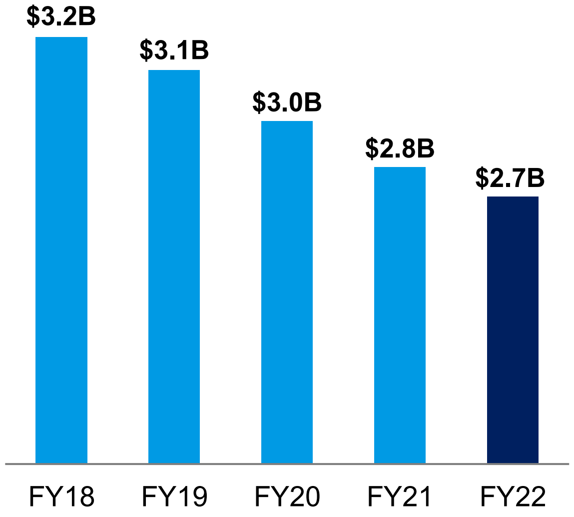
APRA capital



- Regulatory capital at the top end of our 1.6x-1.8x target range
- Pro forma APRA PCA ratio of 1.80x following the reserve transaction and final dividend
- Capital above S&P ‘AA’ level

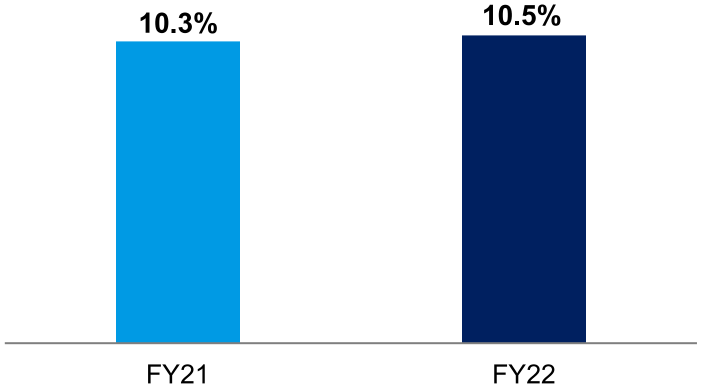
Borrowings

Debt to total capital target range: 15 – 30%



	FY18	FY19	FY20	FY21	FY22
Debt to total capital	27.6	27.5	25.8	24.1	23.4
Debt to equity	38.0	38.0	34.8	31.8	30.5

Adjusted cash return on equity



- Encouraging resilience and improvement in ROE despite challenging backdrop and material investment market volatility

IFRS 17

Key objectives of IFRS 17

Consistent accounting for all insurance contracts across general, life and health insurance

Comparability with non-insurance sectors

Greater **transparency** in financial information reported by insurers

IFRS 17 comparability with AASB 1023

Many of the **key concepts** underpinning IFRS17 are already present in AASB 1023, such as claims discounting and the approach to reserving

Adoption for QBE **will not result in** any materially new accounting concepts for investors

Key changes

- **Risk adjustment to replace risk margin**
- **Presentation of statutory financial statements**
- **New measurement model for LMI**

Commercial impact

No change to underlying business economics or profitability

Limited change to key indicators used for performance management and incentivisation

Limited impact to balance sheet and capital

QBE to host IFRS17 investor update in May to provide greater context around transition and restated historical information

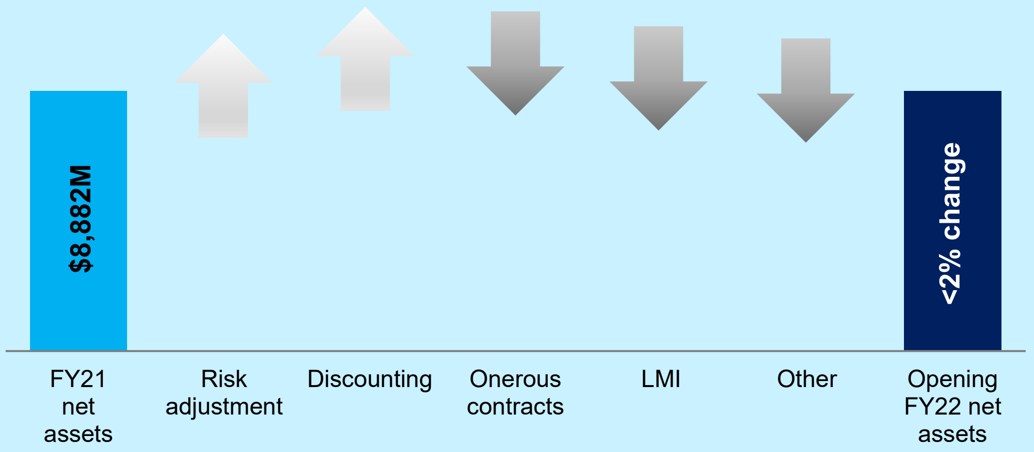
IFRS 17

Transition impacts

On transition to IFRS17 a transition adjustment will be booked to opening retained earnings to account for the retrospective application of the standard

