QBE Insurance

2025 Tax Transparency Report

Contents

About QBE Insurance Group

QBE is one of the world's largest insurance and reinsurance companies, with operations in all the major insurance markets. Formed in Australia in 1886, QBE employs more than 13,000 people and has insurance activities in 26 countries, with operations in Australia, the United Kingdom, Europe, North America, Asia and the Pacific. QBE's captive reinsurers, QBE Capital (Global) Ltd and QBE Capital Ltd, provide reinsurance protection to our divisions in conjunction with the Group's external reinsurance programs.

QBE is listed on the Australian Securities Exchange and is a for-profit entity.

All amounts in this report are in US dollars unless otherwise stated.

About this report

This report is prepared in accordance with the Australian voluntary Tax Transparency Code and UK tax authority guidance on publication of tax strategy by large businesses. QBE supports the principle behind multilateral moves towards greater transparency that increase understanding of tax systems and build public trust.

QBE strives to be a responsible corporate citizen and to make a positive contribution to the communities in which we operate. The taxes we pay and collect form a significant part of our economic contribution to the countries in which we operate. Our business activities generate a substantial amount and variety of taxes, including corporate income taxes, state income taxes, premium taxes, stamp duties, employment taxes and other taxes. In addition we collect and pay employee taxes as well as indirect taxes such as GST and VAT; however, these taxes are only included in the report where QBE is the ultimate payer of the tax and not simply acting as a collecting agent.

QBE Insurance Group Limited
ABN 28 008 485 014

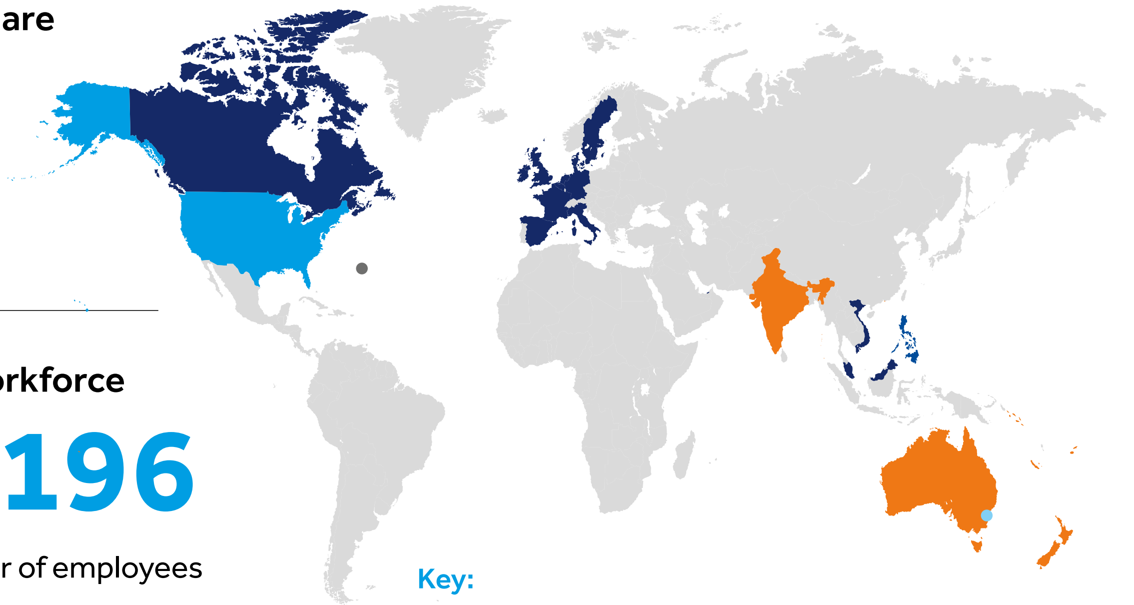
2025 snapshot

Operational highlights

Where we are

26

countries in operation



Key:

- North America
- International
- Australia Pacific
- Group Head Office
- Group Shared Services Centre
- QBE Capital Ltd and QBE Capital (Global) Ltd

