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29 January 2021

The Manager  
Market Announcements Office  
ASX Limited  
Level 4  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**QBE TO REALIGN SEGMENT REPORTING OF INWARDS REINSURANCE OPERATIONS**

Please find attached an announcement for release to the market.

This release has been authorised by the Interim Group Chief Executive Officer.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Carolyn Scobie".

Carolyn Scobie  
**Company Secretary**

Attachment



# QBE

## MARKET RELEASE

29 January 2021

### QBE TO REALIGN SEGMENT REPORTING OF INWARDS REINSURANCE OPERATIONS

To take advantage of improved reinsurance market conditions and to enhance performance, QBE's global inwards reinsurance operations have been centralised and are now managed in London under the leadership of Steve Postlewhite.

Consistent with this restructure, the results of QBE's North American inwards reinsurance business will henceforth be included in the results of QBE Re, part of the International segment, to align the financial reporting of the Group's inwards reinsurance operations with the management of those operations.

This change will commence with the reporting of the 2020 full year result scheduled to be released to the ASX on 19 February 2021.

This segment reporting change does not impact the Group's overall results.

To assist investors in transitioning to the new segment reporting approach, attached are the Group's HY and FY 2017, 2018, 2019 and 2020 segment results restated on the above basis.

- ENDS -

For further information, please contact:

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## Half year restatements

### North America underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2020	2020 ex. Covid	2019	2018	2017
Gross written premium	US\$M	2,862	2,892	2,655	2,738	2,636
Gross earned premium	US\$M	2,021	2,051	2,067	2,028	2,049
Net earned premium	US\$M	1,512	1,542	1,729	1,631	1,706
Net incurred claims	US\$M	1,274	1,247	1,251	1,084	1,194
Net commission	US\$M	231	237	263	248	262
Expenses	US\$M	238	229	246	258	265
Underwriting (Loss) Profit	US\$M	(231)	(171)	(31)	41	(15)
Net claims ratio	%	84.2	80.8	72.4	66.5	70.0
Net commission ratio	%	15.3	15.4	15.2	15.2	15.4
Expense ratio	%	15.7	14.8	14.2	15.8	15.5
Combined operating ratio	%	115.2	111.0	101.8	97.5	100.9
Adjusted combined operating ratio <sup>1</sup>	%	107.9	103.8	99.3	99.2	100.8

<sup>1</sup> Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

### International underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2020	2020 ex. Covid	2019	2019 Adjusted <sup>1</sup>	2018	2018 Adjusted <sup>2</sup>	2017	2017 Adjusted <sup>1</sup>
Gross written premium	US\$M	3,339	3,339	3,029	3,029	3,054	3,054	2,905	2,905
Gross earned premium	US\$M	2,645	2,645	2,446	2,446	2,569	2,569	2,367	2,367
Net earned premium	US\$M	2,301	2,321	2,139	2,139	2,030	2,220	2,046	2,048
Net incurred claims	US\$M	1,723	1,602	1,536	1,474	1,218	1,384	1,221	1,067
Net commission	US\$M	419	421	379	379	410	409	392	392
Expenses	US\$M	322	323	315	315	341	339	323	323
Underwriting (Loss) Profit	US\$M	(163)	(25)	(91)	(29)	61	88	110	266
Net claims ratio	%	74.9	69.1	71.8	68.9	60.0	62.3	59.7	52.1
Net commission ratio	%	18.2	18.1	17.7	17.8	20.2	18.4	19.2	19.1
Expense ratio	%	14.0	13.9	14.7	14.7	16.8	15.3	15.8	15.8
Combined operating ratio	%	107.1	101.1	104.2	101.4	97.0	96.0	94.7	87.0
Adjusted combined operating ratio <sup>3</sup>	%	98.7	92.8	98.0	95.1	97.8	96.8	96.4	88.8

<sup>1</sup> Excludes one-off adverse impact on the underwriting result due to the Ogden decision in the UK.

<sup>2</sup> Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities.

<sup>3</sup> Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

## Full year restatements

### North America underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2019	2018	2017	2017 Adjusted <sup>1</sup>
Gross written premium	US\$M	4,361	4,450	4,287	4,287
Gross earned premium	US\$M	4,375	4,348	4,347	4,347
Net earned premium	US\$M	3,692	3,557	3,166	3,581
Net incurred claims	US\$M	2,929	2,397	2,402	2,838
Net commission	US\$M	536	535	559	559
Expenses	US\$M	488	528	531	529
Underwriting (Loss) Profit	US\$M	(261)	97	(326)	(345)
Net claims ratio	%	79.3	67.4	75.9	79.2
Net commission ratio	%	14.5	15.1	17.7	15.6
Expense ratio	%	13.2	14.8	16.8	14.8
Combined operating ratio	%	107.0	97.3	110.4	109.6
Adjusted combined operating ratio <sup>2</sup>	%	105.6	98.1	110.6	109.9

1 Excludes transactions to reinsure liabilities.

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

### International underwriting result

FOR THE YEAR ENDED 31 DECEMBER		2019	2019 Adjusted <sup>1</sup>	2018	2018 Adjusted <sup>2</sup>	2017	2017 Adjusted <sup>1</sup>
Gross written premium	US\$M	5,200	5,200	5,137	5,137	4,940	4,940
Gross earned premium	US\$M	5,010	5,010	5,153	5,153	4,933	4,933
Net earned premium	US\$M	4,339	4,339	4,273	4,463	4,211	4,213
Net incurred claims	US\$M	2,979	2,918	2,645	2,811	2,965	2,826
Net commission	US\$M	752	752	846	840	801	801
Expenses	US\$M	652	652	662	657	674	674
Underwriting (Loss) Profit	US\$M	(44)	17	120	155	(229)	(88)
Net claims ratio	%	68.7	67.3	61.9	63.1	70.4	67.1
Net commission ratio	%	17.3	17.3	19.8	18.8	19.0	19.0
Expense ratio	%	15.0	15.0	15.5	14.7	16.0	16.0
Combined operating ratio	%	101.0	99.6	97.2	96.6	105.4	102.1
Adjusted combined operating ratio <sup>3</sup>	%	98.2	96.8	97.3	96.7	106.8	103.5

1 Excludes one off adverse impact on the underwriting result due to the Ogden decision in the UK.

2 Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities.

3 Excludes the impact of changes in risk free rates used to discount net outstanding claims.

#### IMPORTANT DISCLAIMER

This document (the "Market Release") is dated 29 January 2021 and has been prepared and authorised by QBE Insurance Group Limited (ABN 28 008 485 014) (the **Company** or **QBE**). This Market Release should be read in conjunction with all information which QBE has lodged with the Australian Securities Exchange ("ASX"). Copies of those lodgements are available from either the ASX website [www.asx.com.au](http://www.asx.com.au) or QBE's website [www.qbe.com](http://www.qbe.com).

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