Based on this exercise for FY22, opening transition adjustments are small, and contained to a <2% change in net assets

Opening FY22 pro-forma net asset transition impact

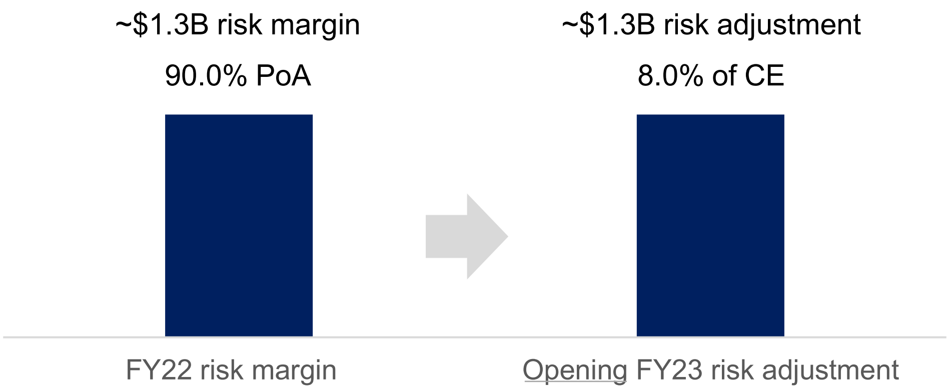


Risk adjustment target range

Under IFRS17 the risk adjustment serves a similar purpose to the risk margin under AASB1023, despite some difference in the calculation for each

QBE intends to adopt the risk adjustment within a target range of 6-8% of the central estimate

Risk adjustment calibrated to 8%



Andrew Horton

Group Chief Executive Officer

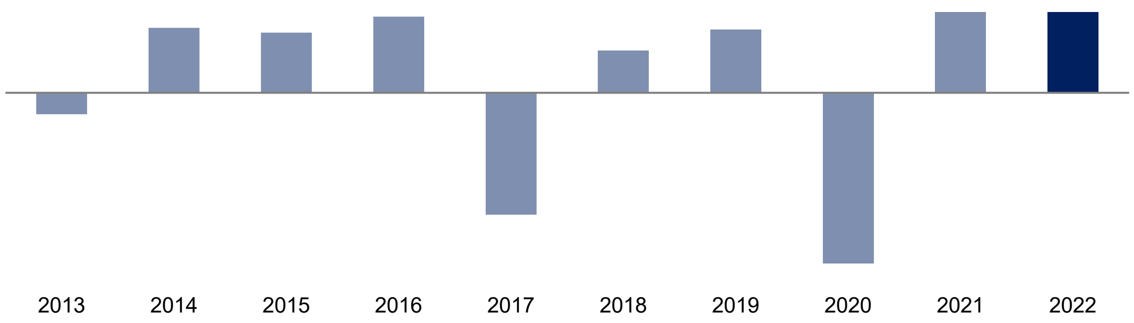
Portfolio optimisation update: Volatility

Increase confidence level in achieving Plan financial returns

Current accident year	Prior accident year	Investments
Set catastrophe allowance at higher probability of achievement	More resilient initial loss picks over recent years, with increased level of IBNR to incurred	Fixed income credit mix at A+ average credit rating screens conservatively across industry
Crop quota share and improved operating leverage increases confidence around Plan	Increased casualty ‘back-book’ inflation assumptions	Potential to use more targeted hedging to support evolving Group volatility tolerance
Better underwriting tools and returns discipline support sensible planning and claims assumptions	Recent retrospective reinsurance transactions to reduce reserve volatility	Target risk asset investments with lower downside capture