Overall workforce

13,196

Total number of employees

53.2% Female

46.8% Male

Tax contribution highlights

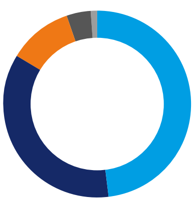
Total taxes paid

$1,115M

Group income tax expense

$680M

Total tax contribution



Premium	$536M
Corporate	$399M
Employer	$122M
Unrecovered GST/VAT	$47M
Other	$11M

Australian taxes paid

$277M

Australian effective income tax rate

31% (Income tax expense divided by profit before income tax)

Section 1:

Consolidated Group income tax reconciliation from the 2025 Annual Report

Income tax expense is the accounting tax charge for the period and is calculated as the tax payable on the current period taxable income based on the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences, unrecognised tax losses and tax credits. The relationship between accounting profit or loss and income tax expense is provided in the reconciliation of prima facie tax to income tax expense below. Income tax expense does not equate to the amount of tax actually paid to tax authorities around the world as it is based upon the accrual accounting concept.

Reconciliation of consolidated Group prima facie tax to income tax expense for the year ended 31 December 2025

	AUSTRALIA $M	REST OF THE WORLD $M	TOTAL $M
Insurance revenue	**4,739**	**18,216**	**22,955**
Profit (loss) before income tax	**350**	**2,495**	**2,845**
Prima facie tax expense at the applicable income tax rate for each jurisdiction	**105**	**583**	**688**
Tax effect of non-temporary differences			
Untaxed dividends	**(2)**	**(1)**	**(3)**
Other, including non-taxable income and non-allowable expenses	**1**	**14**	**15**
Prima facie tax adjusted for non-temporary differences	**104**	**596**	**700**
Deferred tax assets de-recognised (re-recognised)	**0**	**(15)**	**(15)**
Underprovision (overprovision) in prior years	**4**	**(9)**	**(5)**
Income tax expense (credit)	**108**	**572**	**680**

A detailed reconciliation of the Group's accounting profit or loss to income tax expense or credit is provided in the tax note in the Annual Report on page 143.

A reconciliation of the Australian companies' taxable income to tax payable is included on page 8 of this report.

1.1 Effective tax rate

The effective tax rate is calculated as income tax expense or credit divided by profit or loss before income tax. The effective tax rate is calculated with reference to accounting income rather than taxable income, with the main differences being:

- certain foreign exchange gains and losses are accounted for in the foreign currency translation reserve on consolidation but are taxable in the local jurisdiction where the gains or losses arise;
- certain interest expense and financing costs are non-allowable for tax purposes due to restrictions that applied in the period;
- the amortisation expense for certain intangible items is treated as non-allowable; and
- changes in the recognition of deferred tax assets, particularly tax losses.

	AUSTRALIA	REST OF THE WORLD	TOTAL
Effective tax rate	**31%**	**23%**	**24%**

The Group's effective tax rate for 2025 reflects the geographic mix of corporate tax rates across the jurisdictions in which QBE operates.

The effective tax rate for companies operating in the Rest of the World is predominantly impacted by accounting adjustments for the re-recognition of previously de-recognised tax losses.

Section 2:
QBE tax strategy and governance

Compliance with tax legislation and regulations

We seek to comply with all applicable tax laws, regulations and disclosure requirements and to pay the amount of tax that is required to be paid in all of the jurisdictions in which we operate. Where compliance processes have been outsourced, we ensure that this principle is adhered to by the service provider.

All material positions taken in the tax compliance process must be supportable in terms of documentation and legal interpretation. Where a tax law or its interpretation is unclear, external advice may be sought in order to determine the appropriate tax treatment and, where practical, authorities to pro-actively seek clarification.

Governance

The Board of QBE has oversight of global tax governance through QBE's tax risk management framework, with local boards having oversight of divisional tax governance. Operationally, the Group CFO owns tax risk management and is responsible for ensuring the implementation of QBE's tax risk management framework with assistance from the Group Head of Tax and divisional CFOs. The Group Head of Tax is responsible for ensuring that policies and procedures are in place, maintained and applied consistently around the world. The Group Head of Tax and Divisional CFOs are responsible for ensuring global tax teams have the skills and experience to operate QBE's tax risk management framework.

The QBE tax risk management framework sets out how we identify tax risk, how we seek to mitigate tax risk and the manner in which tax risk is escalated to the CFO and the Board.

