2024

Investor Report

QBE

Important information

Basis of presentation (unless otherwise stated)

This Investor Report should be read in conjunction with QBE's 2024 Annual Report. Unless otherwise stated, discussion of financial performance is on a management basis. A detailed reconciliation between the statutory income statement and the management basis result is provided on page 36.

Unless otherwise stated, references in this report to 'QBE', 'the Group', 'we', 'us' and 'our' refer to the QBE Insurance Group Limited. Any references in this report to a 'year' or 'period' refer to the 12 months ended 31 December.

Management basis financial information in this report has not been audited or reviewed by QBE's external auditor.

Definitions of key insurance terms and ratios are provided in the glossary on page 42.

All figures are expressed in US dollars unless otherwise stated.

Premium growth rates are quoted on a constant currency basis.

Premium rate changes exclude North America Crop and/or Australian compulsory third party motor (CTP).

Funds under management comprise cash and cash equivalents, investments and investment properties.

Core fixed income excludes enhanced fixed income risk assets, which comprise emerging market debt, high yield debt and private credit.

Total core fixed income yield includes assets measured at fair value through profit and loss, and fair value through other comprehensive income.

2024 adjusted net profit after income tax adjusts for Additional Tier 1 capital coupon accruals. Prior periods remain as presented in prior reports.

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.

Analysis of the Group by division excludes the Corporate & Other segment.

2023 Shareholders' equity and Insurance contract liabilities have been restated to reflect an updated transitional adjustment relating to discounting on initial application of AASB 17 *Insurance Contracts*. Adjusted return on equity and other related balance sheet metrics have been restated accordingly.

QBE Insurance Group Limited
ABN 28 008 485 014

Contents

2024 reporting suite

This report forms part of our annual reporting suite which brings together information on the Group's financial and sustainability performance for the year, and other disclosures.

Annual Report

Our primary disclosure document containing the operating and financial review, remuneration report, financial statements and key governance disclosures.

Investor Report

Provides performance highlights and supplementary management commentary on the Group's strategic and financial performance for the convenience of analysts and institutional investors.

Sustainability Report

Contains discussion of QBE's sustainability performance and progress, and discloses sustainability topics that affect QBE and our impacts on society and the environment.

Sustainability Data Book

Provides data for key sustainability metrics and trends.

Modern Slavery and Human Trafficking Statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.

Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices.

Where to find

	Annual Report	Investor Report	Sustainability Report	Sustainability Data Book	Modern Slavery and Human Trafficking Statement	Corporate Governance Statement
Business strategy and strategic priorities	●	●				
Risk management	●	○				
Corporate governance framework, policies and practices	○					●
Board membership, skills and experience	●					●
Financial performance	●	●				
Climate-related risks and opportunities	●		○			
Sustainability strategy	○	○	●			
Sustainability governance	○		●		○	
Sustainability performance	○	○	●	●	●	

Key: ○ Key messages ● Comprehensive

About QBE

QBE is an international insurer and reinsurer which holds leading franchises across commercial and specialty markets, organised across our three divisions. QBE is headquartered in Sydney, and listed on the Australian Securities Exchange.

Our purpose

Enabling a more resilient future

Business overview

3
Divisions

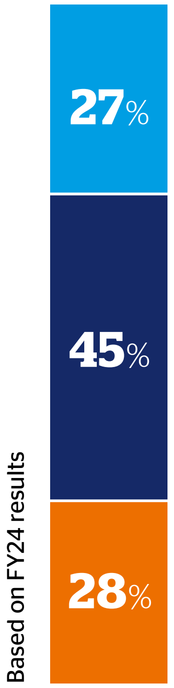
26
Countries of operation

13,275
People

Our business divisions

Net insurance revenue (US$)

~$18B



North America

Our North America division is organised around our three segments of Crop, Specialty and Commercial

International

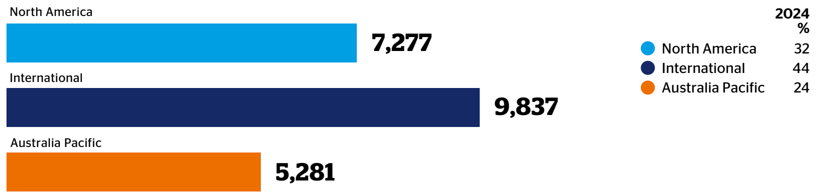
Our International division encompasses our Lloyd's franchise, UK and European commercial segments, reinsurance business (QBE Re), and Asian operations

Australia Pacific

In our home market we offer a broad range of commercial, specialty, credit and personal insurance products

Gross written premium by business division (US$M)

22,395
3% from 2023



Sustainability focus areas

1. Foster an orderly and inclusive transition to a net-zero economy

2. Enable a sustainable and resilient workforce

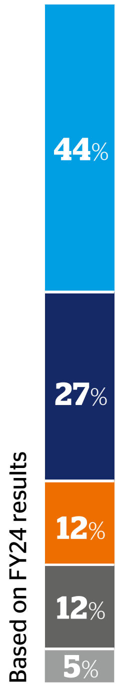
3. Partner for growth through innovative, sustainable and impactful solutions

For more information see our 2024 Sustainability Report

Our business focus

Net insurance revenue (US$)

~$18B



Commercial
QBE holds long-established leading market shares in SME through middle-market commercial P&C segments in Australia and the UK, with a strong presence in Continental Europe and Asia

Specialty
QBE is known for underwriting expertise across a diverse group of global specialty classes, underpinned by our leading Lloyd's franchise

Reinsurance
QBE Re is a full platform, well diversified global reinsurance business, with presence in property, casualty and specialty segments

Crop and LMI
QBE holds leading market shares in two non-P&C lines, providing crop insurance in North America, and lenders mortgage insurance in Australia

Consumer
QBE has presence in the Australian personal lines segment, with a focus on home and motor products

Our strategy

Portfolio optimisation
Active management of portfolio mix and volatility

Sustainable growth
Achieve consistent growth

Bring the enterprise together
Better leverage our global footprint and scale

Modernise our business
Make things easier for our customers, partners and people

Our people
Become an employer of choice in our key markets

Customer
Deliver an excellent experience for our customers and partners

Shareholder highlights

Group adjusted ROE (%)
18.2 from 15.8% 2023

Dividend per share (A¢)
87 from 62 2023

Total shareholder return (%)
38.7 from 14.8% 2023

Financial snapshot

FOR THE FULL YEAR ENDED 31 DECEMBER	2024 US$M	2023 US$M
Insurance revenue	**21,778**	20,825
Insurance service expenses	**(19,522)**	(19,362)
Reinsurance expenses	**(3,971)**	(4,226)
Reinsurance income	**3,182**	3,747
Insurance service result	**1,467**	984
Other expenses	**(311)**	(250)
Other income	**78**	62
Insurance operating result	**1,234**	796
Analysed as		
Gross written premium	**22,395**	21,748
Insurance revenue	**21,778**	20,825
Reinsurance expenses	**(3,971)**	(4,226)
Net insurance revenue	**17,807**	16,599
Net claims expense	**(11,249)**	(10,805)
Net commission	**(3,153)**	(3,044)
Expenses and other income	**(2,171)**	(1,954)
Insurance operating result	**1,234**	796
Net insurance finance (expense) income	**142**	(60)
Fixed income losses from changes in risk-free rates	**(178)**	(5)
Net investment income on policyholders' funds	**932**	886
Insurance profit	**2,130**	1,617
Net investment income on shareholders' funds	**556**	488
Financing and other costs	**(226)**	(232)
Gain on sale of entities and businesses	**2**	2
Share of net loss of associates	**(6)**	(2)
Restructuring and related expenses	**(147)**	–
Impairment of owner occupied property	**–**	(25)
Amortisation and impairment of intangibles	**(18)**	(11)
Profit before income tax	**2,291**	1,837
Income tax expense	**(504)**	(473)
Profit after income tax	**1,787**	1,364
Non-controlling interests	**(8)**	(9)
Net profit after income tax	**1,779**	1,355

Management result

Combined operating ratio

93.1%

2023 95.2%

Net profit after income tax (US$M)

1,779

2023 1,355

Statutory result

Insurance operating result (US$M)

1,773

2023 1,315

Net profit after income tax (US$M)

1,779

2023 1,355

Unless otherwise stated, the Group and business commentary following are based on the management result.

Detailed statutory to management result reconciliation is included on page 36 of this report.

Underwriting metrics

FOR THE FULL YEAR ENDED 31 DECEMBER	2024 %	2023 %
Gross written premium growth	**3**	10
– North America	**(4)**	4
– International	**11**	17
– Australia Pacific	**(1)**	8
Ex-rate growth	**(0)**	4
Average renewal premium rate increases	**5.5**	9.7
– North America	**7.3**	10.5
– International	**3.7**	7.8
– Australia Pacific	**8.4**	12.5
Retention	**82**	81
Net insurance revenue growth	**7**	11
Net claims ratio	**63.2**	65.1
– Ex-cat claims ratio	**59.7**	59.1
– Catastrophe claims ratio	**5.9**	6.6
– Prior accident year claims development	**(2.4)**	(0.6)
Net commission ratio	**17.7**	18.3
Expense ratio	**12.2**	11.8
Combined operating ratio	**93.1**	95.2
– North America	**98.9**	103.7
– International	**88.7**	89.5
– Australia Pacific	**92.0**	93.6
Insurance profit margin	**12.0**	9.7

Investment metrics

FOR THE FULL YEAR ENDED 31 DECEMBER		2024 %	2023 %
Net investment return		**4.9**	4.7
– Core fixed income return		**4.9**	4.8
– Risk asset return		**7.5**	5.7
AS AT		**31 DECEMBER 2024**	**31 DECEMBER 2023**
Closing – Funds under management	US$M	**30,586**	30,064
Average – Funds under management	US$M	**30,325**	29,116
Risk asset allocation	%	**14**	12
Core fixed income allocation	%	**86**	88
Core fixed income exit yield	%	**4.3**	4.6
Core fixed income investment duration	Years	**2.4**	1.7

Profitability and balance sheet metrics

FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023
Basic earnings per share – Adjusted basis	US¢	**115.2**	91.4
Dividend per share	A¢	**87**	62
Dividend payout ratio (percentage of adjusted net profit after tax)	%	**50**	45
Dividend franking	%	**20**	10
Tax rate	%	**22.0**	25.7
Adjusted return on equity	%	**18.2**	15.8
AS AT		**31 DECEMBER 2024**	**31 DECEMBER 2023**
Average shareholders' equity – Adjusted for AT1	US$M	**9,492**	8,594
Prescribed capital amount (PCA) multiple		**1.86x**	1.82x
Debt to total capital	%	**19.9**	21.8
Risk adjustment % of central estimate	%	**8**	8

Delivering greater consistency as a global enterprise

2024 marked the third year since we launched our new purpose, vision and strategic priorities, and our financial performance for the period speaks to the considerable progress we have achieved. We beat our plan for the year, continue to demonstrate greater resilience and are excited about our prospects for the year ahead.

Focused on our strategic priorities

Our vision is to be the most consistent and innovative risk partner

Actively managing our portfolio mix to reduce volatility

Sustainability Focus Areas will help us to deliver on our purpose of enabling a more resilient future

I am pleased with QBE's performance in 2024, which reflects our commitment to driving greater consistency, and unlocking value through operating as a global enterprise. We made meaningful progress against our strategic priorities and it has been particularly exciting to see the business transition from a focus on historic challenges, to concentrating on the opportunities ahead.

Our ability to deliver for our customers remains at the heart of everything we do, and I am enormously proud of our people across the globe who have supported our customers and partners. This year, we paid out $12,766 million in claims globally, helping our customers recover when they're most in need. Honouring our commitment to deliver on claims is at the core of our business, but we acknowledge there is more to do to get it right for our customers and we are taking actions to improve.

During 2024 I was pleased to welcome Julie Minor to the Group Executive Committee as Group Head of Distribution, who will drive our customer and partner engagement strategy. I also recently announced the appointment of Ian Fantozzi as Group Executive, Technology and Operations, who will replace Matt Mansour in early 2025.

Business performance

Financial performance in 2024 was encouraging, improved on the prior period in most aspects and tracked ahead of our plan for the year. Numerous initiatives to reduce volatility and build resilience are now supporting stronger and more predictable performance.

I was pleased with the resilience of our underwriting result in light of meaningful global catastrophe costs, plus challenges associated with inflation, large loss activity and Crop. Against this backdrop our combined operating ratio of 93.1% improved considerably from 95.2% in the prior period, with catastrophe costs comfortably within allowance and relative stability in central estimate reserves.

Into 2025, we see scope to drive further improvement in our combined operating ratio, and are confident that previously announced portfolio exits, reserve transactions and lower catastrophe retentions will drive a continuation of greater consistency.

Our Group adjusted return on equity of 18.2% was strong, and increased from 15.8% in the prior period. We also achieved further growth, with gross written premium growth of 3%, though closer to 9% on adjusting for the impact from recent portfolio exits and lower Crop premium.

We delivered a record investment result, supported by higher for longer interest rates and strong risk asset returns, and expect markets will remain supportive in 2025.

For detailed discussion of Group and divisional performance, please refer to pages 18 to 35 of this report.

Strategy in action

We have executed well against our strategy this year, which marked the third year since we launched our purpose, vision and strategic priorities. During this time, we have built greater consistency and resilience across the business, alongside a refresh of QBE's global brand proposition, 'At the heart of it', reflecting what matters most to our customers and people

We have created a new Customer strategic priority, with the goal of providing a more customer centric approach to our product, service and distribution strategy. Alongside our strong relationships with major trading partners, we aim to build deeper relationships with our customers.

Our strategy to sustainably improve the performance of North America has been a primary focus for the Board and management, and the decision to exit middle-market was an important step for the division. While the core go-forward division combined operating ratio of ~94% remains encouraging, I was disappointed with the result for Crop, which deteriorated through the final weeks of the season. We will take a number of steps in 2025 to achieve more acceptable performance.

We executed well against our sustainable growth priority during the period, delivering ~5% Property and Casualty ex-rate growth (excluding the impact of exited portfolios). With our portfolio in better balance, we are confident we have the right settings in place to maintain recent momentum.

Our initial goal for each of the Strategic Priorities was to reach a stable state and transition into business-as-usual. This is particularly true for Culture, where significant strides have been made in recent years, including embedding our purpose, fostering an environment to safely speak up, and encouraging experimentation and innovation.

While Culture continues to be a key focus, we believe now is the right time to transition it to business-as-usual. This shift will be supported by robust Culture monitoring through regular reporting and a collective sense of ownership across the Group Executive Committee.

Pages 8 to 9 of this report details our progress and achievements against all six strategic priorities, along with future focus areas.

Supporting our customers, communities and people

Our people are at the heart of our organisation, and we continue to be a more connected organisation, working as a global team to better serve our customers. In July 2024, QBE launched QCyberProtect, a globally consistent cyber policy designed to enhance cyber resilience for a broad range of clients worldwide.

Investing in new technology is fundamental to our vision of being the most consistent and innovative risk partner. QBE's venture investment arm, QBE Ventures plays an important role in this regard, providing a conduit to emerging financial technology platforms for experimentation and development.