Reduce earnings volatility at lower return periods

Return on equity



Outlook

GWP	2023 constant currency GWP growth expected in the mid-to-high single digits	• Premium rate increases expected to continue • Market conditions remain conducive for further targeted organic growth
Combined operating ratio	Consistent low-to-mid 90s COR through-cycle 2023 Plan combined operating ratio of ~93.5%	• IFRS17 adoption in 2023 may lead to a change in the Group COR • Outlook will be updated to an IFRS17 basis and consider the reserve transaction impacts at QBE's IFRS17 investor briefing
Investment returns	Significant improvement in running yield to a 2022 exit of 4.1%	• Continue to rebalance the portfolio toward our 15% target risk asset allocation • QBE to provide 1Q23 performance update on May 12

Questions and answers

Important information

Basis of presentation (unless otherwise stated)

1. All figures are in US dollars
2. Combined operating ratios (COR) and underwriting results exclude the impact of changes in risk-free rates used to discount net outstanding claims
3. Premium growth rates are quoted on a constant currency basis
4. Premium rate change excludes North America Crop and/or Australian compulsory third party motor (CTP)
5. 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
6. 2022 figures exclude transaction to reinsure North America Excess & Surplus (E&S) lines liabilities and charge in relation to the Australian pricing promise review
7. 2021 figures exclude the impact of COVID-19 and the transaction to reinsure Australian CTP liabilities
8. Group prior accident year claims development before this slide excludes North America Crop development that is matched by premium cessions under the MPCI scheme, and any other divisional development that is matched by an underwriting adjustment in the current period
9. 2021 balance sheet metrics and PCA on a pro forma basis adjust for GBP327 million pre-funded May 2022 debt repayment
10. Prior periods are presented on an adjusted basis as presented in prior reports
11. APRA PCA calculations at 31 December 2022 are indicative. Prior period calculation has been updated to be consistent with APRA returns finalised subsequent to year end
12. Insurance Financial Strength Rating (FSR) reflects ability of an insurer to meet its obligations and claims. FSR is applicable to operating insurance entities
13. Issuer Credit Rating (ICR) reflects ability of the company to pay the security holder's interest in addition to principal repayment
14. For capital markets issuances, the first call is subject to APRA approval

Disclaimer

The information in this presentation provides an overview of the results for the year ended 31 December 2022.

This presentation should be read in conjunction with all information which QBE has lodged with the Australian Securities Exchange ("ASX"). Copies of those lodgments are available from either the ASX website www.asx.com.au or QBE's website www.qbe.com.

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This presentation contains certain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "outlook" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of QBE that may cause actual results to differ materially from those either expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward-looking statements. Such forward-looking statements only speak as of the date of this presentation and QBE assumes no obligation to update such information.

Any forward-looking statements assume ex cat claims and catastrophe claims do not exceed the allowance in our business plans; no reduction in premium rates in excess of our business plans; no significant change in equity markets and interest rates; no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; recoveries from our reinsurance panel; no unplanned asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this presentation.

