



2025 Half Year Report

About this report

This is the Half Year Report for QBE Insurance Group Limited (and its controlled entities) for the half year ended 30 June 2025. It should be read in conjunction with the [2024 Annual Report](#).

This report includes a review of QBE's half year financial performance and outlook for the year, along with the financial statements, which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards. Detailed information on the basis of preparation of the financial statements is provided on [page 18](#).

Definitions of key performance metrics in section 2 are provided in the glossary on pages 161 to 164 of the [2024 Annual Report](#). Key metrics disclosed on a statutory basis are derived from unadjusted components of financial statement line items. Financial information prepared on a management basis in section 2 has not been audited or reviewed by QBE's external auditor.

Unless otherwise stated, references in this report to 'QBE', 'the Group', 'we', 'us' and 'our' refer to QBE Insurance Group Limited (and its controlled entities). References to 'the Company' refer to QBE Insurance Group Limited, the ultimate parent entity. Any references in this report to a 'half year' refer to the six months ended 30 June.

All dollar figures are expressed in US dollars unless otherwise stated.

2025 Half Year reporting suite

2024 Annual Report

QBE's Annual Report for the year ended 31 December 2024, containing the Directors' Report, operating and financial review, information on our governance practices and financial statements.

2025 Half Year Report

QBE's regulatory compliance document containing the Directors' Report, review of operations and financial statements for the half year ended 30 June 2025 prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards.

This report should be read in conjunction with the [2024 Annual Report](#).

2025 Half Year Investor Report

A deep dive into our strategic and financial performance for the half year ended 30 June 2025. Financial information in the Investor Report has not been audited or reviewed by QBE's external auditor.

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Directors' Report

FOR THE HALF YEAR ENDED 30 JUNE 2025

Your directors present their report on QBE Insurance Group Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2025.

Directors

The following directors held office during the half year and up to the date of this report:

Yasmin Allen AM
 Stephen Ferguson
 Andrew Horton
 Penny James
 Tan Le
 Kathryn Lisson
 Neil Maidment (from 21 February 2025)
 Rolf Tolle (until 9 May 2025)
 Michael Wilkins AO (Chair)
 Peter Wilson

Review of operations

Information on the Group's performance and outlook is set out in the half year in review section on pages 4 to 11 of this Half Year Report.

Dividends

The directors are announcing an interim dividend of 31 Australian cents per share for the half year ended 30 June 2025 (2024 24 Australian cents per share). The interim dividend will be 25% franked (2024 20%). The total interim dividend payout is A\$468 million (2024 A\$361 million).

Events after the balance date

Other than the declaration of the interim dividend, no matter or circumstance has arisen since 30 June 2025 that, in the opinion of the directors, has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial periods.

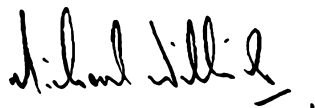
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The Company is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts have been rounded off in the Directors' Report in accordance with that instrument.

Signed in SYDNEY on 8 August 2025 in accordance with a resolution of the directors.



Michael Wilkins AO
 Director



Andrew Horton
 Director

Auditor's independence declaration

FOR THE HALF YEAR ENDED 30 JUNE 2025



As lead auditor for the review of QBE Insurance Group Limited for the half year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of QBE Insurance Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S Hadfield'.

Scott Hadfield
Partner
PricewaterhouseCoopers

Sydney
8 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757

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Half year in review

QBE reported a statutory profit after tax attributable to ordinary equity holders of the Company of \$1,022 million for the half year ended 30 June 2025 compared with \$802 million for the prior period.

Summary financial performance

FOR THE HALF YEAR ENDED 30 JUNE		MANAGEMENT		STATUTORY	
		2025	2024	2025	2024
Insurance revenue	US\$M	10,875	10,438	10,875	10,436
Reinsurance expenses	US\$M	(2,061)	(1,926)	(2,464)	(2,096)
Insurance service result	US\$M	728	630	1,077	933
Insurance operating result	US\$M	639	525	988	828
Net investment income	US\$M	788	733	929	502
Income tax expense	US\$M	(308)	(245)	(308)	(245)
Profit after income tax attributable to ordinary equity holders	US\$M	1,022	802	1,022	802
Key metrics					
Gross written premium	US\$M	13,820	13,051	13,820	13,045
Net claims ratio	%	62.8	64.2	56.7	59.7
Net commission ratio	%	17.9	17.6	18.9	18.2
Expense ratio	%	12.1	12.0	12.7	12.2
Combined operating ratio	%	92.8	93.8	88.3	90.1

Gross written premium increased by 6% and highlighted continued momentum, with strong organic growth in International and North America, and a lower strain from exited lines.