We are advancing our responsible use of AI and implementing several use cases designed to drive greater efficiency. During 2024 we continued to enjoy positive outcomes from the progressive roll-out of our underwriting AI Co-pilots.

We made important progress on our modernisation journey in 2024, and have better aligned future investment to our priority businesses. A key initiative delivered in Australia Pacific was the launch of our new cloud-based data, analytics, machine learning and artificial intelligence ecosystem that aims to empower our people and supports a customer-led, digitally enabled organisation.

In 2025 QBE will launch a new global brand proposition, helping to support strong connections with our customers, and a clear articulation of bringing the enterprise together.

Retaining our people and attracting new talent remains an important focus and during 2024 we continued to embed our employee value proposition, "Why QBE?". I am pleased that these efforts have contributed to an increase in employees recommending QBE as a great place to work.

Outlook

We delivered a series of important initiatives through the period to support greater resilience and consistency.

The shape and health of our underwriting portfolio has improved materially over recent years, with strong profitability across the majority of our business segments.

As a result, our priorities are becoming more future focused, and we are particularly excited about the breadth of opportunities we have to grow our business over the medium term, in what are expected to remain supportive markets.

Against this backdrop, we forecast constant currency gross written premium growth in the mid-single digits for 2025, and a Group combined operating ratio of around 92.5%. Elevated interest rates should continue to support strong investment returns.

Andrew Horton
Group Chief Executive Officer

Our strategic priorities building momentum

Our purpose is to enable a more resilient future. As an organisation, we have been helping our customers grow, innovate, explore, prepare and recover from setbacks since 1886. Our strategy should ensure we build on this legacy.

	What we achieved	Future focus
Portfolio optimisation Strive for both improved and more consistent risk-adjusted returns by actively managing portfolio mix and volatility	• Achieved lower peril retention in 2025 reinsurance program due to improvement in property catastrophe risk profile • Executed $1.6B reserve transaction, which will largely de-risk reserves for North America exited non-core lines	• Continue to become more medium-term in our approach to business planning • Continue to embed more enterprise level portfolio steering and enhance focus on aggregations / accumulations
Sustainable growth Achieve consistent growth through innovative risk solutions, leveraging improved digital capability and existing skill-set across the enterprise	• Formed medium-term growth ambition, with clear alignment of investment required to support priority businesses • Successful launch of inaugural catastrophe bond for QBE Re to support growth, and establish access to broader pools of capital	• Drive sustainable growth through deepening core franchises, expanding footprint in focus areas, and innovating across new opportunities • Focus investment in priority businesses to build and enhance capability
Bring the enterprise together Simplify what we do and achieve greater consistency across the enterprise. Explore new ways to better leverage our global footprint and scale	• Refresh of QBE's global brand proposition, 'At the heart of it', reflecting what matters most to our customers and people • Appointed newly created Chief Transformation Officer role, to drive an enterprise approach to our transformation roadmap	• Continue to identify enterprise opportunities unlocked through better sharing of knowledge and relationships • Leverage expertise, capabilities and scale to provide consistent support for our customers in an increasingly complex risk environment
Modernise our business Strategically innovate and invest in differentiating capabilities that make things easier for our customers, partners and people	• Meaningful progress in Australia Pacific modernisation program, with initial products to launch on new platform over coming months • Deepened application of AI across underwriting and operations, with several use cases implemented	• Improve performance through efficiency initiatives, optimise our organisational structure to ensure QBE is future fit • Support sustainable growth agenda through continued enhancement of underwriting tools, process and data capability
Our people Empower a sustainable and diverse pipeline of leaders, while becoming an employer of choice in our markets	• Pleasing leadership stability continued in 2024, with several key roles filled through internal appointments • Delivered multi-year technology and infrastructure workforce enablement program	• Modernise approach to workforce planning through improved global workforce processes and integrated tools • Increase the diversity of our workforce in line with targets including increasing representation of women in all leadership roles
Customer Deliver an excellent experience for our customers and partners	• Developed customer segmentation framework, to better understand and serve the unique needs of our customers • Commenced project to uplift and standardise trading partner data & analytics to enhance distribution relationships	• Build a consistent global Customer strategy focused on the differentiated value we deliver in each of the segments we serve • Become an easier partner to do business with, build deeper distribution relationships

Our underwriting activities

Our underwriting performance in 2024 held many proof points in our strive for greater consistency and sustainable growth. Markets generally remained disciplined and supportive, given challenges posed by inflation, catastrophes and geopolitical tensions. Looking ahead, our underwriting portfolio is in great health and balance, and we see a compelling opportunity to grow our business in 2025.

Average renewal premium rate increase (%)

5.5

from 9.7 in 2023

Insurance operating result (US$M)

1,234

from 796 in 2023

Group COR (%)

93.1

from 95.2 in 2023

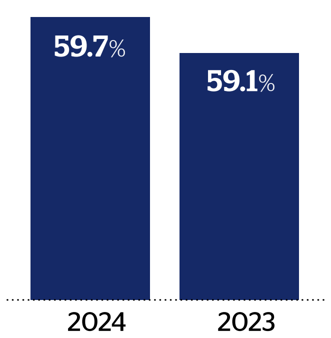
The underwriting risk landscape remained highly dynamic in 2024. The cost of natural catastrophes for the insurance industry is expected to reach ~$150 billion, one of the most elevated years on record. Social inflation remains an ongoing challenge and geopolitical risks are elevated, with governments transitioning across a number of key economies this year.

We were pleased with our performance in light of this backdrop. QBE's combined operating ratio of 93.1% tracked ahead of our 2024 plan, and continues to demonstrate both improvement, and more resilience relative to prior periods. Looking ahead, we remain confident in our ambition for QBE to achieve a consistent combined operating ratio in the low-to-mid 90s.

We enter 2025 with our underwriting portfolio in great health and balance. With our performance clearly benefiting from recent portfolio exits, more consistent underwriting and initiatives to reduce volatility, our Portfolio Optimisation agenda is becoming more forward looking, with a greater emphasis on supporting sustainable growth.

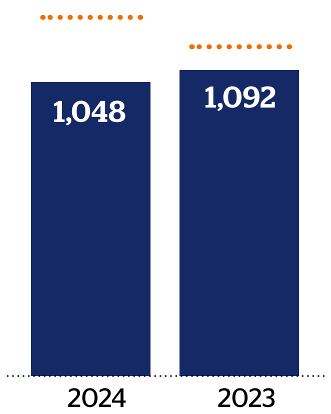
Ex-cat claims ratio

59.7%



Catastrophe claims (US$M)

1,048



Key: Catastrophe ··· Allowance

2024 focus areas

Portfolio optimisation: catastrophe resilience

Our extensive focus on underwriting quality and building greater resilience for natural catastrophes supported a number of favourable outcomes in 2024.

Having exited greater than $1B in underperforming property premium, the shape and quality of our portfolio has improved considerably. Benefiting from reduced exposure to perils in North America and Australia, catastrophe experience was again favourable relative to allowance in 2024. Our progress was further validated by our reinsurance partners through the 2025 renewal, where we have been able to meaningfully reduce catastrophe retentions on account of recent exposure reductions and improved portfolio quality.

Looking ahead

With remaining risk related to non-core lines to have largely run-off in 2025, the recalibration of our property portfolio will be more modest going forward. We remain focused on accumulation management and enhancing our tools and data, though are equally focused on growth where markets are most supportive.

Supporting our growth ambition

With the vast majority of our business performing well, our ambition to drive sustainable growth has been of increasing focus through 2024.

We enter 2025 with enterprise alignment around a set of priority businesses which can achieve attractive growth over the medium term. These opportunities are well represented across our three divisions, and span our largest most mature franchises, through to new adjacent markets and products. Through achieving much clearer linkage between our investment agenda and these businesses, we are building the tools and capability required to successfully deliver our sustainable growth ambition.

The opportunity to direct greater focus toward growth, as opposed to remediation has been reinvigorating for our people. We have a unique footprint and mix of businesses which should be capable of driving a mid-single-digit level of volume growth across the cycle.

Claims management: inflation remains dynamic

Claims inflation has gradually moderated through the year. Whilst encouraging, inflation does remain nuanced by class and region, and requires ongoing vigilance.

Group-wide claims inflation moderated to ~5% in 2024. Challenges persist in motor classes across most regions, and broader claims inflation has remained more persistent in Australia Pacific relative to the northern hemisphere. We continue to experience much improved stability in long tail reserves. Inflation remains manageable in most long tail classes, and we achieved a significant milestone in reinsuring essentially all remaining North American non-core long tail liabilities within the $1.6B reserve transaction.

Into 2025, we expect Group-wide claims inflation will moderate further.

We remain focused on maintaining dynamic feedback loops between claims, pricing, actuarial and underwriting teams, and ensuring exposure and rating remains commensurate with inflation.

Modernisation: an innovative underwriting culture

We want to foster an innovative and modern underwriting culture, both in how we leverage data and technology to drive improved risk insights, and through product innovation.

Work to modernise our underwriting workbench, and recent investment in strong data foundations position us well to leverage generative AI. In 2024 we have enjoyed promising success with the roll-out of AI co-pilots for our underwriters. Our early experience has seen teams achieve a considerable improvement in time to quote new business. This allows the teams more time to focus on business which is within appetite.

QBE has an underwriting platform that continues to attract top talent, and is known in our key markets for being innovative and dynamic.

We remain focused on investing in further data analytics capability and tools to ensure we can maintain and build on our leading reputation.

Our sustainability focus

Sustainability update

2024 has been a year of change in the sustainability landscape as mandatory reporting requirements emerge across the world.

In 2024, the Australian Government legislated for certain entities to include climate-related financial disclosures as part of their annual reporting. QBE will publish its first report in line with this in 2026 for the work undertaken in 2025. We welcome this change as part of the Australian Government's efforts to ensure information contained within climate disclosures is consistent and useful for decision-makers.

QBE operates in 26 countries and several of these are also introducing mandatory climate and/or sustainability reporting. As such, we have been turning our attention and efforts to preparing for increased disclosures. This year we progressed work on developing our climate transition plan and will publish this in 2026. The transition plan will outline the steps we are taking as a business to address climate-related risks and opportunities and make progress on our climate commitments.

We recognise that the transition to a global net-zero economy requires the efforts of many, including governments, industry, regulators and the community. Accordingly, engagement continues to be a focus of our sustainability strategy.

We have contributed to several government consultations on sustainability, and engaged with our peers through industry forums to build capability around shared challenges. We also engaged with customers, suppliers, investment managers and brokers to deepen our understanding of how we can support them as they transition to a net-zero economy.

In 2024, we engaged with our priority customers in higher-emitting sectors across Australasia, Canada and Europe, as well as all our external investment managers, the top 20 highest emitters in our investment grade corporate credit portfolio, and our strategic suppliers.

To support our commitment to gender equality and inclusion of diversity, we have elected to take a transparent approach by publishing our first global gender pay gap report. While we have achieved many of our Scorecard milestone targets this year, some areas, such as our Belonging targets, require more focus, and we will step up our efforts in the coming year. Progress on all our Scorecard commitments can be found in our Sustainability Data Book.

Our areas of sustainability focus

1. Foster an orderly and inclusive transition to a net-zero economy

2. Enable a sustainable and resilient workforce

3. Partner for growth through innovative, sustainable and impactful solutions

QBE's sustainability disclosure is comprehensively covered in the 2024 Sustainability Report, Sustainability Data Book and 2024 Annual Report. For more detail on specific issues and disclosure, please see these reports.

Focus Area 1.

Foster an orderly and inclusive transition to a net-zero economy

Underwriting

We are progressing our net-zero underwriting strategy by seeking to understand and respond to the evolving needs and ambitions of our customers and the broader economy.

This year, we continued focusing on three important areas:

1. Customer engagement and insights
2. Innovative products and services
3. Emissions modelling and tracking

This work was led by our Group Underwriting Committee, under the guidance of the Group Chief Underwriting Officer, with oversight from the Environmental and Social (E&S) Group Executive Committee Sub-committee.

Our 2024 achievements and progress

- During the year, we expanded our transactional liability product for the European tax insurance market, providing cover for tax-related risks associated with renewable energy projects. These projects look to support the transition, and we underwrite these in line with our responsible underwriting principles outlined in our Group Underwriting Standards.
- We continued to evolve our energy portfolio, supporting existing and new customers to decarbonise, and in 2024, agreed to support the construction of two high profile carbon infrastructure projects in the United Kingdom:
  – The HyNet project, covering the northwest of England and North Wales, will remove carbon dioxide emissions directly from energy-intensive industries, utilising depleted gas fields under Liverpool Bay for storage.
  – The Northern Endurance Partnership will provide the infrastructure needed to transport and store CO_2 emissions from the Teesside and Humber regions into geological storage in the North Sea.
- We continued to contribute to insurance sector initiatives seeking to build capability in nature-positive insurance and updated our senior leaders to deepen our understanding of the risk of biodiversity loss to our business.

Investments

QBE seeks to responsibly invest its proprietary assets, including premium income, worldwide. We have committed to a net-zero investment portfolio by 2050 and are working towards this through:

1. Target setting and tracking
2. Scaling investments in climate solutions
3. Engaging with investees to encourage their operational decarbonisation

Our approach to impact and responsible investing is underpinned by our Investment Philosophy Framework. This framework is supported by our Impact and Responsible Investments Standard, which outlines our approach to responsible investments.

Our approach is captured across four pillars, which supports the activities and responsible investment strategies that drive real-world outcomes alongside investment returns for QBE.

Our 2024 achievements and progress

- In 2024, we continued to engage with all our external managers and the top 20 highest emitters in our investment grade corporate credit portfolio. Our engagement was aimed at understanding their emission reduction targets and plans for achieving those targets, as well as readiness for compliance with the upcoming mandatory climate reporting.
- We continued to invest in climate solutions, bringing our climate solutions exposure to 6% of assets under management (AUM), relative to our target of 5% of AUM by 2025.
- In 2024, we met our carbon intensity target of a 25% reduction in our developed market equity portfolio.
- Our Scope 1 and 2 weighted average carbon intensity of our investment grade corporate credit portfolio is 12.6 (tCO_2e/$m sales).

For more detail see our Sustainability Report pages 4 to 7 and our Annual Report, pages 29 to 34.

Focus Area 1

100%

Electricity use across QBE offices certified as renewable[1]

(achieved)

6%

Climate Solutions Investments

Target 5% of the total investment portfolio by 2025

100%

external fund managers engaged across our investment portfolio

Focus Area **1.**

Foster an orderly and inclusive transition to a net-zero economy

Operations

In 2024, we continued to invest in solutions to reduce the energy use in our buildings. We explored the electrification of our larger gas-dependent North American and United Kingdom offices, and installed a 'tap to power' system for desks in most of our Australian offices so only occupied desks use electricity.

In the Philippines, we moved to a Hub-and-Spoke model, opening smaller offices in more locations to reduce employee commuting time, distance and associated emissions.

Our 2024 achievements and progress

- We have achieved a 74% reduction of Scope 1 and 2 carbon emissions since 2018, meeting our target of a 30% reduction by 2025.
- We recorded a 28% reduction in energy use from 2019 levels, above track for our target of a 25% reduction by 2025.
- 100% of our electricity use across QBE's offices (excluding Bermuda and the Pacific Islands) was certified as renewable[1], meeting our RE100 target for the fourth year, ahead of our 2025 commitment.
- Our internal carbon price was set at $65 per metric tonne of carbon dioxide equivalent in 2024 and was applied to all countries of operation. We will use this to support any expenditures required to maintain and progress our environmental commitments.
- Our global fleet contributed 84% of our Scope 1 and 2 emissions in 2024.

