



2024 Full year result Fixed Income Supplement

21 February 2025

QBE INSURANCE GROUP LIMITED

Enabling a more resilient future

Important information

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The information in this presentation provides an overview of the results for the year ended 31 December 2024.

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Basis of presentation (unless otherwise stated)

1. All figures are in US dollars
2. APRA PCA calculations at 31 December 2024 are indicative. Prior year 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 | 31 Dec 2024 |
|--|---------------|---------------|
| Ordinary share capital and reserves | 9,067 | 9,845 |
| Net surplus relating to insurance liabilities | 1,276 | 1,206 |
| Regulatory adjustments to Common Equity Tier 1 Capital | (2,751) | (2,602) |
| Common Equity Tier 1 Capital | 7,592 | 8,449 |
| Additional Tier 1 Capital – Capital securities | 886 | 886 |
| Total Tier 1 Capital | 8,478 | 9,335 |
| Tier 2 Capital – Subordinated debt and hybrid securities | 2,798 | 2,664 |
| Total capital base | 11,276 | 11,999 |
| Insurance risk charge | 3,706 | 3,747 |
| Insurance concentration risk charge | 749 | 745 |
| Asset risk charge | 2,493 | 2,835 |
| Operational risk charge | 654 | 678 |
| Less: Aggregation benefit | (1,420) | (1,551) |
| APRA Prescribed Capital Amount (PCA) | 6,182 | 6,454 |
| PCA multiple | 1.82x | 1.86x |
| CET1 ratio (APRA requirement >60%) | 123% | 131% |

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 "Improving the effectiveness of Additional Tier 1 capital instruments" was released in December 2024. APRA is proceeding with its proposal to phase out the use of AT1 Capital in the bank prudential framework. These changes do not apply to insurers however APRA continues to monitor the framework

Balance sheet and ratings




| Summary balance sheet (\$M) | 31 Dec 2023 | 31 Dec 2024 |
|---|---------------|---------------|
| Cash, investments and investment properties | 30,064 | 30,586 |
| Reinsurance contract assets | 8,034 | 9,438 |
| Intangible assets | 2,112 | 1,964 |
| Other receivables | 519 | 533 |
| Deferred tax assets | 625 | 609 |
| Current tax assets | 30 | 23 |
| Other assets | 724 | 693 |
| Total assets | 42,108 | 43,846 |
| Insurance contract liabilities | 27,490 | 28,735 |
| Borrowings | 2,798 | 2,664 |
| Other payables | 432 | 363 |
| Deferred tax liabilities | 366 | 506 |
| Current tax liabilities | 127 | 46 |
| Other liabilities | 865 | 801 |
| Total liabilities | 32,078 | 33,115 |
| Net assets | 10,030 | 10,731 |
| Shareholders' fund | 9,141 | 9,842 |
| Capital notes | 886 | 886 |
| Non-controlling interests | 3 | 3 |
| Total equity | 10,030 | 10,731 |

Capital and borrowings

- At 31 December 2024, all Group borrowings were regulatory capital qualifying
 - Debt to total capital ratio of 19.9% (FY23: 21.8%)

Credit ratings

- QBE utilises three major rating agencies, S&P, Fitch, and AM Best

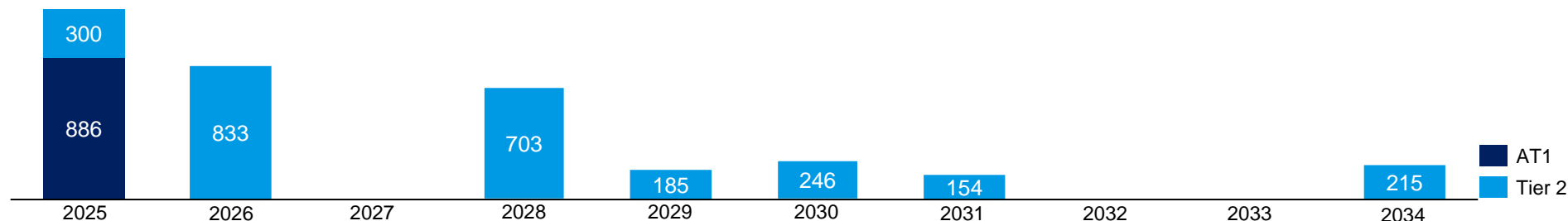
| | Long-term FSR | Debt issue ICR | Outlook | Effective date |
|--|---------------|----------------|----------|----------------|
|  S&P Global Ratings | A+ | A- | Positive | May 2024 |
|  Fitch Ratings | A+ | A- | Positive | November 2024 |
|  AM Best | A | - | Stable | July 2024 |

Capital markets issuance profile

QBE has access to a range of debt capital markets including A\$MTN, EMTN and US144A

Date to first call¹ (\$M)

Weighted average time to first call: 2.4yrs



| | | Issued instruments | Issue date | Currency | Nominal value local currency | First call date ¹ | Coupon | Maturity date | Carrying Value US\$M ² |
|-------------------------|-------------------------|--------------------------------|------------|----------|------------------------------|------------------------------|-----------------|---------------|-----------------------------------|
| 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 | 309 |
| | | 17NC7 | Sept-21 | £M | 400 | Mar-28 | 2.50% | Sept -38 | 500 |
| | | 15NC5 | Oct-23 | A\$M | 330 | Oct-28 | 3M BBSW + 2.55% | Oct-38 | 203 |
| | | 16NC6 | Jun-23 | A\$M | 300 | Jun-29 | 3M BBSW + 3.10% | Jun-39 | 185 |
| | | 11NC6 | Sep-24 | A\$M | 400 | Jun-30 | 3M BBSW + 1.95% | Jun-35 | 246 |
| | | 12NC7 | Nov-24 | A\$M | 250 | Nov-31 | 3M BBSW + 1.80% | Nov-36 | 154 |
| | | 15NC10 | Sep-24 | A\$M | 350 | Sep-34 | 6.30% | Sep-39 | 215 |
| | | 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 | 524 |
| | | Other Tier 2 subordinated debt | | | | | | | |
| | Tier 2 subtotal | | | | | | | | 2,664 |
| Total instruments | | | | | | | | | 3,550 |

1. Subject to prior written APRA approval

2. As at 31 December 2024

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