The combined operating ratio improved to 92.8% from 93.8% in the prior period, supported by favourable central estimate development. Catastrophe costs of \$479 million remained below allowance, and included the largest US wildfires on record in California as well as an active period for storm and flood events in North America and Australia.

Total investment income, excluding fixed income losses from changes in risk-free rates, was \$788 million or a return of 2.4%, compared with \$733 million or 2.4% in the prior period. The investment result was underpinned by supportive interest rates and strong risk asset returns. During the period, asset liability management activities resulted in a broadly neutral impact to earnings.

Profit for the period also included a gain on sale of \$18 million associated with the exit of the North American homeowners portfolio.

The Group's effective tax rate was 23.1% compared with 23.3% in the prior period, reflecting the mix of corporate tax rates in the jurisdictions in which QBE operates.

QBE's balance sheet remains robust. The indicative APRA PCA multiple of 1.85x remains strong relative to our 1.6–1.8x target range, and compared to 1.86x at 31 December 2024. Debt to total capital of 25.2% increased from 19.9% at 31 December 2024, primarily driven by Tier 2 issuance in the period to replace Additional Tier 1 capital notes totaling \$900 million which were accounted for as equity.

Unless otherwise stated, discussion of performance in this section of the report is on a management basis which is consistent with how performance is assessed internally. The management basis reflects adjustments to the statutory result to provide greater transparency over the underlying drivers of the Group's performance, and a reconciliation is provided on pages 10 and 11. Definitions of key metrics, including how they are calculated, are provided in the glossary on pages 161 to 164 of the 2024 Annual Report. The key metrics used by QBE to manage and assess underwriting performance are derived from components of financial statement line items. An analysis of the insurance operating result by these components is provided on page 11.

Underwriting performance

Unless otherwise stated, discussion of performance is on a management basis. A reconciliation to the equivalent statutory result is provided on [page 10](#).

Net insurance revenue

Gross written premium

Gross written premium increased by 6% on a headline basis to \$13,820 million from \$13,051 million in the prior period. On a constant currency basis, gross written premium increased by 6%, with ongoing momentum driven by targeted organic growth across several classes in North America and International, and a lower strain from exited lines. Excluding Crop, gross written premium growth was 6%, and 8% when further excluding exited portfolios. Portfolio exits reduced gross written premium by around \$200 million in the period, with a total impact of around \$250 million expected for the full year. The Group achieved an average renewal premium rate increase, excluding North America Crop and Australian compulsory third party motor (CTP), of 2.1% compared with 6.3% in the prior period. Moderation in premium rate increases has been most notable in property lines, and certain Lloyd's portfolios following significant hardening of rate and terms in recent years, while more broadly, recent inflationary pressures continue to ease.

Reinsurance expenses

Headline reinsurance expenses increased to \$2,061 million from \$1,926 million in the prior period. The cost for the Group catastrophe and risk cover was slightly lower, reflecting a modest reduction in property rates and further benefit from non-core property exits. Crop reinsurance costs increased compared to the prior period, reflecting higher premium for the period and increased cessions to the Federal program.

Net insurance revenue

Net insurance revenue increased by 4% on a constant currency basis, broadly in line with the growth in gross written premium. This reflects the earn-through of recent premium growth, the ongoing impact from portfolio exits and higher reinsurance expenses.

Net claims

The net claims ratio decreased to 62.8% from 64.2% in the prior period, driven primarily by more favourable prior accident year reserve development and lower catastrophe costs.

The ex-cat claims ratio increased slightly to 61.5% from 61.3% in the prior period. The result included current accident year risk adjustment of \$358 million, compared to \$376 million in the prior period. Excluding risk adjustment, the ex-cat claims ratio increased to 57.4% from 56.9% in the prior period. On the same basis, excluding Crop, the Group ex-cat claims ratio increased to 55.4% from 54.8% in the prior period. This was primarily driven by elevated large loss activity and business mix shift, which more than offset the benefit from favourable rate increases. In aggregate, QBE continues to plan for inflation in the low to mid-single digits in 2025. Claims inflation across many short-tail lines continued to moderate, though remains elevated in Australia Pacific relative to historical averages. Across longer-tail lines, inflation observations remain broadly consistent with prior periods, though increasing uncertainty around geopolitical and economic pathways requires ongoing discipline and considered risk selection.