1 Based on the RE100 Climate Group's materiality threshold guidance which excludes countries with small electricity loads (<100MWh/year and up to a total of 500MWh/year) and where it is not feasible to source renewable electricity via any credible sourcing options. We meet our RE100 commitment through a combination of contracts with electricity suppliers and purchasing unbundled energy attribute certificates.

Focus Area **2.**

Enable a sustainable and resilient workforce

This second Focus Area recognises the important role our people and culture play in attracting and retaining talent over the long term. It also recognises the importance of our people's technical knowledge, skills and capabilities in supporting our business and customers, and addressing the risks and opportunities that arise across our globally diverse business.

Our 2024 achievements and progress

- QBE achieved its target of 40% women on the Group Board by 2025, with 44.4% female representation in 2024. In 2022, we pledged support for the industry-led 40:40 Vision, with a goal to meet the principle of 40% women, 40% men and 20% any gender on the Group Executive Committee (GEC). We currently have 58.3% women on our GEC.
- With 40.8% Women in Leadership, as defined as the next three tiers below the Group Executive Committee, QBE has achieved its 2025 target of 40%.
- In 2024, as part of our commitment to fostering an inclusive environment that enables gender equality across our workforce, we published our first Global gender pay gap report.
- This year QBE won silver at the United Kingdom Insurance Times Awards for Excellence in Diversity and Inclusion, highlighting our strong commitment to belonging and diversity.
- In 2024, we launched a new learning platform, that provides employees with access to 22,000+ digital learning courses. The platform provides our people with personalised recommendations for learning based on their individual skills and interests.
- Over 25% of our people, across 21 countries, joined the QShare scheme as QBE shareholders. QShare is our employee share purchase and matching plan aiming to engage our people as investors and bring the business together.

For more detail see the Sustainability Report, pages 8 to 15.

Focus Area **3.**

Partner for growth through innovative, sustainable and impactful solutions

QBE seeks opportunities to partner with customers, suppliers, and other stakeholders to address the risks and challenges that businesses and communities face. QBE Foundation partners fund projects that support communities in building resilience and adaptation to climate-related weather events. QBE Ventures continues to identify digital platforms and leverage Artificial Intelligence (AI) to address the growing need for solutions to streamline operations and enhance the customer experience.

Our 2024 achievements and progress

- The market value of our Premiums4Good investments was $2.3 billion in 2024, representing 135 securities. This exceeded our target of $2 billion by 2025, and is well-above $1.6 billion we achieved in 2023.
- In 2024, we launched our new Supplier Code of Responsible Conduct as we seek to work with suppliers with high standards of environmental, social and governance responsibility.
- In 2024, we were active in the ICA's Climate Change & Resilience Committee and its Net Zero Working Group, advocating for more government action on topics including improved land use planning, building codes and investment in community resilience to reduce risk.
- We also advocate for improvements to community resilience through the Hazards Insurance Partnership (HIP) between the Australian Government and the insurance sector.
- In 2024, QBE Foundation announced its first seed capital grant of A$500,000 to First Australians Capital, a Supply Nation-certified, Indigenous led organisation focused on boosting investment readiness and designing capital solutions for Indigenous businesses to thrive.
- In 2024, QBE Ventures invested in emerging start-ups focused on Generative AI, climate and weather-linked solutions, and next-generation cyber insurance.

For more detail see the Sustainability Report, pages 16 to 25.

Group Chief Risk Officer's update

Our risk focus

QBE is focused on building a strong risk culture, which is a key pillar underpinning our desire to build a more resilient business, and provide ongoing support to our customers.

QBE's top risks are the most significant risks to the Group in achieving its strategic objectives. Challenges and disruption from geopolitical tension, our transformation agenda, and the rise of generative artificial intelligence, have been a key focus over the period.

Top and emerging risk radar

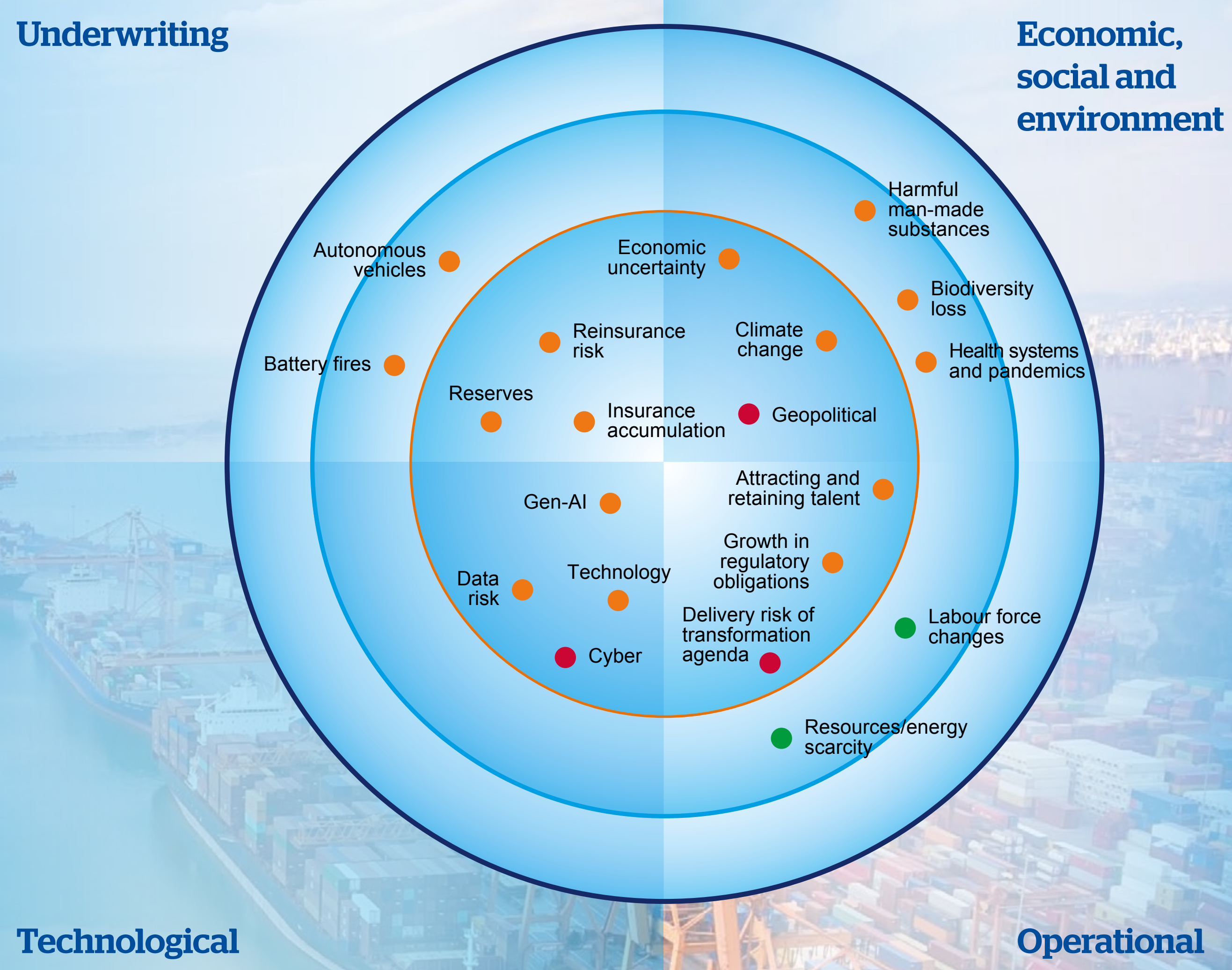
Key

Level of impact

- High
- Medium
- Low

Time horizon

- Impact already seen or expected within 1 year (i.e. QBE top risks)
- First significant impacts expected within 2 to 3 years
- First significant impacts expected within 4 to 8 years
- (Outside) First significant impacts expected beyond 8 years



Economic, social and environment

In 2024 QBE continued to navigate a challenging geopolitical environment, whilst on the economic front, the path of inflation has proven difficult to forecast, driving ongoing volatility in financial markets.

Our proactive risk management approach involves monitoring new developments and integrating their impacts in business decision making, and our broader strategy.

We remain focused on changes in the international sanctions landscape, conducting thorough screening and due diligence to ensure compliance.

As regulatory requirements intensify surrounding climate change, we leverage scenario analysis to deepen our understanding of associated risks to inform effective actions.

Technological

Technological risks that could impact QBE include cyber attacks, data breaches, privacy violations, material unplanned operational failures, misuse or loss of data, and challenges associated with adopting new technology, such as generative AI.

To address these risks, we actively monitor the evolving cyber threat landscape and conduct regular reviews of our control environment, enabling a more accurate assessment of the residual risk positions.

We continue to strengthen our governance, policies and assurance mechanisms to better manage data risks. In parallel, we are exploring various pathways to address AI-related risks, including testing and validation of AI models, monitoring for biases and fairness, ensuring transparency in algorithmic decision making, and adhering to legal and ethical standards.

Operational

In our ambition to become a more consistent organisation, we are committed to attracting and retaining high performing talent. This includes proactively fostering greater career development opportunities, and building strong pipelines for internal succession.

We remain mindful of the risks associated with ongoing transformation, including those related to costs, regulatory compliance and the realisation of intended benefits. To support these efforts, QBE appointed a Chief Transformation Officer in 2024 to lead the development and execution of our transformation roadmap.

In addition, we conduct regular reviews and monitoring of regulatory developments and project delivery effectiveness, to ensure alignment with our strategic priorities.

Underwriting

Effective management of underwriting risks is critical to QBE's success, encompassing areas such as insurance accumulations, actuarial assumptions and reinsurance counterparty risk. To achieve this, we conduct thorough planning and reviews of our risk appetite, pricing, risk selection and reserve risk, alongside prospective and retrospective reinsurance strategies.

Economic and social inflation continue to drive uncertainty in claims costs. In 2024, we undertook another reserve transaction to further mitigate reserve risk, particularly for exited non-core lines in North America.

Efforts to drive greater portfolio balance and diversification continue to be a key focus, which will reduce the risk of adverse insurance accumulations and further reduce volatility.

Financial performance **review**

Our strong financial performance is a testament to the remarkable improvement in quality, consistency and resilience of our underwriting account. This provides a solid foundation for further growth and more predictable earnings over the medium term.

Embedding our strategic priorities

Building a more resilient and efficient business

Medium-term performance and growth agenda supported by modernisation initiatives

Disciplined capital allocation across market cycles

Financial performance

QBE reported net profit after tax of $1,779 million compared with $1,355 million in the prior year.

Adjusted net profit after tax increased to $1,729 million from $1,362 million in the prior year, equating to an adjusted return on equity of 18.2%, a notable increase from 15.8% in the prior year.

Unless otherwise stated, all discussion of performance within this Investor Report is on a management basis, and should be read in conjunction with the statutory income statement and management result reconciliation on page 36 of this report.

Gross written premium growth of 3% was consistent with our outlook, and driven by targeted new business growth and continued premium rate increases. Momentum was partially offset by portfolio exits in North America and Australia Pacific, and lower Crop premium.

Underwriting profitability tracked ahead of our plan, and importantly continues to demonstrate greater resilience.

The combined operating ratio improved to 93.1% from 95.2% in the prior year, supported by favourable catastrophe experience, and more stable development of the central estimate.

Catastrophe costs were comfortably below allowance despite global insured losses tracking at ~$150 billion, one of the most elevated years for the industry on record. Exposure to hurricanes Milton and Helene was notably lower than historic experience, given recent portfolio exits and portfolio optimisation initiatives.

We achieved a number of important milestones in our strategy to improve performance in North America.

We commenced the orderly closure of our middle-market business, and also executed a loss portfolio transfer which de-risked $1.6 billion in reserves. North America non-core lines made up the majority of the ceded reserves.

The transaction had an upfront cost of $80 million, of which ~$40 million was included within the insurance operating result, with the remainder recorded within restructuring expense.

Total restructuring expense of $147 million also included ~$100 million of costs associated with the closure of the middle-market business in North America.

Total investment income of 1,488 million, or a return of 4.9% increased compared with $1,374 million or 4.7% in the prior year. Performance was supported by strong risk asset returns and elevated interest rates. During the year, asset liability management activities resulted in a broadly neutral impact to earnings.

The effective tax rate in the period reduced to 22.0% from 25.7% in the prior year, reflecting the full utilisation of previously unrecognised tax losses in the North American tax group.

QBE's balance sheet remains strong. The indicative APRA PCA multiple of 1.86x increased compared to 1.82x at 31 December 2023, and above our 1.6–1.8x target range.

The Board declared a 2024 final dividend of 63 Australian cents per share, which represents a full year dividend payout ratio of 50% of adjusted net profit after tax. As a result, the APRA PCA multiple reduces to 1.77x, after allowing for the final dividend payment.

Summary income statement and underwriting performance

FOR THE FULL YEAR ENDED 31 DECEMBER	2024 US$M	2023 US$M
Insurance revenue	**21,778**	20,825
Insurance service expenses	**(19,522)**	(19,362)
Reinsurance expenses	**(3,971)**	(4,226)
Reinsurance income	**3,182**	3,747
Insurance service result	**1,467**	984
Other expenses	**(311)**	(250)
Other income	**78**	62
Insurance operating result	**1,234**	796
Analysed as		
Gross written premium	**22,395**	21,748
Insurance revenue	**21,778**	20,825
Reinsurance expenses	**(3,971)**	(4,226)
Net insurance revenue	**17,807**	16,599
Net claims expense	**(11,249)**	(10,805)
Net commission	**(3,153)**	(3,044)
Expenses and other income	**(2,171)**	(1,954)
Insurance operating result	**1,234**	796
Net insurance finance (expense) income	**142**	(60)
Fixed income losses from changes in risk-free rates	**(178)**	(5)
Net investment income on policyholders' funds	**932**	886
Insurance profit	**2,130**	1,617
Net investment income on shareholders' funds	**556**	488
Financing and other costs	**(226)**	(232)
Gain on sale of entities and businesses	**2**	2
Share of net loss of associates	**(6)**	(2)
Restructuring and related expenses	**(147)**	–
Impairment of owner occupied property	**–**	(25)
Amortisation and impairment of intangibles	**(18)**	(11)
Profit before income tax	**2,291**	1,837
Income tax expense	**(504)**	(473)
Profit after income tax	**1,787**	1,364
Non-controlling interests	**(8)**	(9)
Net profit after income tax	**1,779**	1,355

	%	%
Ex-cat claims ratio	**59.7**	59.1
Catastrophe claims ratio	**5.9**	6.6
Prior accident year claims development	**(2.4)**	(0.6)
Net claims ratio	**63.2**	65.1
Net commission ratio	**17.7**	18.3
Expense ratio	**12.2**	11.8
Combined operating ratio	**93.1**	95.2
Insurance profit margin	**12.0**	9.7

Premium income and pricing

Gross written premium
(US$M)

22,395

3% from 2023

Net insurance revenue
(US$M)

17,807

7% from 2023

Gross written premium increased 3% on a headline basis to $22,395 million from $21,748 million in the prior year.

