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27 November 2024

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

Dear Sir/Madam

**3Q24 PERFORMANCE UPDATE**

Please find attached an announcement for release to the market.

This release has been authorised by the QBE Board of Directors.

Yours faithfully,

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

Carolyn Scobie  
**Company Secretary**

Attachment

# 3Q24 Performance update

QBE updates on recent trading performance and reiterates full year outlook. QBE continues to expect FY24 Group constant currency GWP growth of around 3%, and a FY24 Group combined operating ratio of around 93.5%.

## Growth and pricing momentum

In the nine months to 30 September, gross written premium growth was 2% on the prior corresponding period, on both a reported and constant currency basis. Continued growth was driven by Group-wide renewal premium rate increases of 5.9%, while ex-rate growth was (2%) due to the impact of non-core portfolio exits. Excluding portfolio exits, Group gross written premium increased by 5%, or 9% on further excluding Crop.

Group-wide renewal premium rate increases were 4.9% in 3Q24. This was marginally lower than the first half as renewals for North America and International tend to have a greater first-half bias toward classes where claims inflation remains more elevated, including property and accident and health. Overall Group-wide renewal premium rate increases continue to track at or above inflation in the majority of classes.

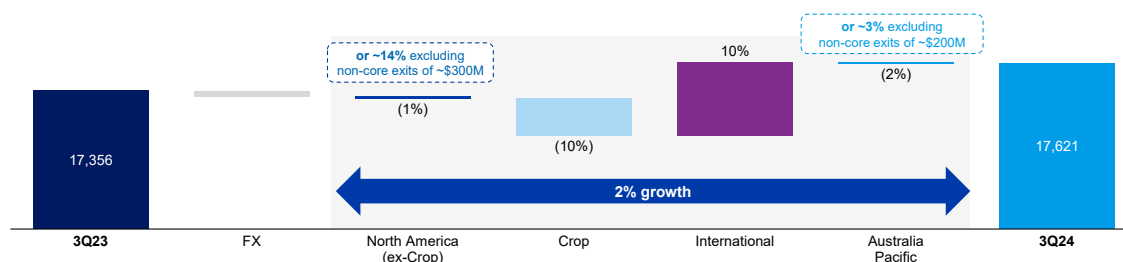
### Group-wide premium rate increases<sup>1</sup> +5.9% YTD

	3Q23	4Q23	1Q24	2Q24	3Q24
<b>North America</b>	← 10.0% →		← 9.3% →		
+8.4% YTD	12.3%	6.7%	10.9%	6.9%	6.4%
	66%	64%	67%	68%	68%
<b>Intl</b>	← 5.5% →		← 4.2% →		
+3.9% YTD	6.0%	5.2%	4.4%	4.0%	2.5%
	84%	85%	88%	88%	88%
<b>AusPac</b>	← 13.2% →		← 9.9% →		
+8.9% YTD	12.5%	13.9%	11.0%	9.0%	7.3%
	86%	83%	76%	81%	81%
<b>Group</b>	← 8.9% →		← 6.3% →		
+5.9% YTD	9.6%	8.2%	6.9%	5.7%	4.9%
	81%	81%	81%	83%	82%

■ YTD premium retention

### GWP growth of 2% YTD

Growth ex rate (2%)



<sup>1</sup> Group and International premium rate increases for 1Q24 and 2Q24 have been adjusted to reflect updated technical rate change data for certain third-party business.

# Underwriting performance

## Catastrophe claims update

Following an active hurricane season and a number of notable secondary perils over recent months, 2024 industry insured losses are expected to be significant, and track well in excess of \$100B.

Against this backdrop, catastrophe experience through the second half is tracking broadly in line with expectations, with the net cost of catastrophe claims in the four months to October ~\$425M, relative to the 2H24 catastrophe allowance of \$671M.

Exposure to hurricanes Milton and Helene was notably lower than historic experience, given recent portfolio exits and portfolio optimisation initiatives. Despite the heavy bias of global catastrophe costs toward North America in 2024, performance for QBE's North America division (and non-core segment within) is tracking in line with expectations.