The net cost of catastrophe claims of \$479 million or 5.4% of net insurance revenue reduced from \$527 million or 6.2% in the prior period. The result was comfortably below the first half catastrophe allowance of \$549 million. Catastrophe costs for the period were driven by the California wildfires, where QBE estimates net exposure to be around \$200 million, plus a number of storm and flood events in Australia and North America.

The result was supported by favourable prior accident year claims development of \$360 million or 4.1% of net insurance revenue, compared with \$282 million or 3.3% in the prior period. This included favourable development of the central estimate of net outstanding claims by \$91 million, compared with strengthening of \$18 million in the prior period. The positive outcome was driven by releases in Crop and property classes in North America, plus favourable development in Australia Pacific short-tail portfolios, CTP and LMI. This more than offset adverse development in certain Lloyd's portfolios within International. In addition to the central estimate development, the result included favourable development of \$269 million related to the unwind of risk adjustment from prior accident years, compared with \$300 million in the prior period.

Commission and expenses

The net commission ratio increased to 17.9% from 17.6% in the prior period, primarily due to business mix changes across the Group.

The Group's expense ratio of 12.1% increased slightly from 12.0% in the prior period. Constant currency expense growth of 5% reduced from 9% in the prior period, and continues to support elevated investment in QBE's transformation agenda. Excluding this investment, underlying run cost growth was a result of inflation in wages and the ongoing cost to support new technology services and capabilities, offset by operational efficiencies and the recent portfolio exits in North America.



Divisional underwriting performance

Key metrics disclosed on a statutory basis are derived from unadjusted components of financial statement line items.

North America

Gross written premium increased by 4% to \$4,847 million, as continued growth across the core platform more than offset the drag from exited lines. Excluding the impact from exited lines, gross written premium increased by 10%, supported by ex-rate growth of 8% on the same basis. Average premium rate increases of 5.7% compared with 9.3% in the prior period. Rates were broadly steady across most segments outside of property, where softening has occurred following significant increases over several years. Crop gross written premium increased by 9%, underpinned by organic growth alongside broadly stable commodity prices. However, Crop net insurance revenue decreased by 6% reflecting increased cessions to the Federal program. Excluding Crop, and the run-off of non-core lines, gross written premium increased by 11%, with 8% ex-rate growth on the same basis.

North America's combined operating ratio improved to 97.2% from 97.5% in the prior period. The result was supported by a meaningfully reduced strain from non-core lines and favourable prior accident year development in short-tail lines. The core business delivered a combined operating ratio of 96.0%.

North America's net commission ratio increased slightly to 20.2% from 19.8% in the prior period, primarily driven by mix change, including a lower contribution from Crop, which yields a commission ratio below divisional average. This more than offset the benefit from the progressive run-off of non-core lines, given their third party nature.

FOR THE HALF YEAR ENDED 30 JUNE		MANAGEMENT ¹		STATUTORY	
		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US\$M	4,847	4,645	4,847	4,639
Net insurance revenue	US\$M	2,191	2,243	1,865	2,095
Net claims ratio	%	67.6	67.5	59.5	61.3
Net commission ratio	%	20.2	19.8	23.7	21.1
Expense ratio	%	9.4	10.2	11.1	10.9
Combined operating ratio	%	97.2	97.5	94.3	93.3

1 Adjusted for subsequent impacts of in-force reinsurance loss portfolio transfer transactions (LPT), underlying prior accident year development (PYD) adjustment relating to Crop and the inclusion of unwind of discount on claims.

International

Strong momentum continued in International, with growth in gross written premium of 11% on a constant currency basis to \$6,406 million. Average premium rate increases moderated to 0.9% from 4.2% in the prior period. The reduction was predominately driven by certain lines within International Markets, where profitability has improved meaningfully in recent years. Growth excluding premium rate increases was 11%, compared to 8% in the prior period. Strong ex-rate growth was achieved across most business segments, led by International Markets, QBE Re and Europe. Within International Markets, organic growth was led by two new facilities, including Ki, an algorithmic underwriting business.

International reported a combined operating ratio of 92.5% compared with 89.2% in the prior period. The result reflected a continuation of solid underwriting performance, though was tempered by elevated catastrophe and large loss activity, including the California wildfires and a series of large claims within the International Markets portfolio. Performance was resilient through what remains a dynamic operating environment underpinned by escalating geopolitical tensions, more nuanced markets and elevated industry loss experience. Despite these challenges, profitability across both insurance and reinsurance portfolios remained relatively solid, further highlighting the progress achieved against a number of recent portfolio optimisation initiatives.