Tax provisioning, including material positions taken, are subject to external audit review on a bi-annual basis. Wherever practical, we will not use our external auditor for tax advice in order to maintain auditor independence.

Tax risk management

We maintain a robust tax risk management framework as part of our internal control processes. The framework identifies, assesses and manages tax risks and accounts for these appropriately. The risks are divided into eight categories as follows: strategic, insurance, liquidity, market, credit, operational, compliance, and Group risks.

The key operational principles covering these risks are: regular review of risk appetite; risk analysis; confirmation that tax risk data remains fit for purpose; and appropriate controls. These are regularly reviewed and updated as appropriate. In addition to this, our Internal Audit team provides independent assurance on a periodic basis to the Board that the design and operation of the tax risk controls across QBE are effective.

As part of our internal control processes, we follow QBE's risk management framework to identify, assess, and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and monitor their effectiveness. We report on a periodic basis to the Group and Divisional Board Audit Committees on how tax risks are managed, monitored and assured and on improvements that are being made. In this way the Board Audit Committees provide governance and oversight over tax risks.

Section 2:
QBE tax strategy and governance continued

Relationship with tax authorities

We seek to have open, honest and transparent relationships with tax authorities in all relevant jurisdictions.

We seek to build and sustain relationships with tax authorities that are constructive and based on mutual respect.

We seek to work collaboratively wherever possible with tax authorities to achieve early agreement and certainty, and to resolve any disputes which may arise.

We engage appropriately on the development of tax laws, either directly or through industry associations and other similar bodies.

Attitude to tax planning

We engage in efficient tax planning that supports our business and reflects commercial and economic activity; no transaction will be entered into where obtaining a tax benefit is the primary purpose. We do not engage in artificial tax arrangements and we conduct transactions between Group companies on an arm's length basis in accordance with current Organisation for Economic Co-operation and Development (OECD) principles.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where they may apply to QBE, we will seek to apply them in the manner intended.

We establish entities in jurisdictions suitable to hold our overseas investments, giving consideration to our business activities, the prevailing regulatory environment and, as appropriate, in line with joint venture requirements.

QBE attitude to risk

QBE is fully committed to ensuring that we apply a disciplined approach to risk management and that our risk management practices and systems are robust, independent and aligned with global best practice. QBE's Enterprise Risk Management (ERM) framework is outlined in QBE's Risk Management Strategy and is supported by frameworks for each risk class, including strategic risk, with tax risk being a subset of this risk class.

QBE's risk appetite forms the basis of the ERM framework and represents the level of risk that the Board and management are prepared to accept in pursuit of the organisation's objectives. QBE's low tax risk appetite is approved by the Board of QBE and is aligned to all strategic and business planning decisions QBE makes and we monitor our exposure against the risk appetite on an ongoing basis.

QBE has adopted a Code of Ethics and Conduct (the Code) that applies to all employees of the QBE Group worldwide. The Code builds on our company values and is an essential resource and guide for our people. It outlines a range of business ethics and standards of conduct and requires our employees to be respectful, professional, considerate and to maintain high ethical standards, uphold QBE's reputation and report unethical or illegal behaviour. The Code covers matters such as a commitment to compliance with laws and regulations, restrictions on the giving and receiving of bribes and gifts, conflict of interests, use of company resources and external activities.

Section 3:

International related party dealings

QBE seeks to obtain benefits through collaboration across its international operations, the pooling of risks and resources and the leveraging of international centres of excellence. In determining the location for centralised operations, we consider a wide range of factors, including:

- stability and predictability of the political, regulatory and social environments;
- availability of relevant skills and the overall cost of operations; and
- connectivity with QBE's worldwide operations.

Our focus is on selecting locations that are commercially effective from an operational and strategic perspective. Whilst we take the local tax environment into account, we do not choose locations on the basis of tax incentives if that would lead to the location of activities in countries that may offer an attractive tax environment but would be impractical in other respects.

QBE seeks to ensure that transactions between related parties are undertaken on an arm's length basis in accordance with OECD principles and in compliance with the legislative and administrative guidelines of the relevant taxation authorities.

The key international related party dealings which arise as a result of the global nature of the QBE Group are summarised below.