Trends were consistent on a constant currency basis, with gross written premium increasing by 3%. Organic growth was partially offset by non-core exits in North America and Australia Pacific, and weaker Crop premium from lower commodity prices. Excluding Crop, gross written premium growth was 5%, and 9% on further excluding exited portfolios.

Portfolio exits in North America and Australia Pacific reduced 2024 gross written premium by around $600 million, which included middle-market and various third party property portfolios.

The Group achieved an average renewal premium rate increase of 5.5% compared with 9.7% in the prior year. The result reflects moderation in certain property lines following substantial increases in 2023, alongside a backdrop of strong rate adequacy and lower claims inflation.

Growth excluding premium rate increases was (0)% for the year, or 1% excluding Crop, and 5% on further excluding portfolio exits. Retention increased slightly to 82% from 81% in the prior year, reflecting favourable performance in International, partially offset by portfolio exits and higher competition in some lines.

Reinsurance expenses

Headline reinsurance expenses decreased to $3,971 million from $4,226 million in the prior year.

The Group catastrophe and risk cover was broadly in line with the prior year, reflecting modest cost increases on parts of the program, which were mitigated by non-core property exits, and the new Australian cyclone pool.

Crop reinsurance costs reduced compared to 2023, reflecting lower premium for the year and reduced external quota share reinsurance.

Reinsurance expenses also included a charge of ~$40 million, reflecting the upfront cost of the $1.6 billion reserve transaction completed in October 2024.

Net insurance revenue

Net insurance revenue increased 7% on a constant currency basis. This was higher than the growth in gross written premium, reflecting the earn-through of strong premium rate increases, recent portfolio exits and lower reinsurance expense.

The upfront cost associated with the aforementioned reserve transaction was incurred in our North America and International business segments.

Gross written premium mix by product

	GROUP	NORTH AMERICA	INTERNATIONAL	AUSTRALIA PACIFIC
Commercial & domestic property	28.5	15.2	28.5	39.9
Agriculture	20.1	52.9	0.0	10.9
Public/product liability	12.5	3.9	24.6	8.7
Motor & motor casualty	10.1	0.5	10.6	23.9
Marine energy & aviation	8.4	1.5	16.2	2.8
Professional indemnity	8.2	9.6	9.7	2.0
Workers' compensation	5.3	6.5	3.4	7.0
Accident & health	5.0	9.8	4.1	1.6
Financial & credit	1.3	0.1	1.1	3.1
Other	0.6	0.0	1.8	0.1

Key premium metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023	2024	2023	2024	2023	2024	2023
Gross written premium	US$M	**22,395**	21,748	**7,277**	7,555	**9,837**	8,802	**5,281**	5,392
Gross written premium – Crop and LMI	US$M	**3,937**	4,142	**3,853**	4,045	**–**	–	**84**	97
Gross written premium growth	%	**3**	10	**(4)**	4	**11**	17	**(1)**	8
Ex-rate growth	%	**(0)**	4	**(6)**	1	**8**	10	**(7)**	(1)
Average renewal premium rate increases	%	**5.5**	9.7	**7.3**	10.5	**3.7**	7.8	**8.4**	12.5
Retention	%	**82**	81	**68**	64	**87**	85	**81**	83
Net insurance revenue	US$M	**17,807**	16,599	**4,891**	4,790	**7,931**	6,921	**4,985**	4,881
Net insurance revenue – Crop and LMI	US$M	**2,058**	1,815	**1,893**	1,654	**–**	–	**165**	161
Net insurance revenue growth	%	**7**	11	**2**	3	**14**	17	**3**	11

North America

Gross written premium (US$M)

7,277

(4)% from 2023

Gross written premium decreased by 4% to $7,277 million, due to lower Crop premium and the run-off of non-core lines. Excluding Crop, gross written premium reduced by 2%.

Net insurance revenue increased by 2% to $4,891 million, driven by recent premium rate increases and lower Crop reinsurance expense.

Average premium rate increases of 7.3% compared to 10.5% in the prior year, and represented strong rate increases in property lines and Accident & Health, against ongoing rate declines in financial lines and workers compensation.

Crop gross written premium decreased 5%, where the impact of lower commodity prices was partially offset by organic growth. Net insurance revenue growth of 14% reflected reduced quota share reinsurance and lower cessions to the Federal program.

Excluding Crop, and the run-off of non-core lines, gross written premium increased 13%. On the same basis, ex-rate growth was 10%, representing broadly comparable momentum across core Commercial and Specialty segments.

The run-off of non-core lines in North America represented a gross written premium headwind of ~$400 million in 2024, which should moderate to ~$250 million in 2025.

International

9,837

11% from 2023

International maintained strong momentum in 2024, with gross written premium increasing by 11% to $9,837 million on a constant currency basis.

Net insurance revenue increased by 14% in constant currency to $7,931 million.

Average premium rate increases moderated to 3.7% from 7.8% in the prior year. This reflected lower property and reinsurance rate increases following significant hardening in 2023, while rate increases reduced across many Lloyd's portfolios, where profitability has significantly improved.

Growth excluding premium rate increases was 8% compared to 10% in the prior year. This was driven by targeted organic growth, and comparable momentum across International Markets, QBE Re and UK insurance.

Supportive reinsurance market conditions prevailed in 2024, and QBE Re executed well against a strategy to build deeper relationships with key cedents, while building a balanced portfolio across property, casualty and specialty lines.

Australia Pacific

5,281

(1)% from 2023

On a constant currency basis, gross written premium declined by 1% to $5,281 million.

The benefit from supportive premium rate increases was offset by the impact from exited portfolios, and greater competition across certain lines.

On a constant currency basis, net insurance revenue increased by 3% to $4,985 million.

Premium rate increases reduced to 8.4% from 12.5% in the prior year. This reflected moderation in certain liability lines, commercial property and strata, which more than offset the materially higher rate increases in consumer home and motor lines.

Excluding premium rate increases, gross written premium reduced by 7% compared to the prior year, primarily due to the termination of third party property underwriting relationships. Excluding exited portfolios, ex-rate growth of (3)% reflects volume reduction in consumer and strata portfolios, partly offset by growth in CTP and certain commercial lines.

LMI gross written premium declined 12% to $84 million, reflecting a continuation of subdued housing market activity, alongside the impact from government initiatives to support first home buyers. As a result, for the 2024 underwriting year, QBE reduced the cession on its external quota share from 50% to 30%.

Net insurance revenue by business segment

	2024 %
Commercial	29.2
Specialty	25.5
Consumer	6.1
Crop	39.2

	2024 %
Commercial	41.6
Specialty	31.0
Reinsurance	27.4

	2024 %
Commercial	61.8
Specialty	23.1
Consumer	11.7
LMI	3.4

1 Strategy and performance
2 Financial performance review
3 Other information

Claims

Net claims ratio

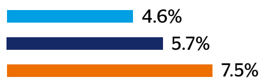
63.2%

Ex-cat claims ratio

59.7%

Catastrophe claims ratio

5.9%



- North America
- International
- Australia Pacific

The net claims ratio decreased to 63.2% from 65.1% in the prior year.

The outcome was driven by more stable central estimate development and lower catastrophe costs, which tracked comfortably below allowance for the year.

Ex-cat claims

The ex-cat claims ratio increased to 59.7% from 59.1% in the prior year.

The result included current year risk adjustment of $637 million, compared to $518 million in the prior year. Excluding risk adjustment, the ex-cat claims ratio increased slightly to 56.1% from 56.0% in the prior year.

On further excluding Crop, the Group ex-cat claims ratio improved to 53.0% from 53.8% in the prior year. The benefit from favourable premium rate increases was partially offset by large loss activity, business mix shift away from property classes, and persistent inflation in certain lines.

Claims inflation continues to moderate most notably in the Northern Hemisphere, though remains more persistent than expected in a number of lines within Australia Pacific, including strata, motor and householders.

Overall 2024 renewal premium rate increases trended at or above inflation in the majority of classes, with strong technical rate adequacy across the portfolio.

While evidence of higher claims inflation across many longer tail classes is limited, QBE remains attuned to the potential for lags and persistency of inflation in these lines, alongside the risks posed by social inflation.

Catastrophe claims

The net cost of catastrophe claims decreased to $1,048 million or 5.9% of net insurance revenue, from $1,092 million or 6.6% in the prior year.

The outcome was $232 million below the Group's 2024 catastrophe allowance of $1,280 million, which is encouraging in light of meaningful insured losses for the industry, including an active North American hurricane season, the civil unrest in New Caledonia and a high frequency of secondary perils.

Exposures to hurricanes Milton and Helene were notably lower than historic experience, given recent portfolio exits and portfolio optimisation initiatives.

Prior accident year claims development

The result was supported by favourable prior accident year claims development of $424 million or 2.4% of net insurance revenue, increasing from $95 million or 0.6% in the prior year.

This included modest strengthening of the central estimate of net outstanding claims by $21 million, compared with adverse development of $225 million in the prior year.

The broadly stable outcome was a function of strengthening in certain International liability and reinsurance lines. This was partly offset by releases in North America short-tail lines and Crop, and in Australia Pacific LMI and CTP.

The modest central estimate reserve strengthening was more than offset by favourable development of $445 million related to the unwind of risk adjustment from prior accident years, an increase from $320 million in the prior year.

Key claims metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE FULL YEAR ENDED 31 DECEMBER		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Ex-cat claims ratio	%	**59.7**	59.1	**68.2**	65.7	**55.1**	54.3	**59.1**	58.2
Catastrophe claims ratio	%	**5.9**	6.6	**4.6**	4.9	**5.7**	6.6	**7.5**	8.4
Prior accident year claims development	%	**(2.4)**	(0.6)	**(3.4)**	2.4	**(0.9)**	(0.9)	**(3.5)**	(2.6)
Net claims ratio	%	**63.2**	65.1	**69.4**	73.0	**59.9**	60.0	**63.1**	64.0
Net insurance revenue	US$M	**17,807**	16,599	**4,891**	4,790	**7,931**	6,921	**4,985**	4,881

North America

Net claims ratio

69.4%

2023 73.0%

The net claims ratio decreased to 69.4% from 73.0% in the prior year, driven by more stable reserve development.

The ex-cat claims ratio increased by 2.5% to 68.2% from the prior year, and also increased 2.5% when excluding risk adjustment, primarily due to deterioration in Crop.

Excluding Crop, the ex-cat claims ratio improved to 59.5% versus 60.7% in the prior year, driven predominately by favourable trends across a number of short-tail lines.

Net catastrophe claims of $223 million or 4.6% of net insurance revenue compared to 4.9% in the prior year. This included claims from hurricanes Helene and Milton, alongside a number of winter and convective storms events in the first half. The majority of catastrophe costs were recorded in non-core lines.

Favourable prior year central estimate development of $66 million or 1.3% was a significant improvement compared with 4.2% adverse in the prior year. The result included a $31 million release in Crop, and favourable development across most short-tail segments.

The current accident year Crop combined operating ratio of 100.2% was disappointing, and represented pressure from lower commodity prices coupled with adverse weather conditions and drought in some states.

International

Net claims ratio

59.9%

2023 60.0%

The International net claims ratio decreased to 59.9% from 60.0% in the prior year.

The broadly stable outcome was supported by favourable catastrophe experience, which helped mitigate the impact from elevated large losses and adverse central estimate development.

The ex-cat claims ratio increased by 0.8% to 55.1%, although decreased by 0.1% excluding risk adjustment. The benefit of favourable rate increases relative to inflation was largely offset by elevated large claims costs, including the Baltimore Bridge event.

Adverse prior year central estimate development of $124 million or 1.6%, increased from 0.8% in the prior year. This was predominately driven by certain liability and reinsurance lines.

Catastrophe claims of $453 million or 5.7% of net insurance revenue were lower than anticipated, and decreased compared to 6.6% in the prior year. Catastrophe costs in the period included hurricanes Beryl, Helene and Milton, plus flooding and storm events in Dubai, Europe and Canada.

Australia Pacific

Net claims ratio

63.1%

2023 64.0%

The net claims ratio of 63.1% improved from 64.0% in the prior year.

Challenges from persistent inflation were offset by lower catastrophe costs and favourable prior year development.

The ex-cat claims ratio increased by 0.9% to 59.1%, or 0.5% excluding risk adjustment. The increase reflects portfolio mix changes, higher claims frequency in CTP and persistent inflation in a number of short tail classes. This more than offset the benefit associated with stronger rate increases across the portfolio.

Net catastrophe claims of $372 million, or 7.5% of net insurance revenue, improved compared to 8.4% in the prior year, although were slightly higher than allowance. Catastrophe costs in the period were driven by exposure to the civil unrest in New Caledonia, alongside a series of convective storm events.

Favourable prior year central estimate development of $36 million or 0.7% increased from $20 million or 0.4% in the prior year. Releases were primarily driven by LMI and CTP.

Within LMI, while arrears rates remain at historical lows, we remain attuned to risks associated with prolonged higher interest rates and cost of living pressures.

Comparison of ex-cat claims ratio by division

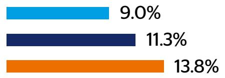
Commission, expenses and other income

Net commission ratio

17.7%

Expense ratio

12.2%



- North America
- International
- Australia Pacific

Net commission

The net commission ratio reduced to 17.7% from 18.3% in the prior year, primarily due to business mix changes across the Group.

North America's net commission ratio reduced to 20.5% from 21.6% in the prior year. This was driven by a lower commission ratio in Crop due to geographic mix, and also Accident & Health on account of favourable product and distribution channel mix.

The progressive run-off of non-core lines should support the commission ratio in coming periods, given the third party nature of these lines.

The net commission ratio in International of 17.5% was lower than 17.9% in the prior year, reflecting broadly stable commission ratios across most segments, alongside a favourable impact from changes in portfolio mix.

Australia Pacific's net commission ratio reduced to 15.1% from 15.7% in the prior year. This primarily reflected the exit of third-party consumer lines portfolios and favourable business mix impacts from growth in lower yielding commission lines such as CTP and homeowners through direct channels.

Expenses and other income

The Group's expense ratio of 12.2% increased from 11.8% in the prior period. Constant currency expense growth of 10% was elevated, although within expectations, and reflected increased change spend associated with our modernisation agenda.

These initiatives built pace through the year, and will enhance our pricing capabilities, improve partner connectivity and drive efficiencies through automation and straight-through processing.

Additional strategic investments were also made to implement Generative AI into select insurance platforms, alongside further modernisation of financial systems to enhance data capabilities and support evolving risk and regulatory requirements.

Excluding this investment, higher run costs in the period primarily reflected wage increases, and higher costs associated with new technology services and capabilities. This was partially offset by cost reductions from the middle-market exit in North America.

During the period we established the Enterprise Transformation Office. This function will drive greater enterprise alignment of both our modernisation agenda, and data and technology strategy.

In 2024 we reviewed our operating model and established an important program to ensure QBE is future fit. This body of work will support a more efficient and competitive operating model as we progressively deliver benefits over the medium term.