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Appendices

Key metrics summary

		Group			North America			International			Australia Pacific		
		FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Gross written premium	$M	14,685	18,453	20,054	4,775	6,289	7,274	5,856	6,958	7,546	4,079	5,215	5,241
Net earned premium (ex Crop & LMI)	$M	10,760	12,407	13,346	2,475	2,764	3,006	4,812	5,545	5,974	3,477	4,095	4,369
Net earned premium	**$M**	**11,785**	**13,779**	**14,770**	**3,351**	**3,965**	**4,280**	**4,812**	**5,545**	**5,974**	**3,626**	**4,265**	**4,519**
Net claims expense	$M	(8,374)	(8,861)	(8,657)	(2,917)	(3,046)	(2,996)	(3,106)	(3,134)	(3,017)	(2,316)	(2,640)	(2,688)
Net commission	$M	(1,900)	(2,091)	(2,119)	(486)	(512)	(456)	(877)	(980)	(1,045)	(534)	(600)	(613)
Underwriting and other expenses	$M	(1,725)	(1,831)	(1,827)	(469)	(460)	(506)	(655)	(727)	(678)	(555)	(601)	(600)
Underwriting result	**$M**	**(214)**	**996**	**2,167**	**(521)**	**(53)**	**322**	**174**	**704**	**1,234**	**221**	**424**	**618**
Impact of change in risk-free rate	$M	381	(301)	(1,234)	96	(65)	(276)	245	(182)	(787)	39	(54)	(172)
Underwriting result (ex risk-free rate)	**$M**	**167**	**695**	**933**	**(425)**	**(118)**	**46**	**419**	**522**	**447**	**260**	**370**	**446**
Ex cat claims ratio (ex Crop & LMI)	%	56.2	54.6	54.9	60.2	57.1	58.6	52.8	53.1	51.6	58.1	54.8	56.8
Ex cat claims ratio	%	58.8	57.4	58.2	69.3	66.7	70.0	52.8	53.1	51.6	56.6	54.2	55.8
Catastrophe claims	%	5.8	6.6	7.2	7.1	7.7	5.8	4.3	6.5	7.3	6.7	5.7	8.2
Prior accident year claims development	%	2.9	1.8	1.8	8.5	3.7	0.7	1.7	(0.2)	4.4	(0.5)	2.6	(0.6)
Movement in risk margins	%	0.4	0.7	(0.2)	(0.7)	0.3	(0.1)	0.6	0.4	0.4	-	0.7	(0.1)
Net claims ratio (ex risk-free rate)	%	67.9	66.5	67.0	84.2	78.4	76.4	59.4	59.8	63.7	62.8	63.2	63.3
Impact of change in risk-free rate	%	3.2	(2.2)	(8.4)	2.9	(1.6)	(6.4)	5.1	(3.3)	(13.2)	1.1	(1.3)	(3.8)
Net claims ratio	%	71.1	64.3	58.6	87.0	76.8	70.0	64.5	56.5	50.5	63.9	61.9	59.5
Net commission ratio	%	16.1	15.2	14.3	14.5	12.9	10.7	18.3	17.7	17.4	14.7	14.1	13.5
Expense ratio	%	14.6	13.3	12.4	14.0	11.6	11.8	13.6	13.1	11.4	15.3	14.1	13.3
Combined operating ratio	%	101.8	92.8	85.3	115.5	101.3	92.5	96.4	87.3	79.3	93.9	90.1	86.3
Combined operating ratio (ex risk-free rate)	**%**	**98.6**	**95.0**	**93.7**	**112.7**	**102.9**	**98.9**	**91.3**	**90.6**	**92.5**	**92.8**	**91.4**	**90.1**

Key metrics summary

Underwriting result		FY21	FY22
Statutory Underwriting result	**$M**	**1,138**	**2,042**
Adjustments – CTP LPT (2021) / Aust PPR & E&S LPT (2022)	$M	(3)	(125)
COVID	$M	(139)	-
Adjusted underwriting result	**$M**	**996**	**2,167**
Combined operating ratio	%	92.8	85.3
Combined operating ratio (ex risk-free rate)	%	95.0	93.7
Ex cat claims	$M	(7,915)	(8,601)
Catastrophe claims	$M	(905)	(1,060)
Catastrophe claims allowance	*$M*	*(685)*	*(962)*
Prior accident year claims development	$M	(246)	(264)
Movement in risk margins	$M	(95)	34
Impact of change in risk-free rate	$M	301	1,234
Net claims incurred	**$M**	(8,861)	(8,657)
Ex cat claims	%	57.4	58.2
Catastrophe claims	%	6.6	7.2
Catastrophe claims allowance	*%*	*5.7*	*6.6*
Prior accident year claims development	%	1.8	1.8
Movement in risk margins	%	0.7	(0.2)
Impact of change in risk-free rate	%	(2.2)	(8.4)
Net claims incurred	%	64.3	58.6

Investment result		FY21	FY22
Fixed income	$M	27,185	25,019
Risk assets	$M	1,782	3,148
Total cash and investments – closing	$M	28,967	28,167
Fixed income	$M	26,428	26,102
Risk assets	$M	1,923	2,465
Total cash and investments – average	**$M**	**28,351**	**28,567**
Fixed income	$M	18,154	16,426
Risk assets	$M	1,190	2,067
Technical reserves – closing	$M	19,344	18,493
Fixed income	$M	17,803	17,290
Risk assets	$M	1,297	1,628
Technical reserves – average	**$M**	**19,100**	**18,918**
Fixed income yield	$M	144	671
Credit spreads MTM	$M	20	(128)
Risk assets	$M	258	47
Expenses and other	$M	(40)	(23)
Net return (ex risk-free rate)	**$M**	**382**	**567**
Asset risk-free rate impact	$M	(260)	(1,343)
Net return – Total investments	**$M**	**122**	**(776)**
Fixed income yield	$M	96	441
Credit spreads MTM	$M	13	(84)
Risk assets	$M	172	31
Expenses and other	$M	(27)	(15)
Net return (ex risk-free rate)	**$M**	**254**	**372**
Asset risk-free rate impact	$M	(174)	(882)
Net return - Technical reserves	**$M**	**80**	**(509)**