Group Shared Services Centre	QBE operates a shared services centre in the Philippines as a centralised business processing centre for the purposes of achieving operational effectiveness and standardisation of processes.
Group head office and divisional head office services	QBE operates across a broad geographical base, with ongoing opportunities to benefit from international and divisional synergies. Group and divisional head office locations including Sydney, New York and London operate on a collaborative basis to achieve international scale benefits and share knowledge and best practice.
Reinsurance	QBE has comprehensive reinsurance arrangements to protect its balance sheet and financial performance, underpinned by an international external reinsurance program in conjunction with reinsurance protection provided by our captive reinsurers, QBE Capital and QBE Capital (Global), which are located in Bermuda. QBE Capital and QBE Capital (Global) are critical to the management of QBE's risk appetite and capital through their role in optimising divisional risk retentions and co-ordinating QBE's external global ceded reinsurance program.
Financing	QBE's financing and treasury activities are managed by a global treasury function through the use of Australian and UK entities to manage relationships with the market.
Investment management	QBE's investment management activities are undertaken on a global basis by the investments team in accordance with investment mandates agreed with each operating entity.

Section 4:
Total tax contribution

QBE's total tax contribution for the year ended 31 December 2025 comprises the taxes paid to the numerous tax authorities in respect of taxes and levies on QBE, being:

- **Corporate income taxes** – taxes on the profits of QBE operations in the countries in which we operate, including state income taxes in the US.
- **Employer and payroll taxes** – taxes paid based on the wages of employees and statutory social security contributions made by QBE.
- **Unrecovered GST/VAT** – indirect taxes that QBE incurs but is not able to pass on to an end user, with these taxes being borne by QBE.
- **Premium taxes, levies and excise** – taxes imposed on premiums paid on insurance contracts written by QBE.
- **Other taxes** – taxes such as stamp duties and fringe benefits taxes. These do not include taxes QBE collects on behalf of tax authorities such as recoverable GST or VAT or employee salary withholding tax.

	AUSTRALIA $M	REST OF THE WORLD $M	TOTAL $M
Corporate income tax	**137**	**262**	**399**
Employer/payroll taxes	**27**	**95**	**122**
Unrecovered GST/VAT	**1**	**46**	**47**
Premium taxes and levies	**111**	**425**	**536**
Other taxes	**1**	**10**	**11**
Total taxes paid	**277**	**838**	**1,115**

Corporate income tax payments differ from income tax expense primarily due to timing differences and the utilisation of historical tax losses.

Section 5:
ATO Australian tax group transparency disclosure

The Australian Taxation Office (ATO) publishes limited tax information in relation to large taxpayers, with the most recent QBE information released at the date of this report being for QBE's 2024 year (being the tax year ended 31 December 2023). The ATO publishes three amounts, being total income, taxable income and tax payable. The information disclosed is taken from the income tax return lodged by QBE Insurance Group Limited as the head company of the Australian tax consolidated group.

Total income includes all Australian income, including premium, investment return and dividends from foreign subsidiaries; however, it does not include any business expenses such as the cost of claims, salaries or other operating expenses.

Taxable income is the net profit that is subject to tax and takes into account allowable deductions for business expenses (such as the cost of claims, salaries and other operating expenses) and other tax concessions, including non-taxable dividends from foreign subsidiaries. There is no simple relationship between total income and taxable income.

Tax payable on taxable income is calculated with reference to the Australian corporate tax rate of 30%, adjusted for foreign tax credits, franking credits and other tax concessions.

The table below shows the adjustments between the 30% corporate rate and the actual tax payable for the 2025 (being the tax year ended 31 December 2024) and 2024 (being the tax year ended 31 December 2023) tax years. Line items in bold are published by the ATO.

	2025 A$M	2024 A$M
Total income	**10,827**	**9,806**
Taxable income	**426**	**629**
Tax at 30% corporate rate	128	188
Foreign income tax offsets	(3)	(3)
Franking credit rebate	(25)	(23)
Research & Development credits	0	(0)
Tax payable	**100**	**162**
Effective tax rate	24%	26%

The QBE tax consolidated group had a taxable income for 2025, which was reduced by carried-forward tax losses, and the resulting tax payable was then partly offset by income tax offsets.

Enabling a more resilient future

QBE Insurance Group Limited

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