Key commission and expenses metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023	2024	2023	2024	2023	2024	2023
Net commission	US$M	**3,153**	3,044	**1,002**	1,037	**1,391**	1,241	**753**	761
Net commission ratio	%	**17.7**	18.3	**20.5**	21.6	**17.5**	17.9	**15.1**	15.7
Expenses and other income	US$M	**2,171**	1,954	**442**	436	**898**	803	**688**	679
Expense ratio	%	**12.2**	11.8	**9.0**	9.1	**11.3**	11.6	**13.8**	13.9
Net insurance revenue	US$M	**17,807**	16,599	**4,891**	4,790	**7,931**	6,921	**4,985**	4,881

Underwriting performance and outlook

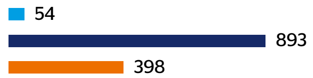
Combined operating ratio

93.1%

Insurance operating result

(US$M)

1,234



- North America
- International
- Australia Pacific

Underwriting performance

The Group reported a combined operating ratio of 93.1%, ahead of our plan for the year and a meaningful improvement from 95.2% in FY23.

Greater stability in our underwriting performance, and our ability to drive sustainable growth were again key features in 2024, highlighting the significant progress we have achieved in reshaping and de-risking our business.

Gross written premium growth of 3% was supported by rate increases of 5.5% and further organic growth. Excluding Crop and exited lines, strong momentum in our core P&C business continues with gross written premium growth of 9%, and ex-rate growth of 5%.

Our underwriting result was tested by a multitude of challenges, including global insured catastrophe costs of ~$150B, persistent inflation in parts of the portfolio, elevated large loss experience and a challenging Crop season. Delivering ahead of plan against this backdrop gives us confidence in the sustainability of recent performance.

While North America's combined operating ratio of 98.9% improved versus the prior year, we were disappointed with our performance in Crop. Excellent results were achieved in our core Commercial and Specialty segments, while the drag from non-core lines was broadly as expected.

Crop's combined operating ratio of 98.6%, which included favourable prior year reserve development of 1.6%, reflected weaker commodity prices and less favourable Crop conditions relative to expectations.

The LMI result was characterised by further reduction in gross written premium, albeit a strong underwriting result, which was supported by favourable prior year development.

Underwriting outlook

2024 marked an important transition period for our business. The balance and health of our underwriting portfolio is attractive, and our portfolio optimisation agenda is pivoting from one focused on mitigating historic challenges, to a greater emphasis on growing our business in a manner which can sustain recent performance.

The closure of our middle-market business in North America is progressing well. The gross written premium drag from exited portfolios was meaningful in 2024, although will moderate from here, as we have good plans in place to remediate those remaining underperforming portfolios.

We expect 2025 will be an excellent environment to achieve further organic growth. While premium rate increases have moderated, the majority of our portfolio exhibits strong rate adequacy, and we are investing to ensure our priority businesses are equipped to succeed.

North America performance will progressively improve as the drag from non-core lines concludes over coming periods. In 2024, core Commercial and Specialty segment performance extended a well-established track record of consistent underwriting profitability.

We were encouraged by the stability in net reserves in the period. The $1.6 billion reserve transaction will serve to further de-risk long-tail reserves for older accident years, and drive greater capital efficiency.

To support our Modernisation agenda, elevated investment will continue in 2025. This will ultimately position QBE to grow our core franchises and become a partner that is easier and more efficient to do business with.

	GROSS WRITTEN PREMIUM		NET INSURANCE REVENUE		COMBINED OPERATING RATIO		INSURANCE OPERATING RESULT	
FOR THE FULL YEAR ENDED 31 DECEMBER	2024 US$M	2023 US$M	2024 US$M	2023 US$M	2024 %	2023 %	2024 US$M	2023 US$M
North America	**7,277**	7,555	**4,891**	4,790	**98.9**	103.7	**54**	(180)
International	**9,837**	8,802	**7,931**	6,921	**88.7**	89.5	**893**	726
Australia Pacific	**5,281**	5,392	**4,985**	4,881	**92.0**	93.6	**398**	315
Corporate & Other	**–**	(1)	**–**	7	**–**	–	**(111)**	(65)
Group	**22,395**	21,748	**17,807**	16,599	**93.1**	95.2	**1,234**	796

Investment performance and strategy

Total investment income (US$M)

1,488

1,374 from 2023

Total investment return

4.9%

2023 4.7%

Core fixed income Vs **Risk assets**

4.9% | **7.5%**

2023 4.8% | 2023 5.7%

Strong investment performance continued in 2024, and tracked ahead of expectations for the period.

Total investment income of $1,488 million equated to a return of 4.9%, which increased from $1,374 million or 4.7% in the prior year. Strong returns were achieved across both core fixed income and risk asset portfolios.

Fixed income returns were supported by elevated interest rates, while returns for the risk asset portfolio tracked ahead of our long-term expectations, a pleasing outcome given valuation pressure in the unlisted property portfolio.

During the year we continued to reposition towards our target strategic asset allocation, and also commenced holding a portfolio of core fixed income securities to manage interest rate sensitivity within regulatory capital.

Core fixed income

The core fixed income portfolio delivered a return of 4.9% or $1,282 million, an increase from $1,247 million in the prior year. The result included a $63 million benefit from tighter credit spreads, compared to $116 million in the prior year.

The core fixed income yield remained strong and relatively steady through the year, with a 31 December 2024 exit yield of 4.3%.

Credit quality remains sound, and the corporate credit portfolio performed in line with broad market indices throughout the year. The portfolio remains conservatively positioned, and consists predominantly of high quality investment grade credit; with 91% rated A or higher, and an average A+ rating.

Risk assets

Risk asset performance improved notably compared to the prior year, with a return of 7.5% or $295 million, compared with 5.7% in the prior year.

Developed market equities, infrastructure and enhanced fixed income delivered strong returns, helping to offset weaker performance in the unlisted property portfolio due to lower property valuations.

Pleasingly, there were greater signs of stabilisation in property valuations through the course of the year.

The risk asset portfolio evolved broadly in line with our target strategic asset allocation, with the mix shifting toward equities and enhanced fixed income, while exposure to unlisted property was stable relative to the prior year.

Funds under management

Funds under management of $30.6 billion increased by 2% compared to $30.1 billion at 31 December 2023, or 6% on a constant currency basis.

Strong investment returns and continued premium growth were partially offset by a material reduction in investment assets associated with the $1.6 billion reserve transaction completed in October 2024.

The allocation to risk assets increased to 14% (and 16% on a committed basis) from 12% at 31 December 2023.

To help manage interest rate sensitivity within regulatory capital, we established a portfolio of core fixed income securities of ~$3 billion, which has been accounted for at fair value through other comprehensive income. The change will have no impact on QBE's approach to asset-liability management in relation to earnings.

Asset allocation

Core fixed income

86%

Target 85%

Risk assets

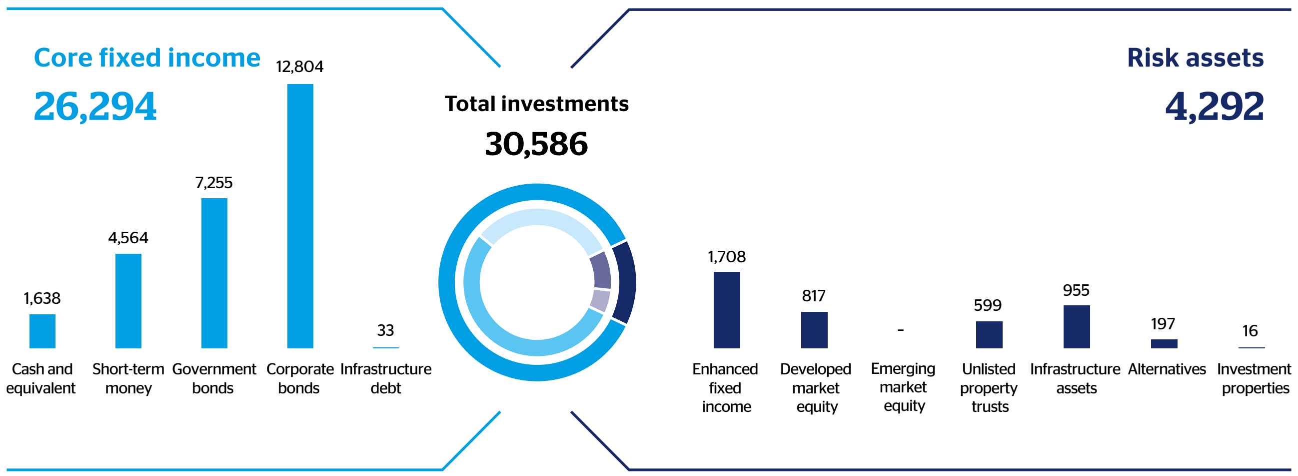
14%

Target 15%

Exit yield

4.3%

Total cash and investments (US$M)



	POLICY-HOLDERS' FUNDS	SHARE-HOLDERS' FUNDS
Cash and cash equivalents	1,028	610
Short-term money	2,865	1,699
Government bonds	4,554	2,701
Corporate bonds	8,037	4,767
Infrastructure debt	21	12

Fixed income
- Policyholders' funds
- Shareholders' funds

Risk assets
- Policyholders' funds
- Shareholders' funds

	POLICY-HOLDERS' FUNDS	SHARE-HOLDERS' FUNDS
Enhanced fixed income	1,072	636
Developed market equity	513	304
Emerging market equity	–	–
Unlisted property trusts	376	223
Infrastructure assets	599	356
Alternatives	124	73
Investment properties	10	6

Investment result

FOR THE FULL YEAR ENDED 31 DECEMBER	POLICYHOLDERS' FUNDS 2024 US$M	POLICYHOLDERS' FUNDS 2023 US$M	SHAREHOLDERS' FUNDS 2024 US$M	SHAREHOLDERS' FUNDS 2023 US$M	TOTAL 2024 US$M	TOTAL 2023 US$M
Core fixed income yield (ex risk-free rate)	**777**	739	**442**	392	**1,219**	1,131
Credit spreads – Mark to market	**40**	76	**23**	40	**63**	116
Risk assets	**188**	124	**107**	66	**295**	190
Expenses and other	**(73)**	(53)	**(16)**	(10)	**(89)**	(63)
Net return	**932**	886	**556**	488	**1,488**	1,374

Total cash and investments

AS AT	POLICYHOLDERS' FUNDS 31 DECEMBER 2024 US$M	POLICYHOLDERS' FUNDS 31 DECEMBER 2023 US$M	SHAREHOLDERS' FUNDS 31 DECEMBER 2024 US$M	SHAREHOLDERS' FUNDS 31 DECEMBER 2023 US$M	TOTAL FUNDS UNDER MANAGEMENT 31 DECEMBER 2024 US$M	TOTAL FUNDS UNDER MANAGEMENT 31 DECEMBER 2023 US$M
Core fixed income	**16,505**	17,165	**9,789**	9,334	**26,294**	26,499
Risk assets	**2,694**	2,309	**1,598**	1,256	**4,292**	3,565
Total cash and investments – closing	**19,199**	19,474	**11,387**	10,590	**30,586**	30,064
Average – Core fixed income	**16,835**	16,840	**9,562**	8,920	**26,397**	25,759
Average – Risk assets	**2,501**	2,194	**1,427**	1,163	**3,928**	3,357
Total cash and investments – average	**19,336**	19,033	**10,989**	10,083	**30,325**	29,116

Balance sheet and capital management

Summary balance sheet

AS AT	31 DECEMBER 2024 US$M	31 DECEMBER 2023 US$M
Assets		
Cash, investments and investment properties	**30,586**	30,064
Reinsurance contract assets	**9,438**	8,034
Intangible assets	**1,964**	2,112
Other receivables	**533**	519
Deferred tax assets	**609**	625
Current tax assets	**23**	30
Other assets	**693**	724
Total assets	**43,846**	42,108
Liabilities		
Insurance contract liabilities	**28,735**	27,490
Borrowings	**2,664**	2,798
Other payables	**363**	432
Deferred tax liabilities	**506**	366
Current tax liabilities	**46**	127
Other liabilities	**801**	865
Total liabilities	**33,115**	32,078
Net assets	**10,731**	10,030
Equity		
Shareholders' funds	**9,842**	9,141
Capital notes	**886**	886
Non-controlling interests	**3**	3
Total equity	**10,731**	10,030
Closing shareholders' equity	**10,728**	10,027
Average shareholders' equity	**10,378**	9,480
Average shareholders' equity – Adjusted for AT1	**9,492**	8,594

Key balance sheet and capitalisation metrics

AS AT		BENCHMARK	31 DECEMBER 2024	31 DECEMBER 2023
Net discounted central estimate	US$M		**17,286**	17,198
Risk adjustment	US$M		**1,382**	1,379
Net outstanding claims	US$M		**18,668**	18,577
Net assets	US$M		**10,731**	10,030
Less: intangible assets	US$M		**1,964**	2,112
Net tangible assets	US$M		**8,767**	7,918
Add: borrowings	US$M		**2,664**	2,798
Total tangible capitalisation	US$M		**11,431**	10,716
Risk adjustment to central estimate	%	6–8	**8.0**	8.0
Debt to total capital	%	15–30	**19.9**	21.8
Debt to equity	%		**24.8**	27.9
QBE's regulatory capital base	US$M		**11,999**	11,276
APRA's Prescribed Capital Amount (PCA)	US$M		**6,454**	6,182
PCA multiple		**1.6–1.8x**	**1.86x**	1.82x
Ordinary shares			**1,505**	1,494
Weighted average shares			**1,501**	1,490
Weighted average shares – diluted			**1,514**	1,500
Book value per share	A$		**11.5**	9.8
Net tangible assets per share	A$		**9.4**	7.8
Book value per share	US$		**7.1**	6.7
Net tangible assets per share	US$		**5.8**	5.3

Net outstanding claims

At 31 December 2024, the net discounted central estimate was $17.3 billion, which increased from $17.2 billion at 31 December 2023 due to organic growth, which was partially offset by the impact of the $1.6 billion reserve transaction, higher risk-free rates and foreign exchange rates.

Excluding foreign exchange, discount rates and the reserve transaction, the net discounted central estimate increased by $2.4 billion. This underlying growth primarily reflected new business growth and inflation.

At 31 December 2024, the risk adjustment was $1.4 billion or 8.0% of the net discounted central estimate.

As a proportion of the net discounted central estimate, this remains consistent with the 31 December 2023 position, and at the top end of our 6–8% target range.

Borrowings

At 31 December 2024, total borrowings were $2.7 billion compared to $2.8 billion at 31 December 2023.

The broadly stable outcome reflects Tier 2 funding activity in the period, including the issuance of A$400 million and A$350 million in September 2024, and A$250 million in November 2024, which largely offset a $700 million redemption in December 2024.

Debt to total capital reduced to 19.9% at 31 December 2024, from 21.8% at 31 December 2023, reflecting modest growth in the equity base. At 31 December 2024, all of the Group's borrowings count towards regulatory capital.

Net interest expense on borrowings for the year was $162 million, a decrease from $169 million in the prior year, reflecting the sequencing of funding activity in the period.

The average annualised net cash cost of borrowings at 31 December 2024 was 5.3%.

Tax

QBE's effective statutory tax rate was 22.0% compared with 25.7% in the prior year.

The effective tax rate reflects the mix of corporate tax rates across QBE's key regions, together with the utilisation of previously unrecognised tax losses in the North American tax group against its improved profitability. QBE has now fully utilised these unrecognised tax losses.