Key metrics summary

		FY21	FY22
Net profit after tax	**$M**	**750**	**770**
Amortisation and impairment of intangibles after tax	$M	53	72
Write-off of deferred tax assets	$M	-	-
Write-off of capitalised IT assets	$M	-	-
Net cash profit after tax	$M	803	842
Restructuring and related expenses after tax	$M	52	93
Net gain on disposals after tax	$M	-	(38)
Additional Tier 1 capital coupon accrual	$M	(50)	(50)
Adjusted net profit after tax	**$M**	**805**	**847**
Ordinary shares	M	1,477	1,485
Weighted average shares	M	1,474	1,482
Weighted average shares - diluted	M	1,482	1,493
Basic earnings per share – Statutory	US cents	47.5	48.6
Diluted earnings per share – Statutory	US cents	47.2	48.2
Basic earnings per share – Adjusted cash basis	US cents	54.6	57.2
Diluted earnings per share – Adjusted cash basis	US cents	54.3	56.7
Dividend per share	**Au cents**	**30**	**39**
Dividend payout ratio (percentage of adjusted cash profit)	%	41	48
Dividend franking	%	10	10
Shareholders' equity – Closing	$M	8,881	8,990
Shareholders' equity – Average	$M	8,686	8,936
Adjusted shareholders' equity (for AT1) – Average	$M	7,798	8,050
Return on average shareholders' equity – Statutory	%	8.6	8.6
Return on average shareholders' equity – Adjusted cash basis	**%**	**10.3**	**10.5**
Debt to total capital	%	24.1	23.4
Probability of adequacy	%	91.7	90.0
PCA multiple		**1.75x**	**1.79x**

GWP by currency

	FY21 $M	%	FY22 $M	%
US dollar	8,857	48	**10,680**	**53**
Australian dollar	4,907	27	**4,980**	**25**
Sterling	1,805	10	**1,762**	**9**
Euro	1,357	7	**1,244**	**6**
New Zealand dollar	407	2	**396**	**2**
Canadian dollar	369	2	**361**	**2**
Hong Kong dollar	223	1	**198**	**1**
Singapore dollar	182	1	**191**	**1**
Other	350	2	**242**	**1**
Total	**18,457**	**100**	**20,054**	**100**

Investments by currency

	FY21 $M	%	FY22 $M	%
US dollar	9,089	31	**9,599**	**34**
Australian dollar	7,924	27	**7,426**	**26**
Sterling	5,534	19	**4,755**	**17**
Euro	3,609	13	**3,584**	**13**
Canadian dollar	1,377	5	**1,310**	**5**
New Zealand dollar	551	2	**595**	**2**
Hong Kong dollar	395	1	**404**	**1**
Singapore dollar	174	1	**174**	**1**
Other	314	1	**320**	**1**
Total	**28,967**	**100**	**28,167**	**100**

APRA regulatory capital

QBE

APRA PCA calculation ($M)	31 DEC 2021	31 DEC 2022
Ordinary share capital and reserves	7,996	8,105
Net surplus relating to insurance liabilities	1,251	1,287
Regulatory adjustments to Common Equity Tier 1 Capital	(3,006)	(2,643)
Common Equity Tier 1 Capital	**6,241**	**6,749**
Additional Tier 1 Capital – Capital securities	886	886
Total Tier 1 Capital	**7,127**	**7,635**
Tier 2 Capital – Subordinated debt and hybrid securities	2,820	2,738
Total capital base	**9,947**	**10,373**
Insurance risk charge	3,487	3,465
Insurance concentration risk charge	591	788
Asset risk charge	2,309	2,243
Operational risk charge	621	602
Less: Aggregation benefit	(1,309)	(1,301)
APRA Prescribed Capital Amount (PCA)	**5,699**	**5,797**
PCA multiple	**1.75x**	**1.79x**
CET1 ratio (APRA requirement >60%)	**110%**	**116%**

APRA Tiers of Capital Requirement

CET1 >
60% of PCA

Common Equity Tier 1 Capital

Additional Tier 1 Capital

Total Tier 1 >
80% of PCA

Tier 2 Capital

Source: Prudential Standard GPS 112, "Capital Adequacy: Measurement of Capital", July 2019

APRA: Point of non-viability loss absorption

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

Classification of QBE as an IAIG

- In 2020, APRA announced that it will align its prudential standards and practices with the International Association of Insurance Supervisors' (IAIS) Common Framework (ComFrame) for the supervision of Internationally Active Insurance Groups and classified QBE as an Internationally Active Insurance Group (IAIG)
- It is expected that this classification will enhance APRA's group-wide supervision of QBE and promote the coordination of supervisory activities efficiently and effectively between APRA and other international supervisors

