



# 2024 Half year result fixed income supplement

9 August 2024

QBE INSURANCE GROUP LIMITED

*Enabling a more resilient future*



# Important information

## Disclaimer

The information in this presentation provides an overview of the results for the half year ended 30 June 2024.

This presentation 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 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.

This presentation does not constitute an offer or invitation for the sale or purchase of securities. In particular, this presentation 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.

This presentation includes credit ratings. A credit rating is not a recommendation to buy, sell or hold any securities and may be changed at any time by the applicable credit ratings agency. Each credit rating should be evaluated independently of any other credit rating. Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia ('Corporations Act') and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this presentation and anyone who receives this presentation must not distribute it to any person who is not entitled to receive it.

## Basis of presentation (unless otherwise stated)

1. All figures are in US dollars
2. APRA PCA calculations at 30 June 2024 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 2023	30 June 2024
Ordinary share capital and reserves	9,067	9,294
Net surplus relating to insurance liabilities	1,276	1,496
Regulatory adjustments to Common Equity Tier 1 Capital	(2,751)	(2,668)
<b>Common Equity Tier 1 Capital</b>	<b>7,592</b>	<b>8,122</b>
Additional Tier 1 Capital – Capital securities	886	886
<b>Total Tier 1 Capital</b>	<b>8,478</b>	<b>9,008</b>
Tier 2 Capital – Subordinated debt and hybrid securities	2,798	2,779
<b>Total capital base</b>	<b>11,276</b>	<b>11,787</b>
Insurance risk charge	3,706	3,908
Insurance concentration risk charge	749	749
Asset risk charge	2,493	2,889
Operational risk charge	654	704
Less: Aggregation benefit	(1,420)	(1,591)
<b>APRA Prescribed Capital Amount (PCA)</b>	<b>6,182</b>	<b>6,659</b>
<b>PCA multiple</b>	<b>1.82x</b>	<b>1.77x</b>
<b>CET1 ratio (APRA requirement &gt;60%)</b>	<b>123%</b>	<b>122%</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

# Balance sheet and ratings




Summary balance sheet (\$M)	31 Dec 2023	30 June 2024
Cash, investments and investment properties	30,064	30,465
Reinsurance contract assets	8,034	8,380
Intangible assets	2,112	2,046
Other receivables	519	550
Deferred tax assets	625	612
Current tax assets	30	1
Other assets	724	578
<b>Total assets</b>	<b>42,108</b>	<b>42,632</b>
Insurance contract liabilities	27,567	27,827
Borrowings	2,798	2,779
Other payables	432	690
Deferred tax liabilities	366	437
Current tax liabilities	127	17
Other liabilities	865	702
<b>Total liabilities</b>	<b>32,155</b>	<b>32,452</b>
<b>Net assets</b>	<b>9,953</b>	<b>10,180</b>
Shareholders' fund	9,064	9,292
Capital notes	886	886
Non-controlling interests	3	2
<b>Total equity</b>	<b>9,953</b>	<b>10,180</b>

## Capital and borrowings

- At 30 June 2024, all of the Group's borrowings count towards regulatory capital
- Debt to total capital ratio of 21.4% (FY23: 21.9%)

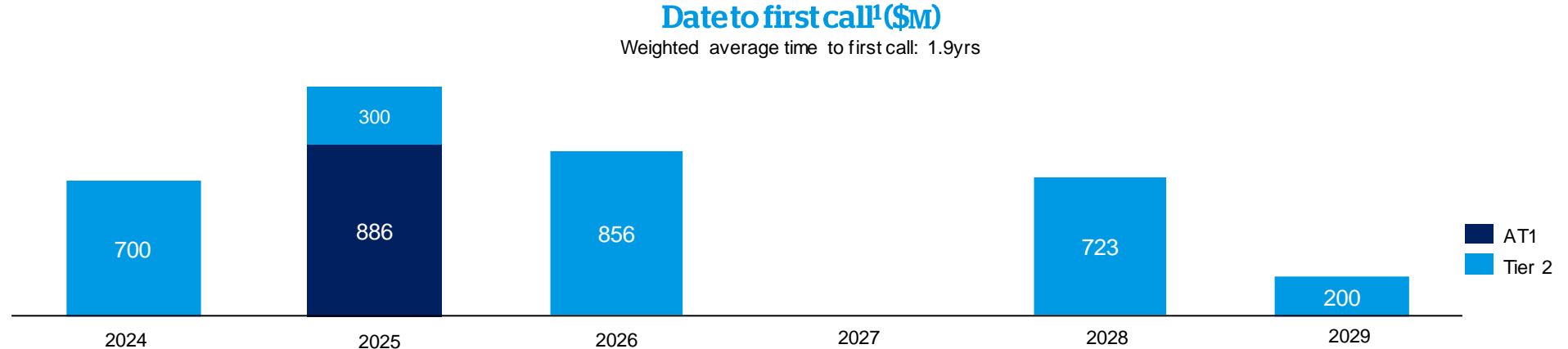
## Credit ratings

- 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-	Positive	May 2024
 Fitch Ratings	A+	A-	Stable	November 2023
 A.M. BEST	A	-	Stable	July 2024

# 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								886
Accounted for as debt	Tier 2	16NC6	Aug-20	A\$M	500	Aug-26	3M BBSW + 2.75%	Aug-36	333
		17NC7	Sept-21	£M	400	Mar-28	2.50%	Sept -38	504
		15NC5	Oct-23	A\$M	330	Oct-28	3M BBSW + 2.55%	Oct-38	219
		16NC6	Jun-23	A\$M	300	Jun-29	3M BBSW + 3.10%	Jun-39	200
		30NC10	Dec-14	US\$M	700	Dec-24	6.75%	Dec-44	700
		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							
Total instruments								3,665	

1. Subject to prior written APRA approval  
2. As at 30 June 2024

*Enabling a more resilient future*