	1H24	2H24	FY24
CAT experience	527	~425 <sup>1</sup>	~950 <sup>2</sup>
CAT allowance	609	671	1,280

1 Four months to October 2024.

2 YTD to October 2024.

## North America Crop

Based on currently available data, expectations are for a FY24 Crop combined operating ratio of ~94%, inclusive of some modest favourable prior year development. As the harvest period has progressed, current indications suggest yields will not be as favourable as pre-harvest projections, but still strong enough to broadly offset the impact of lower commodity prices.

# Investment performance

Favourable investment performance in 3Q24 was underpinned by excellent results in both fixed income and risk asset portfolios. While interest rates moderated through the third quarter, they have since rebounded and the core fixed income yield remains particularly supportive at ~4.4% currently. Risk asset performance was driven by strong returns across enhanced fixed income and equities. During the third quarter, the net impact from asset liability management activities was neutral.

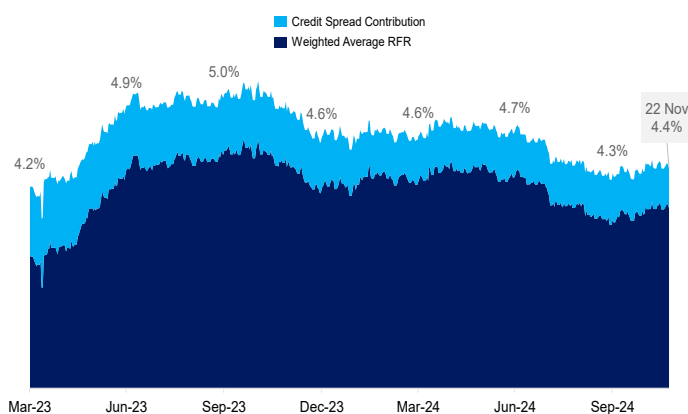
Total investment FUM for 3Q24 was \$33.4B, increasing from \$30.5B at 1H24, with risk assets accounting for ~13% of the portfolio. The recently announced \$1.6B reserve transaction was successfully completed in October, which will reduce both claims reserves and investment FUM in 4Q24.

## 3Q24 investment return

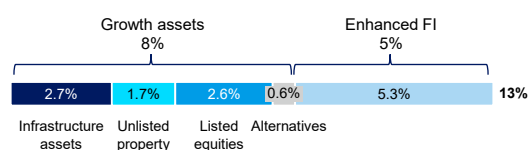
	3Q24 \$M	YTD \$M
FI yield (ex risk-free rate)	297	875
Credit spread MTM	20	75
Risk assets	132	260
Expenses and other	(41)	(69)
<b>Net return</b>	<b>408</b>	<b>1,141</b>

## Core fixed income yield

(reflects total core fixed income portfolio)



## Risk assets - 13% of total 3Q24 FUM



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# Outlook

Performance through the year-to-date is encouraging, and we are on track to deliver our full year outlook. QBE continues to expect:

- FY24 Group constant currency GWP growth of around 3%. This is inclusive of a -\$600M headwind from exited portfolios, slightly higher than -\$550M expected at the 1H24 result, as the North America middle-market run-off continues to track ahead of expectations.
- FY24 Group combined operating ratio of around 93.5%, based on the assumption that catastrophe experience tracks in line with the 2H24 catastrophe allowance, and Crop is broadly in line with expectations.

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## Contact details

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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 changes exclude North America Crop and/or Australian compulsory third party motor (CTP).
4. Core fixed income excludes enhanced fixed income risk assets which comprise emerging market debt, high yield debt and private credit.
5. Funds under management comprise cash and cash equivalents, investments and investment properties.

## Disclaimer

The information in this announcement provides an overview of the results for the September 2024 quarter and where relevant with the addition of October 2024 and November 2024.

This announcement 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).

The information is supplied in summary form and is therefore not necessarily complete. Prior to making a decision in relation to QBE's securities, products or services, investors, potential investors and customers must undertake their own due diligence as to the merits and risks associated with that decision, which includes obtaining independent financial, legal and tax advice on their personal circumstances. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This announcement 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 announcement and QBE assumes no obligation to update such information.

Any forward-looking statements assume no material variation in catastrophe claims or premium rates relative to 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 announcement.

This announcement does not constitute an offer or invitation for the sale or purchase of securities. In particular, this announcement does not constitute an offer of securities for sale in the United States, or to any person that is, or is acting for the account or benefit of, any U.S. person, or in any other jurisdiction in which such an offer would be illegal. Securities of QBE may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. persons without registration under the Securities Act or an exemption from registration.