Balance sheet and ratings

Summary balance sheet ($M)

	31 DEC 2021	31 DEC 2022
Investments and cash	28,967	28,167
Trade and other receivables	7,109	8,341
Intangibles	2,449	2,018
Other assets	1,324	1,423
Assets	**39,849**	**39,949**
Insurance liabilities, net	23,465	23,567
Borrowings	3,268	2,744
Other liabilities	4,234	4,646
Liabilities	**30,967**	**30,957**
Net assets	**8,882**	**8,992**
Shareholders' funds	7,995	8,104
Capital notes	886	886
Non-controlling interests	1	2
Total equity	**8,882**	**8,992**

Capital and borrowings

- Repaid GBP327 million of subordinated Tier 2 notes in May 2022
- Debt to total capital ratio 23.4% (FY21 24.1%)

Rating agency update

- Continued improvement in underwriting performance and COR offers QBE's credit a strong tailwind
- Expectations that future earnings will be supported by higher investment returns given the elevated interest rate environment
- Strong financial flexibility with a demonstrated ability to access the capital markets

Credit Ratings

- QBE is rated by four major rating agencies and is committed to maintaining current ratings

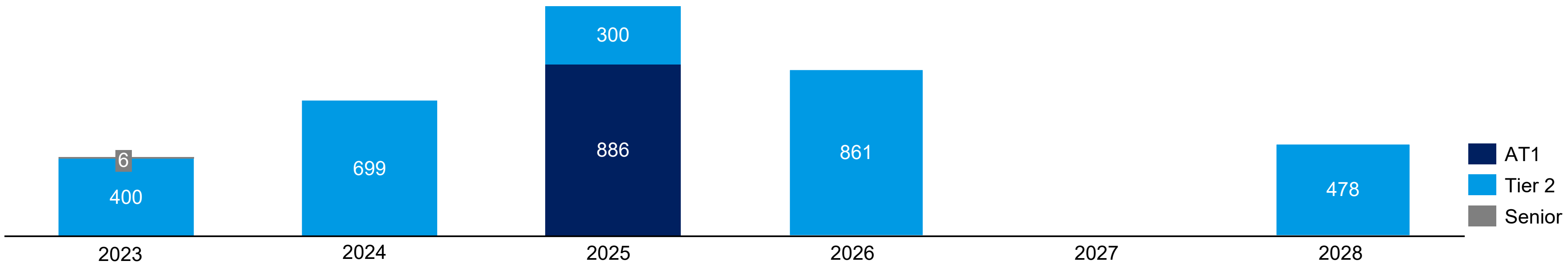
	Long-term FSR	Debt issue ICR	Outlook	Effective date
S&P Global Ratings	A+	A-	Stable	May 2022
Moody's	A1	A3	Stable	June 2022
FitchRatings	A+	A-	Stable	November 2022
AM BEST	A	-	Stable	April 2022

Capital markets issuance profile

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

Date to first call ($M)