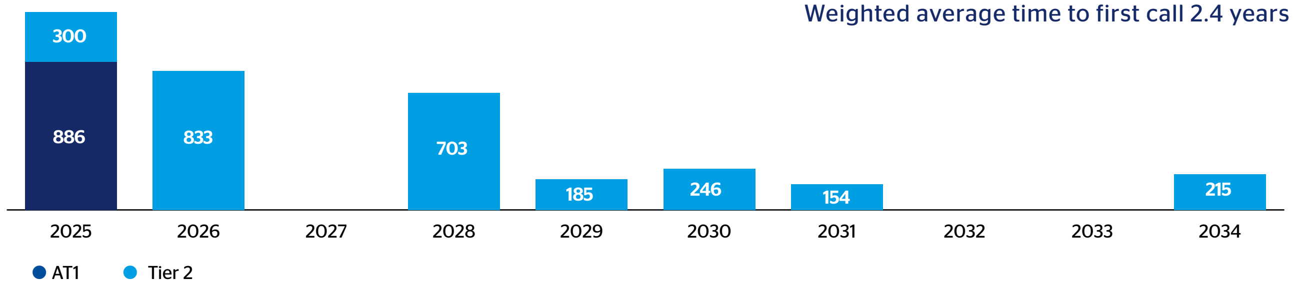
During the year, QBE paid $341 million in corporate income tax globally.

The balance of the franking account stood at A$237 million as at 31 December 2024. Having regard to QBE's franked AT1 distribution commitments and carry over tax losses, the dividend franking percentage is expected to remain around 20%.

Capital markets issuance profile

Date to first call ($M)

Weighted average time to first call 2.4 years

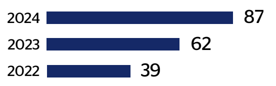


		ISSUED INSTRUMENTS	ISSUE DATE	CURRENCY	NOMINAL VALUE LOCAL CURRENCY	FIRST CALL DATE	COUPON	MATURITY DATE	CARRYING VALUE US$M
Accounted for as equity	**Additional Tier 1 (AT1)**	Capital Notes	Jul-20	US$M	400	May-25	5.25%	Perp	393
		Capital Notes	May-20	US$M	500	May-25	5.88%	Perp	493
	AT1 subtotal								**886**
Accounted for as debt	**Tier 2**	16NC6	Aug-20	A$M	500	Aug-26	3M BBSW + 2.75%	Aug-36	309
		17NC7	Sep-21	£M	400	Mar-28	2.50%	Sep-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$M	350	Sep-34	3M BBSW + 2.25%	Sep-39	215
		30NC10	Nov-15	US$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							28
	Tier 2 subtotal								**2,664**
Total instruments									**3,550**

Capital and dividends

Dividend per share (A¢)

87



Dividend payout (A$M)

1,309

PCA multiple (US$M)

1.86x

Capital

QBE's indicative PCA multiple of 1.86x at 31 December 2024 increased relative to 1.82x at 31 December 2023.

Allowing for the payment of the 2024 final dividend of 63 Australian cents, the 31 December 2024 pro-forma PCA multiple would decline to 1.77x.

Capital generation over the period was supported by strong profitability, alongside a ~3 basis point benefit associated with the $1.6 billion reserve transaction.

This more than offset capital consumed through ongoing premium growth and the payment of dividends. Investment portfolio capital charges were also modestly higher due to portfolio mix, and steps taken to lengthen duration of the core fixed income portfolio.

In January 2025, notes were issued for the first time under the Bridge Street Re catastrophe bond program, providing QBE with $250 million of collateralised reinsurance protection for Named Storm and Earthquake Covered Events occurring in the US.

QBE carries $886 million of perpetual fixed rate resetting capital notes that are AT1 qualifying under APRA's capital adequacy framework.

The after-tax distribution on QBE's AT1 capital was $50 million, consistent with the prior year.

Dividends

The Board declared a final dividend for 2024 of 63 Australian cents per share, which results in a full year dividend of 87 Australian cents per share, an increase from the 2023 full year dividend of 62 Australian cents per share.

This represents a full year dividend payout ratio of 50% of adjusted net profit after tax.

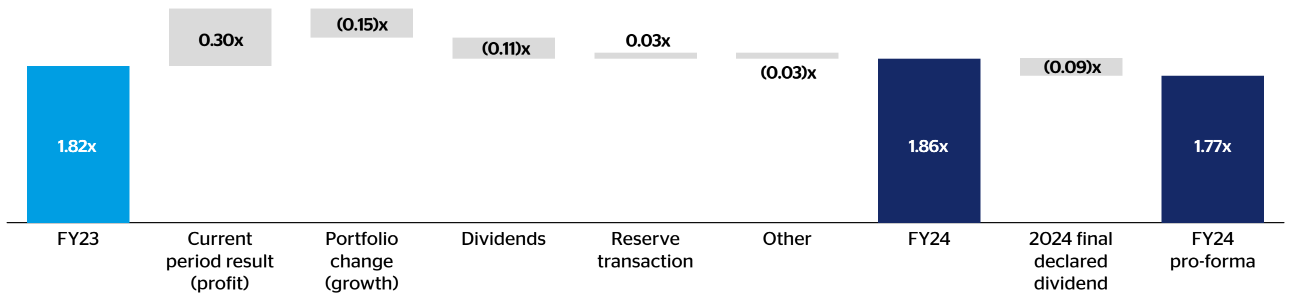
The payout for the current period reflects the Board's confidence in the strength of the balance sheet and favourable outlook for returns, while retaining flexibility to capitalise on favourable market conditions in 2025.

QBE's dividend policy is calibrated to a 40–60% payout of annual adjusted net profit after tax, which has been set at a level which can support the Group's sustainable growth ambition, and provide flexibility to manage the dynamics of pricing cycles across different classes and regions.

The full year dividend payout of A$1,309 million compares with A$928 million in 2023.

The final dividend will be 20% franked and is payable on 11 April 2025. The Dividend Reinvestment Plan and Bonus Share Plan will operate with no discount applicable to shares allocated under the plans. The Bonus Share Plan will be satisfied by the issue of shares, and the Dividend Reinvestment Plan is anticipated to be satisfied by the on-market purchase of shares.

Prescribed Capital Amount



Reconciliation of adjusted net profit after tax

FOR THE YEAR ENDED 31 DECEMBER	2024 US$M	2023 US$M
Net profit after income tax	**1,779**	1,355
Amortisation and impairment of intangibles after tax	**–**	59
Net gain on disposals after tax	**–**	(2)
Additional Tier 1 capital coupon	**(50)**	(50)
Adjusted net profit after income tax	**1,729**	1,362
Basic earnings per share – statutory (US cents)	**115.2**	87.6
Diluted earnings per share – statutory (US cents)	**114.2**	87.0
Basic earnings per share – adjusted basis (US cents)	**115.2**	91.4
Diluted earnings per share – adjusted basis (US cents)	**114.2**	90.8
Average shareholders' equity – Adjusted for AT1	**9,492**	8,594
Adjusted return on equity (%)	**18.2**	15.8
Dividend payout ratio (percentage of adjusted net profit after tax)[1]	**50.0**	45.0

1 Dividend payout ratio is calculated as the total A$ dividend divided by adjusted net profit after tax converted to A$ at the period average rate of exchange.

Prescribed Capital Amount

AS AT	31 DECEMBER 2024 US$M	31 DECEMBER 2023 US$M
Ordinary share capital and reserves	**9,845**	9,067
Net surplus relating to insurance liabilities	**1,206**	1,276
Regulatory adjustments to Common Equity Tier 1 Capital	**(2,602)**	(2,751)
Common Equity Tier 1 Capital	**8,449**	7,592
Additional Tier 1 Capital – Capital securities	**886**	886
Total Tier 1 Capital	**9,335**	8,478
Tier 2 Capital – Sub debt and hybrid securities	**2,664**	2,798
Total capital base	**11,999**	11,276
Insurance risk charge	**3,747**	3,706
Insurance concentration risk charge	**745**	749
Asset risk charge	**2,835**	2,493
Operational risk charge	**678**	654
Less: Aggregation benefit	**(1,551)**	(1,420)
APRA Prescribed Capital Amount (PCA)	**6,454**	6,182
PCA multiple	**1.86x**	1.82x
CET1 ratio (APRA requirement >60%)	**131%**	123%

Divisional review

North America

Gross written premium (US$M)

7,277

(4)% from 2023

Combined operating ratio

98.9%

2023 103.7%

North America achieved a number of important milestones in reshaping and de-risking its business in 2024. Exiting middle-market and reinsuring all remaining non-core long-tail liabilities give us confidence in a future of more stable and improved performance. Whilst Crop experienced a challenging result, the overall core segment result of 94% was encouraging, underpinned by excellent performance in core commercial and specialty. Good traction has also been achieved in a number of smaller, but growing portfolios as we look to leverage existing relationships and capability to build presence in adjacent lines.

Underwriting result

FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023
Gross written premium	US$M	**7,277**	7,555
Net insurance revenue	US$M	**4,891**	4,790
Net claims expense	US$M	**(3,393)**	(3,497)
Net commission	US$M	**(1,002)**	(1,037)
Expenses and other income	US$M	**(442)**	(436)
Insurance operating result	US$M	**54**	(180)
Net claims ratio	%	**69.4**	73.0
Net commission ratio	%	**20.5**	21.6
Expense ratio	%	**9.0**	9.1
Combined operating ratio	%	**98.9**	103.7
Insurance profit (loss) margin	%	**3.8**	(0.8)

International

Gross written premium (US$M)

9,837

11% from 2023

Combined operating ratio

88.7%

2023 89.5%

International delivered a continuation of excellent performance, supported by strong results in both insurance and reinsurance. This was particularly encouraging in light of heightened catastrophe activity and some meaningful large losses across certain lines. With rate adequacy at supportive levels, growth was a primary focus for the year. Ex-rate growth of 8% was underpinned by ongoing momentum across all key business segments, driving gross written premium to a record $9.8 billion. Despite moderation in premium rate increases, attractive market conditions are expected again in 2025.

Underwriting result

FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023
Gross written premium	US$M	**9,837**	8,802
Net insurance revenue	US$M	**7,931**	6,921
Net claims expense	US$M	**(4,749)**	(4,151)
Net commission	US$M	**(1,391)**	(1,241)
Expenses and other income	US$M	**(898)**	(803)
Insurance operating result	US$M	**893**	726
Net claims ratio	%	**59.9**	60.0
Net commission ratio	%	**17.5**	17.9
Expense ratio	%	**11.3**	11.6
Combined operating ratio	%	**88.7**	89.5
Insurance profit margin	%	**17.7**	17.5

Australia Pacific

Gross written premium (US$M)

5,281

(1)% from 2023

Combined operating ratio

92.0%

2023 93.6%

Australia Pacific improved its combined operating ratio over the year, highlighting encouraging resilience in light of challenges associated with persistent inflation and exposure to the civil unrest in New Caledonia. The benefit from recent premium rate increases has driven some recovery from inflation challenges in the prior year, while there has been meaningful progress surrounding initiatives to reduce property catastrophe volatility. A number of important modernisation milestones were achieved, and we expect benefits to progressively emerge over coming years as we migrate to the new platform.

Underwriting result

FOR THE FULL YEAR ENDED 31 DECEMBER		2024	2023
Gross written premium	US$M	**5,281**	5,392
Net insurance revenue	US$M	**4,985**	4,881
Net claims expense	US$M	**(3,146)**	(3,126)
Net commission	US$M	**(753)**	(761)
Expenses and other income	US$M	**(688)**	(679)
Insurance operating result	US$M	**398**	315
Net claims ratio	%	**63.1**	64.0
Net commission ratio	%	**15.1**	15.7
Expense ratio	%	**13.8**	13.9
Combined operating ratio	%	**92.0**	93.6
Insurance profit margin	%	**13.5**	11.4

Divisional review continued

North America

Operational review

North America delivered an improved combined operating ratio of 98.9% relative to 103.7% in the prior year, driven by more favourable reserve development compared to a charge in the prior year. Gross written premium declined 4%, as premium rate increases of 7.3% and targeted growth in core commercial and specialty lines was offset by lower Crop premium and the run-off of non-core lines. Excluding Crop and non-core lines, gross written premium growth was 13%.

Despite a challenging result in Crop, core business performance was strong with a combined operating ratio of 94%, driven by excellent results in core commercial and specialty of 87% and 91% respectively. Non-core lines recorded an underwriting loss of ~$220 million, which was broadly in line with expectations.

2024 global catastrophe costs had a heavy bias toward North America, which included an active hurricane season and a high frequency of convective storms. Against this backdrop, core property lines performed well, with the majority of the division's catastrophe costs recorded in non-core lines. Total catastrophe costs have now nearly halved for North America over the past 5 years following recent actions to exit underperforming property portfolios.

Performance in Crop was disappointing. The combined operating ratio of 98.6% compares to 98.4% in the prior year, and includes $31 million of favourable prior year development. The result was impacted by adverse weather conditions and drought in a number of important states, weaker commodity prices and poor performance in some private products.

Strategy in action

The orderly closure of the middle-market segment has progressed well, with FY24 gross written premium of ~$200 million, compared to ~$500 million in the prior year. The segment has experienced performance challenges over several years, and the closure was an important step toward improved performance in North America.

Performance in core commercial and specialty lines was encouraging, and extended a long-established track record of consistent underwriting profitability. As we look to leverage our market position and capability in targeted adjacencies, we expect to bring further diversification, balance and stability to our portfolio.

The run-off of non-core lines continued through the period, which collectively contributed an underwriting loss of ~$220 million in FY24. This is expected to broadly halve in FY25. Importantly, the loss portfolio transfer executed in 2H24 will de-risk essentially all remaining non-core long tail liabilities, and all middle market liabilities incepted through June 2024.

On completion of the run-off, North America will have a well balanced, service-led business, which is expected to perform consistently within the Group's 90–95% target COR range.

International

Operational review

International's combined operating ratio of 88.7% was excellent, and improved compared to 89.5% in the prior period, underpinned by solid performance in both insurance and reinsurance.

The strong underwriting result was supported by lower than expected catastrophe costs, where the benefit from recent actions to reduce property catastrophe volatility remains encouraging, particularly in light of meaningful global insured catastrophe losses in 2024. This was partially offset by elevated large loss costs from the Baltimore Bridge event, alongside reserve strengthening in certain liability and reinsurance lines.

Recent momentum in the business was maintained. Growth in gross written premium of 11% was supported by ex-rate growth of 8%, with a broadly comparable contribution from both insurance and reinsurance segments. The gradual moderation in premium rate increases through the period tracked broadly in line with assumptions, and represents a reduction in claims inflation for many lines, alongside strong rate adequacy across the majority of the division.

Strategy in action

International continues to execute well against a growth strategy which spans multiple opportunities. Over the period we have laid foundations to build presence and capability in cyber, strengthen our multi-national service offering and deepen relationships in QBE Re.

As rate adequacy and profitability has improved in recent periods, premium rate increases have moderated in a number of segments. Against this backdrop we remain confident in our ability to sustain strong underwriting performance in 2025, due to our trading relationships and uniquely diversified portfolio.