Weighted average time to first call: 2.8yrs

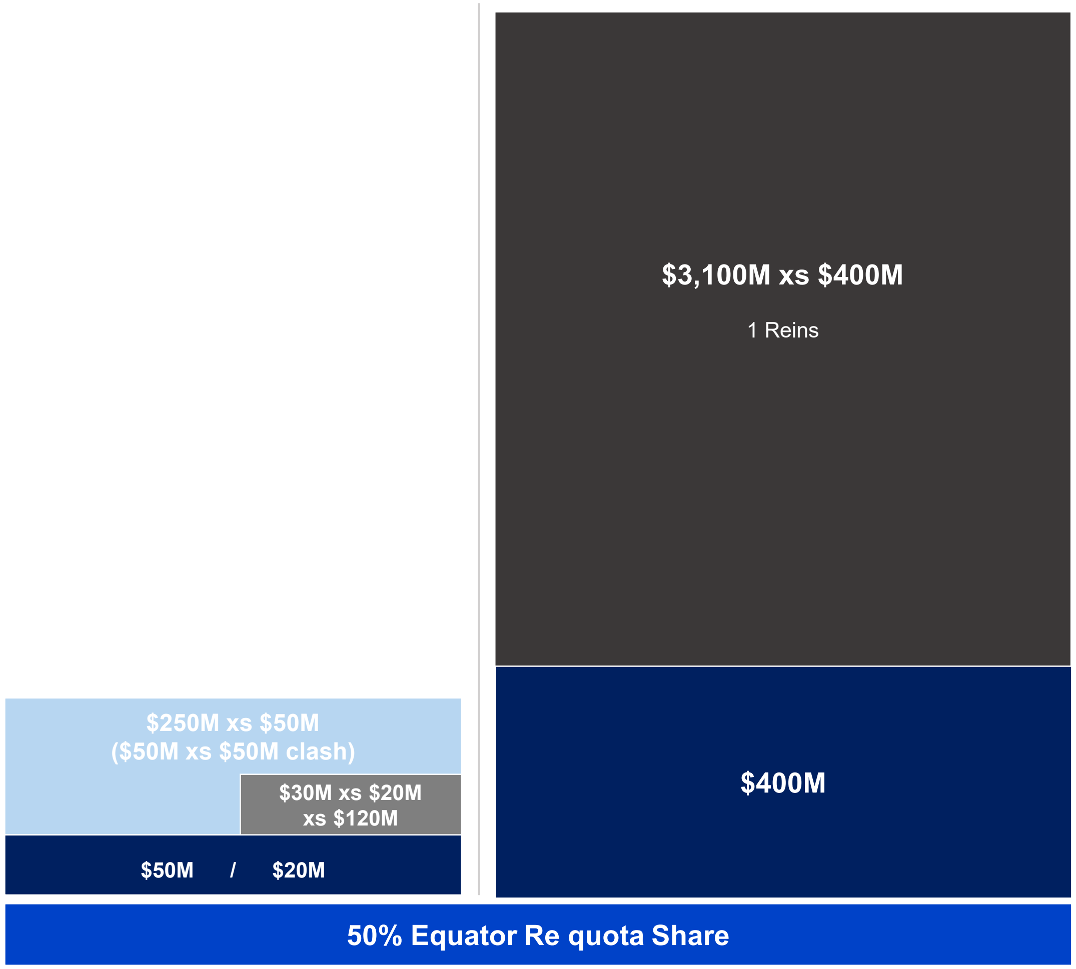


		Issued instruments	Issue date	Currency	Nominal value local currency	First call date	Coupon	Maturity date	Balance sheet value ($M)
Equity accounted	Additional Tier 1 (AT1)	Capital Notes	Nov-17	USD	400	May-25	5.250%	Perp	393
		Capital Notes	May-20	USD	500	May-25	5.875%	Perp	493
	AT1 subtotal								**886**
Debt accounted	Tier 2	16NC6	Aug-20	AUD	500	Aug-26	3M BBSW + 2.75%	Aug-36	338
		17NC7	Sept-21	GBP	400	Mar - Sept 28	2.500%	Sept -38	478
		27NC7	Nov-16	USD	400	Nov-23	7.500%	Nov-43	400
		30NC10	Dec-14	USD	700	Dec-24	6.750%	Dec-44	699
		30NC10	Nov-15	USD	300	Nov-25	6.100%	Nov-45	300
		30NC10	Jun-16	USD	524	Jun-26	5.875%	Jun-46	523
	Tier 2 subtotal								**2,738**
	Senior	2023 Senior	Sep-17	USD	6	–	3.000%	May-23	6
Total instruments									**3,630**

Simplified reinsurance program[1]

Risk XOL

Cat XOL



Key covers[1]

Catastrophe

Main Cat XOL (Worldwide)
- $2.1B xs $400M
- 1 reinstatement

Risk

Risk
- Main cover $250M xs $50M
- Clash section $50M xs $50M
- Sub layer $30M xs $20M xs $120M
  Partial placement

Quota share

Equator Re
- 50% quota share on XOL business

Other covers not highlighted

Buy down

Select event non-peak[2] buy down
- $300M xs $100M
- Sub-limits apply
- Partial placement

Select event non-peak[2] buy down
- $250M xs $150M
- Sub-limits apply
- Partial placement

Top

US and ANZ cat layers (incl in Cat XOL diagram)
- $600M xs $2.5B
- 1 reinstatement

ANZ cat top layer (incl in Cat XOL diagram)
- A$400M xs A$3.1B
- 1 reinstatement

Wrap

Wrap
- $200M xs $500M
- Wrap cover limits Group MER by including QBE Re & Syndicate 1036 retained claims and EQ Re Share
- Partial placement

Agg

Catastrophe aggregate
- $300M xs $1.1B xs $25M
- Partial placement (~10%)

Risk

Cyber
- Stop loss 100% xs 125%
- Partial placement

1. Program schematic and cover summary does not show all contracts, sub-layers, placement % or regional covers.
2. Peak perils defined as cyclone, hurricane & typhoon, and earthquake (and fire following) as respects Australia, New Zealand (quake only) and US (excluding Puerto Rico). All other perils are non-peak.
3. US peak perils defined as hurricane and earthquake (and fire following).

Our strategy

Our purpose

QBE – enabling a more resilient future

Our vision

To be the most consistent and innovative risk partner

Our priorities

Portfolio optimisation	Sustainable growth	Bring the enterprise together	Modernise our business	Our people	Our culture
• Actively manage for consistency and resilience • Consistent framework to identify and monitor target portfolio • Reduce volatility in earnings	• Harness the depth and breadth of product knowledge and expertise • Innovate new product offerings and risk solutions to solve customer needs	• Leverage expertise and capability across markets • Optimise our operating model • Simplify what we do and remove complexity in how we do it	• Complete the modernisation of foundational systems and processes • Accelerate digital capabilities to make it easier for our customers, partners and people • Invest in differentiating capabilities that drive insight and support innovation	• Activate our Employee Promise through differentiated experiences • Invest in our people's capability, career and development • Focus on the future through strategic workforce planning	• Continue to foster empowerment • Strengthen alignment and collaboration across the enterprise • Live our purpose every day

What success looks like

Consistent profitability	Sustainable growth	Easier to get things done	Easier and simpler to do business with	Employer of choice in chosen markets	Culture drives performance

Our sustainability commitments include:

Foster an orderly and inclusive transition to a net-zero economy

- Set interim targets for our underwriting portfolio as per Net-Zero Insurance Alliance Target-Setting Protocol. Formal engagement with priority commercial customers
- Target an increase in our Climate Solutions investments to 5% of the total investment portfolio by 2025
- Target a 25% reduction in the Scope 1 and 2 carbon intensity of our developed market equity portfolio by 2025 (relative to a 2019 baseline)
- Maintain a low carbon risk[1] rating in the Scope 1 and 2 weighted average carbon intensity of our investment grade corporate credit portfolio
- Engage at least annually with the top 20 highest emitters in our investment grade corporate credit portfolio and with all of our external investment managers
- Use 100% renewable electricity for our operations by 2025
- Reduce Scope 1 and 2 carbon emissions by 30% by 2025 (1.5 trajectory aligned science-based target)
- Reduce energy use by 25% by 2025 (from 2019 levels)
- Maintain carbon neutrality on defined inventory related to our global operations
- Reach net-zero for QBE's operational emissions by 2030, expanding our commitment on operational Scope 1 and 2 to include material Scope 3
- Commence formal engagement on net-zero progress with large suppliers in our global supply chain in 2023, with the goal of setting targets for those large suppliers by 2025

Enable a sustainable and resilient workforce

- Progress the initiatives and priorities in our Culture Blueprint for Change to drive QBE towards the target culture
- Achieve 40% of women in leadership and maintain 40% women on Group Board by 2025
- Continue to focus on equality and inclusion of diversity, including maintaining targets for equal belonging for gender, ethnicity, disability and LGBTIQ+
- Measure the integration of sustainability into our business through growth in the sustainability capability of our business, engaging employees and through relevant sustainability-related metrics in executive variable remuneration by 2025
- Increase trust and transparency through disclosing our Group Code of Ethics and Conduct Standards applicable to all employees, performance in relation to Material Topics and policies, including mandatory training completion and consequence management

Partner for growth through innovative, sustainable and impactful solutions

- Explore and target partnership opportunities to enhance re/insuring the transition and sustainable growth
- Ensure QBE's collaboration with external stakeholders is driving consistent advocacy and progress towards our sustainability commitments
- Achieve our ambition to grow our total impact investments to US$2 billion by 2025
- By 2025, obtain acknowledgement from 90% or more of all newly contracted or re-contracted strategic suppliers that they will adhere to QBE's Global Supplier Sustainability Principles or their equivalent
- Grow QBE Foundation strategic partnerships and initiatives globally, aligned to the Foundation's vision of creating strong, resilient, and inclusive communities and social impact objectives

1. Carbon Risk measures exposure to carbon-intensive companies. It is based on MSCI CarbonMetrics, and is calculated as the portfolio weighted average of issuer carbon intensity. Carbon intensity is the ratio of annual Scope 1 and 2 carbon emissions to annual revenue. Carbon Risk is categorised as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525).

Enabling a more resilient future

QBE