In 2025 International will commence a multi-year modernisation program, with a goal of improving both customer and partner experience, plus operational agility. International will benefit from the learnings and insights gained through the Australia Pacific modernisation program.

Australia Pacific

Operational review

Australia Pacific delivered a combined operating ratio of 92.0% which improved relative to 93.6% in the prior year. Despite exposure to the civil unrest in New Caledonia of ~$200M, catastrophe costs were lower than the prior period on account of more benign domestic catastrophe activity, while the result was also supported by more favourable prior year development relative to 2023.

Claims inflation trends remain nuanced by class of business, and while inflation remains persistent in parts of the portfolio, the benefit from recent premium rate increases has driven some recovery in underwriting margins. As inflation moderates into the year ahead, we are confident in the sustainability of recent performance.

Gross written premium was stable in the period, and increased by 2% after excluding the impact of exited third-party property underwriting relationships. Competition was more pronounced in 2024, which manifested most notably through a more challenging environment for new business growth and retention, resulting in ex-rate growth of (3)% excluding exits. Despite this, premium rate increases remained supportive at 8.4%, with pricing still adequately covering inflation where most pronounced.

Strategy in action

Our recent portfolio optimisation initiatives have focused on property accumulation management, and reducing exposure to convective storm risk. Over the period we exited $200 million of underperforming third-party property premium, plus continued to reposition a number of retained property portfolios, collectively helping to drive a meaningful reduction in potential volatility.

A number of important Modernisation milestones were achieved, including efforts to enable greater straight-through processing, plus we commenced migrating our primary policy administration platform to the cloud. As we migrate to the new platform and embed new technology, we expect benefits to progressively emerge over the medium term.

Solid growth was achieved in select commercial lines, including farm and engineering, plus also in CTP, and we see good opportunities for further select growth in the year ahead.

Our strategic priorities

Portfolio optimisation

Active management of portfolio mix and volatility

Sustainable growth

Achieve consistent growth

Bring the enterprise together

Better leverage our global footprint and scale

Modernise our business

Make things easier for our customers, partners and people

Our people

Become an employer of choice in our key markets

Customer

Deliver an excellent experience for our customers and partners

Statutory to management result reconciliation

FOR THE YEAR ENDED 31 DECEMBER 2024	STATUTORY US$M	ADJUSTMENTS DISCOUNT UNWIND US$M	UNDERLYING PYD US$M	LPT US$M	INVESTMENT RFR US$M	MIDDLE-MARKET US$M	MANAGEMENT US$M
Insurance revenue	21,778	–	–	–	–	–	21,778
Insurance service expenses[1]	(18,716)	(816)	–	–	–	10	(19,522)
Reinsurance expenses	(4,462)	–	31	408	–	52	(3,971)
Reinsurance income[1]	3,406	215	(31)	(408)	–	–	3,182
Insurance service result	2,006	(601)	–	–	–	62	1,467
Other expenses[1]	(311)	–	–	–	–	–	(311)
Other income[1]	78	–	–	–	–	–	78
Insurance operating result	1,773	(601)	–	–	–	62	1,234
Net insurance finance (expenses) income	(459)	601	–	–	–	–	142
Fixed income losses from changes in risk-free rates	–	–	–	–	(178)	–	(178)
Net investment income on policyholders' funds	819	–	–	–	113	–	932
Insurance profit	2,133	–	–	–	(65)	62	2,130
Net investment income on shareholders' funds	491	–	–	–	65	–	556
Financing and other costs	(226)	–	–	–	–	–	(226)
Gain on sale of entities and businesses	2	–	–	–	–	–	2
Share of net loss of associates	(6)	–	–	–	–	–	(6)
Restructuring and related expenses	(85)	–	–	–	–	(62)	(147)
Amortisation and impairment of intangibles	(18)	–	–	–	–	–	(18)
Profit before income tax	2,291	–	–	–	–	–	2,291
Income tax expense	(504)						(504)
Profit after income tax	1,787						1,787
Non-controlling interests	(8)						(8)
Net profit after income tax	1,779						1,779

FOR THE YEAR ENDED 31 DECEMBER 2023	STATUTORY US$M	ADJUSTMENTS DISCOUNT UNWIND US$M	UNDERLYING PYD US$M	LPT US$M	INVESTMENT RFR US$M	MANAGEMENT US$M
Insurance revenue	20,826	–	(1)	–	–	20,825
Insurance service expenses[1]	(18,421)	(942)	1	–	–	(19,362)
Reinsurance expenses	(4,848)	–	(1)	623	–	(4,226)
Reinsurance income[1]	3,946	423	1	(623)	–	3,747
Insurance service result	1,503	(519)	–	–	–	984
Other expenses[1]	(250)	–	–	–	–	(250)
Other income[1]	62	–	–	–	–	62
Insurance operating result	1,315	(519)	–	–	–	796
Net insurance finance (expenses) income	(579)	519	–	–	–	(60)
Fixed income losses from changes in risk-free rates	–	–	–	–	(5)	(5)
Net investment income on policyholders' funds	883	–	–	–	3	886
Insurance profit	1,619	–	–	–	(2)	1,617
Net investment income on shareholders' funds	486	–	–	–	2	488
Financing and other costs	(232)	–	–	–	–	(232)
Gain on sale of entities and businesses	2	–	–	–	–	2
Share of net loss of associates	(2)	–	–	–	–	(2)
Impairment of owner occupied property	(25)	–	–	–	–	(25)
Amortisation of intangibles	(11)	–	–	–	–	(11)
Profit before income tax	1,837	–	–	–	–	1,837
Income tax expense	(473)					(473)
Profit after income tax	1,364					1,364
Non-controlling interests	(9)					(9)
Net profit after income tax	1,355					1,355

1 Further analysed as net claims expense, net commission and expenses and other income in the management discussion as shown in the table on the next page.

Analysis of the insurance operating result

The insurance operating result is further analysed as net insurance revenue, net claims, net commission and expenses and other income for the purposes of explaining the key drivers of the Group's operating result and calculating key metrics. Analysis of the nature of income and expenses within the insurance operating result provides useful additional information about underlying trends in relation to the different components of underwriting profitability.

FOR THE YEAR ENDED 31 DECEMBER	NET INSURANCE REVENUE 2024 US$M	NET INSURANCE REVENUE 2023 US$M	NET CLAIMS EXPENSE 2024 US$M	NET CLAIMS EXPENSE 2023 US$M	NET COMMISSION 2024 US$M	NET COMMISSION 2023 US$M	EXPENSES AND OTHER INCOME 2024 US$M	EXPENSES AND OTHER INCOME 2023 US$M	TOTAL 2024 US$M	TOTAL 2023 US$M
Statutory										
Insurance revenue	21,778	20,826	–	–	–	–	–	–	21,778	20,826
Insurance service expenses	–	–	(13,794)	(13,740)	(2,984)	(2,916)	(1,938)	(1,765)	(18,716)	(18,421)
Reinsurance expenses	(4,462)	(4,848)	–	–	–	–	–	–	(4,462)	(4,848)
Reinsurance income	–	–	3,616	4,122	(210)	(176)	–	–	3,406	3,946
Insurance service result	17,316	15,978	(10,178)	(9,618)	(3,194)	(3,092)	(1,938)	(1,765)	2,006	1,503
Other expenses	–	–	–	–	–	–	(311)	(250)	(311)	(250)
Other income	–	–	–	–	–	–	78	62	78	62
Insurance operating result	17,316	15,978	(10,178)	(9,618)	(3,194)	(3,092)	(2,171)	(1,953)	1,773	1,315
Adjustments										
Discount unwind	–	–	(601)	(519)	–	–	–	–	(601)	(519)
Underlying PYD	31	(2)	(23)	20	(8)	(17)	–	(1)	–	–
LPT	408	623	(457)	(688)	49	65	–	–	–	–
Middle-market	52	–	10	–	–	–	–	–	62	–
Management	17,807	16,599	(11,249)	(10,805)	(3,153)	(3,044)	(2,171)	(1,954)	1,234	796

Adjustments

The statutory result has been adjusted for the following items when discussing the result to provide greater transparency over the underlying drivers of performance.

Discount unwind

The subsequent unwind of claims discount within net insurance finance income is analysed as part of the net claims expense component of the insurance operating result as these are associated with claims and directly relate to the impact of initial discounting of claims reported within insurance service expenses.

Underlying prior year development (PYD)

Underlying prior accident year claims development within net claims expense amounting to $23 million in the current year has been reclassified to net insurance revenue and net commission. This principally related to Crop (North America) for additional premium cessions to the US government on prior year claims under the MPCI scheme, partly offset by CTP within Australia Pacific for profit commission income arising from favourable development under the 2021 reinsurance loss portfolio transfer.

Reinsurance loss portfolio transfer transactions (LPT)

The subsequent impacts of in-force reinsurance loss portfolio transfer contracts within reinsurance expenses and reinsurance income are analysed on a net basis within net claims expense to provide a view of the underlying development on these contracts against the corresponding development of the subject gross reserves, consistent with the focus on net underwriting performance. Adjustments relate to the current year reserve transaction to reinsure claims liabilities in North America and International, and other reinsurance loss portfolio transfer contracts entered into in prior years that remain in-force.

Investment risk-free rate (RFR) impacts

Net investment income is analysed separately between risk-free rate movement impacts on fixed income assets, and remaining income. This enables analysis of these risk-free rate movement impacts alongside the corresponding offsetting impacts on net insurance liabilities within insurance finance income.

Middle-market exit

Costs attributable to the decision to exit middle-market business in North America include reinsurance expenses for loss portfolio transfer and catastrophe covers as well as onerous contract losses which are recognised within the statutory insurance service result. These costs have been reclassified to be presented together with the related restructuring expenses.

Key sensitivities

The following includes information on the mix of QBE's business across key currencies for both gross written premium and cash and investments, alongside sensitivities to key external benchmarks for both claims and investments as at the balance sheet date.

Foreign exchange

Foreign exchange rates

FOR THE FULL YEAR ENDED 31 DECEMBER		2024 PROFIT OR LOSS	2024 BALANCE SHEET	2023 PROFIT OR LOSS	2023 BALANCE SHEET
Australian dollar	A$	**0.660**	**0.619**	0.664	0.682
Sterling	£	**1.278**	**1.252**	1.243	1.275
Euro	€	**1.082**	**1.035**	1.081	1.105

Premium and investments currency mix

Gross written premium by currency

FOR THE FULL YEAR ENDED 31 DECEMBER	2024 US$M	2024 %	2023 US$M	2023 %
US dollar	**12,099**	**53**	11,628	53
Australian dollar	**4,907**	**22**	5,084	23
Sterling	**2,428**	**11**	2,189	10
Euro	**1,561**	**7**	1,469	7
New Zealand dollar	**430**	**2**	432	2
Canadian dollar	**339**	**2**	340	2
Hong Kong dollar	**162**	**1**	183	1
Singapore dollar	**220**	**1**	191	1
Other	**249**	**1**	232	1
Total	**22,395**	**100**	21,748	100

Cash and investments by currency

AS AT	31 DECEMBER 2024 US$M	31 DECEMBER 2024 %	31 DECEMBER 2023 US$M	31 DECEMBER 2023 %
US dollar	**9,048**	**30**	9,762	32
Australian dollar	**8,280**	**27**	8,738	30
Sterling	**5,710**	**19**	4,848	16
Euro	**4,452**	**15**	3,697	12
Canadian dollar	**1,588**	**5**	1,539	5
New Zealand dollar	**589**	**2**	571	2
Hong Kong dollar	**412**	**1**	429	1
Singapore dollar	**183**	**1**	177	1
Other	**324**	**1**	303	1
Total	**30,586**	**100**	30,064	100

Claims

Weighted average risk-free rates

AS AT CURRENCY		31 DECEMBER 2024	30 JUNE 2024	31 DECEMBER 2023
Australian dollar	%	**4.03**	4.19	3.80
US dollar	%	**4.47**	4.55	4.15
Sterling	%	**4.48**	4.25	3.67
Euro	%	**2.27**	2.62	2.16
Group weighted	%	**3.86**	3.96	3.48
Estimated risk-free rate benefit	US$M	**7**	2	(36)

Impact of changes in key variables on the net outstanding claims liability

AS AT	%	PROFIT (LOSS)[1] 31 DECEMBER 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
Net discounted central estimate	+5	**(627)**	(635)
	-5	**627**	635
Inflation rate	+1	**(363)**	(395)
	-1	**340**	366
Discount rate	+1	**329**	348
	-1	**(358)**	(383)
Weighted average term to settlement	+10	**150**	145
	-10	**(152)**	(147)

Cash and investments

Core fixed income - interest rate and credit spread risk

AS AT	%	PROFIT (LOSS)[1] 31 DECEMBER 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
Interest rate movement – interest-bearing financial assets	+1.0	**(339)**	(307)
	-1.0	**330**	323
Credit spread movement – interest-bearing financial assets	+0.5	**(87)**	(98)
	-0.5	**84**	94

Growth assets - price risk

AS AT	%	PROFIT (LOSS)[1] 31 DECEMBER 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
ASX 200	+20	**32**	21
	-20	**(32)**	(21)
S&P 500	+20	**32**	18
	-20	**(32)**	(18)
FTSE 100	+20	**33**	18
	-20	**(33)**	(18)
EURO STOXX	+20	**17**	8
	-20	**(17)**	(8)
Emerging market equities	+20	**–**	–
	-20	**–**	–
Unlisted property trusts	+20	**84**	82
	-20	**(84)**	(82)
Infrastructure assets	+20	**134**	130
	-20	**(134)**	(130)
Alternatives	+20	**27**	26
	-20	**(27)**	(26)

1 Net of tax at the Group's prima facie income tax rate of 30%.

Historical management result review

FOR THE YEAR ENDED 31 DECEMBER 2024

		YEAR ENDED 31 DECEMBER[1,2]				
		2024	2023	2022	2021	2020
Insurance contracts issued						
Gross written premium	US$M	**22,395**	21,748	19,993	18,453	14,685
Insurance revenue/Gross earned premium	US$M	**21,778**	20,825	18,834	17,031	14,050
Net insurance revenue/Net earned premium	US$M	**17,807**	16,599	15,088	13,779	11,785
Combined operating ratio	%	**93.1**	95.2	95.9	95.0	98.6
Investment income (loss)						
excluding FI impact from changes in risk-free rates	US$M	**1,488**	1,374	570	531	432
including FI impact from changes in risk-free rates	US$M	**1,310**	1,369	(773)	122	226
Insurance profit (loss)	US$M	**2,130**	1,617	903	1,073	(72)
Insurance profit (loss) to net insurance revenue/net earned premium	%	**12.0**	9.7	6.0	7.8	(0.6)
Financing and other costs	US$M	**(226)**	(232)	(230)	(247)	(252)
Operating profit (loss) before income tax	US$M	**2,291**	1,837	676	771	(817)
after income tax and non-controlling interests	US$M	**1,779**	1,355	587	N/A	N/A
Balance sheet and share information						
Number of shares on issue	millions	**1,505**	1,494	1,485	1,477	1,471
Shareholders' equity	US$M	**10,728**	10,027	8,855	8,881	8,491
Total assets	US$M	**43,846**	42,108	39,201	49,303	46,624
Net tangible assets per share	US$	**5.83**	5.30	4.61	4.36	4.05
Borrowings to total capital	%	**19.9**	21.8	23.7	24.1	25.8
Basic earnings (loss) per share	US cents	**115.2**	87.6	36.2	47.5	(108.5)
Basic earnings (loss) per share adjusted basis	US cents	**115.2**	91.4	44.8	54.6	(60.7)
Diluted earnings (loss) per share	US cents	**114.2**	87.0	36.0	47.2	(108.5)
Adjusted return on equity	%	**18.2**	15.8	8.3	10.3	(10.9)
Dividend per share	Australian cents	**87**	62	39	30	4
Dividend payout	A$M	**1,309**	926	580	443	59
Total investments and cash	US$M	**30,586**	30,064	28,167	28,967	27,735

1 2022 to 2024 prepared on a AASB 17 basis.
2 2020–2021 prepared on a AASB 1023 basis.

Financial calendar

YEAR	MONTH	DAY	ANNOUNCEMENT
2025	**February**	**21**	Results and dividend announcement for the year ended 31 December 2024
	March	**5**	Shares begin trading ex-dividend
		6	Record date for determining shareholders' entitlement to the 2024 final dividend
		7	DRP/BSP election close date – last day to nominate participation in the DRP or BSP
	April	**11**	Payment date for the 2024 final dividend
	May	**9**	2025 Annual General Meeting 1Q25 Performance update
	June	**30**	Half year end
	August	**8**[1]	Results and dividend announcement for the half year ended 30 June 2025
		19[1]	Shares begin trading ex-dividend
		20[1]	Record date for determining shareholders' entitlement to the 2025 interim dividend
		21[1]	DRP/BSP election close date – last day to nominate participation in the DRP or BSP
	September	**26**[1]	Payment date for the 2025 interim dividend
	November	**27**[1]	3Q25 Performance update
	December	**31**	Year end

1 Dates shown may be subject to change.

Glossary

Accident year	The year in which the event causing the claim occurs, regardless of when reported or paid.
Acquisition costs	Commission and other costs incurred in selling, underwriting and starting insurance contracts.
Adjusted return on equity (ROE)	Net profit after tax adjusted to include coupon on Additional Tier 1 capital notes, expressed as a percentage of average shareholders' equity. Average shareholders' equity excludes the carrying value of Additional Tier 1 capital notes.
Admitted insurance	Insurance written by an insurance company that is admitted (or licensed) to do business in the state in the United States in which the policy was sold.
Agent	One who negotiates contracts of insurance or reinsurance as an insurance company's representative i.e. the agent's primary responsibility is to the insurance company, not the insured party.
Aggregate reinsurance	Reinsurance cover that provides protection for an accumulation of claims arising from multiple events over a specified period of time.
APRA	Australian Prudential Regulation Authority, being the Group's primary insurance regulator.
Attachment point	The amount of claims retained by the cedant in a reinsurance arrangement, after which reinsurance protection will apply.
Attributable expenses	Administrative, general and other expenses that directly relate to fulfilling insurance contracts.
Borrowings to total capital	The Group's gearing ratio (also referred to as debt to total capital), calculated as borrowings expressed as a percentage of total capital. Total capital is shareholders' equity plus subordinated debt and where applicable, Tier 1 instruments classified as liabilities (which are excluded from borrowings for the purposes of this calculation).
Broker	One who negotiates contracts of insurance or reinsurance on behalf of an insured party, receiving a commission from the insurance or reinsurance company for placement and other services rendered. In contrast with an agent, the broker's primary responsibility is to the insured party, not the insurance company.
Capacity	In relation to a Lloyd's member, the maximum amount of insurance premium (gross of reinsurance but net of brokerage) which a member can accept. In relation to a syndicate, it is the aggregate of each member's capacity allocated to that syndicate.
Captive	A licensed entity within the Group that provides reinsurance protection to other controlled entities.
Cash profit or loss	Profit or loss after tax attributable to QBE shareholders, adjusted for the post-tax effect of amortisation and impairment of intangibles and other non-cash items.
Casualty insurance	Insurance that is primarily concerned with the claims resulting from injuries to third persons or their property (i.e. not the policyholder) and the resulting legal liability imposed on the insured. It includes, but is not limited to, general liability, employers' liability, workers' compensation, professional liability, public liability and motor liability insurance.
Catastrophe claims	Total of all net claims resulting from catastrophe events. Referred to as catastrophe claims ratio when expressed as a percentage of net insurance revenue.
Catastrophe reinsurance	A reinsurance contract (often in the form of excess of loss reinsurance) that, subject to specified limits and retention, compensates the ceding insurer for financial losses related to an accumulation of claims resulting from a catastrophe event or series of events.
Claim	The amount payable under a contract of insurance or reinsurance arising from a loss relating to an insured event.
Claims incurred	The aggregate of all claims paid during an accounting period adjusted for the change in the claims provision in that accounting period.
Combined operating ratio (COR)	The sum of the net claims ratio, commission ratio and expense ratio. A combined operating ratio below 100% indicates an underwriting profit. A combined operating ratio over 100% indicates an underwriting loss.
Commercial lines	Refers to insurance for businesses, professionals and commercial establishments.
Confidence level	A statistical measure of the level of confidence that the insurance contract liabilities will be sufficient to pay claims as and when they fall due. This was previously referred to as probability of adequacy under AASB 1023.
Contractual service margin (CSM)	A component of the asset or liability for remaining coverage of contracts measured under the general model, which represents profit that has not yet been recognised in profit or loss as it relates to future services to be provided over the remaining coverage of the insurance contracts.
Credit spread	The difference in yield between a bond and a reference yield (e.g. BBSW or a fixed sovereign bond yield).
Credit spread duration	The weighted average term of cash flows for a corporate bond. It is used to measure the price sensitivity of a corporate bond to changes in credit spreads.
Ex-cat claims	Net claims excluding catastrophe claims and prior accident year claims development (including movements in risk adjustment related to prior accident years). Referred to as ex-cat claims ratio when expressed as a percentage of net insurance revenue.

Expenses and other income	The sum of attributable expenses (within insurance service expenses), other expenses and other income. Referred to as expense ratio when expressed as a percentage of net insurance revenue.
Facultative reinsurance	The reinsurance of individual risks through a transaction between the reinsurer and the cedant (usually the primary insurer) involving a specified risk.
General insurance	Generally used to describe non-life insurance business including property and casualty insurance.
Gross written premium (GWP)	The total premium on insurance underwritten by an insurer or reinsurer during an accounting period, before deduction of reinsurance premium. This metric is used to derive insurance revenue under the premium allocation method, which is an allocation of total expected premium, derived based on gross written premium, to each period of coverage on the basis of the passage of time as described in note 2.1 of the Financial Report.
Illiquidity premium	A component within discount rates applied in the measurement of net insurance contract liabilities which reflects the liquidity characteristics of the insurance contracts.
Incurred but not reported (IBNR)	Claims arising out of events that have occurred before the end of an accounting period but have not been reported to the insurer by that date.
Indirect and Claims procurement	Indirect procurement refers to suppliers of goods and services that are not related to IT or claims (e.g. office suppliers, facilities, recruitment services, business consulting and marketing). Claims procurement refers to all suppliers that support the claims fulfilment process.
Insurance profit or loss	The sum of the insurance operating result, net insurance finance income or expenses and net investment income or loss on assets backing policyholders' funds. On a management basis, it also includes fixed income gains or losses from changes in risk-free rates attributable to shareholders' funds. Referred to as insurance profit margin when expressed as a percentage of net insurance revenue.
Insurance revenue	The proportion of gross written premium recognised as revenue in the current accounting period, reflecting insurance coverage provided during the period. This is the equivalent of gross earned premium under AASB 1023.
Lead/non-lead underwriter	A lead underwriter operates in the subscription market and sets the terms and price of an insurance or reinsurance policy. The follower or non-lead underwriter is an underwriter of a syndicate or an insurance or reinsurance company that agrees to accept a proportion of a given risk on terms set by the lead underwriter.
Lenders' mortgage insurance (LMI)	A policy that protects the lender (e.g. a bank) against non-payment or default on the part of the borrower on a residential property loan.
Letters of credit (LoC)	Written undertaking by a financial institution to provide funding if required.
Liability for incurred claims (LIC)	The liability established for claims and attributable expenses that have occurred but have not been paid. This replaces the outstanding claims liability under AASB 1023.
Liability for remaining coverage (LfRC)	The liability that represents insurance coverage to be provided by QBE after the balance date. This is the equivalent of unearned premium net of premium receivable, unclosed premium, deferred commission and deferred acquisition costs under AASB 1023.
Lloyd's	Insurance and reinsurance market in London. It is not a company but is a society of individuals and corporate underwriting members.
Long-tail	Classes of insurance business involving coverage for risks where notice of a claim may not be received for many years and claims may be outstanding for more than one year before they are finally quantifiable and settled by the insurer.
Loss component	A component of the LfRC within the insurance contract liabilities that relates to losses recognised on onerous contracts.
Loss-recovery component	A component of the asset for remaining coverage (AfRC) within the reinsurance contract assets that represents recoveries on reinsurance contracts held that correspond to losses recognised on onerous contracts.
Managing General Agent (MGA)	A wholesale insurance agent with the authority to accept placements from (and often to appoint) retail agents on behalf of an insurer. MGAs generally provide underwriting and administrative services such as policy issuance on behalf of the insurers they represent. Some may handle claims.
Maximum event retention (MER)	An estimate of the largest claim to which an insurer will be exposed (taking into account the probability of that loss event at a return period of one in 250 years) due to a concentration of risk exposures, after netting off any potential reinsurance recoveries and inward and outward reinstatement premiums.
Modified duration	The weighted average term of cash flows in a bond. It is used to measure the price sensitivity of a bond to changes in interest rates.
Multi-peril crop insurance (MPCI)	United States federally regulated crop insurance protecting against crop yield losses by allowing participating insurers to insure a certain percentage of historical crop production.

Glossary continued

Net claims expense	The portion of insurance service expenses related to gross claims expenses, net of reinsurance income associated with reinsurance recoveries on claims. Management analysis of net claims expense includes the impacts of unwind of discount on claims reserves. Referred to as net claims ratio when expressed as a percentage of net insurance revenue.
Net commission	The portion of insurance service expenses related to commission expenses, net of commission income from reinsurance contracts held that are recognised within reinsurance income. Referred to as net commission ratio when expressed as a percentage of net insurance revenue.
Net insurance revenue	Insurance revenue net of reinsurance expenses. This is the equivalent of net earned premium under AASB 1023.
Net outstanding claims	Claims reserves within the net LIC net of recoveries from reinsurance loss portfolio transfers.
Personal lines	Insurance for individuals and families, such as private motor vehicle and homeowners' insurance.
Policyholders' funds	The net insurance liabilities of the Group.
Premium	Amount payable by the insured or reinsured in order to obtain insurance or reinsurance protection.
Prescribed Capital Amount (PCA)	The sum of the capital charges for asset risk, asset concentration risk, insurance concentration risk and operational risk as required by APRA. The PCA must be disclosed at least annually.
Prior accident year claims development	The portion of net claims expense attributable to prior accident years. Referred to as prior accident year claims development ratio when expressed as a percentage of net insurance revenue.
Prudential Capital Requirement (PCR)	The sum of the PCA plus any supervisory adjustment determined by APRA. The PCR may not be disclosed.
Recoveries	The amount of claims recovered from reinsurance, third parties or salvage.
Reinsurance	An agreement to indemnify an insurer by a reinsurer in consideration of a premium with respect to agreed risks insured by the insurer. The entity accepting the risk is the reinsurer and is said to accept inward reinsurance (or referred to as a reinsurance contract issued). The entity ceding the risks is the cedant or ceding company and is said to place outward reinsurance (or referred to as a reinsurance contract held).
Reinsurance to close	A reinsurance agreement under which members of a syndicate, for a year of account to be closed, are reinsured by members who comprise that or another syndicate for a later year of account against all liabilities arising out of insurance business written by the reinsured syndicate.
Reinsurer	The insurer that assumes all or part of the insurance or reinsurance liability written by another insurer or reinsurer.
Retention	That amount of liability for which an insurer will remain responsible after it has completed its reinsurance arrangements.
Retrocession	Reinsurance of a reinsurer by another reinsurance company.
Risk adjustment	A component of insurance and reinsurance contract assets and liabilities that reflects the compensation required for bearing uncertainty about the amount and timing of cash flows that arises from non-financial risk. This replaces the risk margin under AASB 1023.
Short-tail	Classes of insurance business involving coverage for risks where claims are usually known and settled within 12 months.
Surplus (or excess) lines insurers	In contrast to admitted insurers, every state in the United States also allows non-admitted (or surplus lines or excess lines) carriers to transact business where there is a special need that cannot or will not be met by admitted carriers. The rates and forms of non-admitted carriers generally are not regulated in that state, nor are the policies back-stopped by the state insolvency fund covering admitted insurance. Brokers must inform insurers if their insurance has been placed with a non-admitted insurer.
Syndicate	A member or group of members underwriting insurance business at Lloyd's through the agency of a managing agent.
Total investment income or loss	Gross investment income or loss including foreign exchange gains and losses and net of investment expenses.
Total shareholder return (TSR)	A measure of performance of a company's shares over time. It includes share price appreciation and dividend performance.
Treaty reinsurance	Reinsurance of risks in which the reinsurer is obliged by agreement with the cedant to accept, within agreed limits, all risks to be underwritten by the cedant within specified classes of business in a given period of time.
Underwriting	The process of reviewing applications submitted for insurance or reinsurance coverage, deciding whether to provide all or part of the coverage requested and determining the applicable premium.
Underwriting year	The year in which the contract of insurance commenced or was underwritten.
Volume weighted average price (VWAP)	A measure of the average trading price during a period, adjusted for the volume of transactions. This is often used for determining the share price applicable to dividend and other share-related transactions.

Important information

Disclaimer

This report contains general background information about the Group's activities current as at 21 February 2025. This report 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 at www.asx.com.au or QBE's website at www.qbe.com. The information is supplied in summary form and is therefore not necessarily complete. It is not intended to be and should not be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. 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.

Forward-looking statements

This report may contain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "outlook", "ambition" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future carbon emissions, 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 report and QBE assumes no obligation to update such information.

Any forward-looking statements in respect of earnings and financial position and performance assume ex-cat and catastrophe claims do not exceed the allowance in our business plans, no changes 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, recoveries from our reinsurance panel, no unplanned asset sales, no substantial change in regulation, and no material change to key inflation and economic growth forecasts; in each case, materially from the expectations described in this report. Should one or more of these assumptions prove incorrect, actual results may differ.

Climate-related statements

This report contains certain climate-related statements, including in relation to climate-related risks and opportunities, climate-related goals and ambitions, climate scenarios, emissions reduction pathways and climate projections. These climate-related statements are subject to uncertainties, limitations, risks, challenges, and assumptions associated with climate-related information, and may be dependent on many factors that are not fully within our control. These factors include progress of individuals, businesses and economies to transition, governmental action, availability and reliability of data, and availability of solutions and technologies that enable greenhouse gas emissions reduction and removal. The information in this report should be read in conjunction with the qualifications and guidance included in this report as well as the 2024 Sustainability Report and Data Book available at QBE's website.

ARMSTRONG

Communication design, consultancy and production.

Enabling a more resilient future

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