The net commission ratio of 18.2% increased from 17.6% in the prior period, primarily reflecting mix changes associated with Portfolio Solutions and Reinsurance, which typically carry a higher commission ratio than the International divisional average.

FOR THE HALF YEAR ENDED 30 JUNE		MANAGEMENT ¹		STATUTORY	
		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US\$M	6,406	5,708	6,406	5,708
Net insurance revenue	US\$M	4,306	3,803	4,228	3,778
Net claims ratio	%	63.0	60.2	56.7	56.8
Net commission ratio	%	18.2	17.6	18.5	17.7
Expense ratio	%	11.3	11.4	11.5	11.5
Combined operating ratio	%	92.5	89.2	86.7	86.0

1 Adjusted for subsequent impacts of in-force reinsurance LPT and the inclusion of unwind of discount on claims.

Australia Pacific

Gross written premium declined by 1% to \$2,583 million on a constant currency basis. Premium rate increases of 3.3% remained supportive in an environment where short-tail claims inflation continues to gradually moderate. Excluding premium rate increases, gross written premium declined by 3% compared to the prior period. This was led by a further reduction in consumer portfolios as we recalibrate our strategy, and greater competition in commercial lines. LMI gross written premium increased by 37% to \$50 million, marking a modest recovery from a prolonged period of decline. The improvement reflects a lift in housing market activity, supported by lower interest rates expectations. The external quota share for LMI was not renewed in the current year given the substantial reduction in premium over recent years.

Australia Pacific delivered a combined operating ratio of 86.8%, a meaningful improvement from 95.6% in the prior period. The result was driven by lower catastrophe claims relative to a particularly elevated prior period, favourable prior accident year reserve development and improvement in ex-cat claims trends where inflation in short-tail lines continued to gradually normalise through the period. The reduction in catastrophe costs was encouraging in light of a number of notable storm and flood events across the east coast of Australia, including Cyclone Alfred.

Australia Pacific's net commission ratio reduced to 15.1% from 15.4% in the prior period. This reflected favourable business mix shift towards lower yielding commission lines such as Workers' Compensation and Homeowners through direct channels.

FOR THE HALF YEAR ENDED 30 JUNE		MANAGEMENT ¹		STATUTORY	
		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US\$M	2,583	2,698	2,583	2,698
Net insurance revenue	US\$M	2,319	2,468	2,320	2,468
Net claims ratio	%	57.9	67.5	54.6	62.8
Net commission ratio	%	15.1	15.4	15.6	16.1
Expense ratio	%	13.8	12.7	13.8	12.7
Combined operating ratio	%	86.8	95.6	84.0	91.6

1 Adjusted for the subsequent impacts of in-force reinsurance LPT, underlying PYD adjustment related to CTP and the inclusion of unwind of discount on claims.

Investment performance

Total investment income, excluding any fixed income gains from changes in risk-free rates, was \$788 million for the period, equating to a return of 2.4%. The result was broadly stable compared to \$733 million or 2.4% in the prior period, supported by strong performance across both core fixed income and risk asset portfolios. Investment income also included a benefit of \$36 million associated with movement in foreign exchange rates through the period.

The core fixed income portfolio delivered a return of 2.0% or \$557 million, down from \$633 million in the prior period. The result included a \$14 million drag from modestly wider credit spreads, compared to a \$55 million benefit in the prior period. The core fixed income yield remained strong, albeit moderating slightly in the period, with the 30 June 2025 exit yield of 3.8% around 50 basis points lower than 31 December 2024. The corporate credit portfolio performed in line with broad market indices during the period, and consists predominantly of high-quality investment grade credit, with 88% rated A or higher, and an average rating of A+.

Risk asset performance improved notably with a return of 4.6% or \$209 million, compared with 3.3% in the prior period. Returns were supportive across most asset classes, with a particularly strong contribution from developed market equities, enhanced fixed income and alternatives. Following recent weakness, some stabilisation in property valuations through the period supported a positive return in the unlisted property portfolio. QBE's risk asset portfolio mix remained broadly stable through the period, with modest mix shift toward infrastructure assets, in line with our target strategic asset allocation.

Core fixed income includes cash and cash equivalents, and excludes enhanced fixed income risk assets which comprise emerging market debt, high yield debt and private credit. Enhanced fixed income risk assets are analysed as part of risk assets.



Funds under management

Funds under management comprise cash and cash equivalents, investments and investment properties. Funds under management of \$33,957 million increased 11% from \$30,586 million at 31 December 2024, or 5% on a constant currency basis. The increase in constant currency funds under management was predominately driven by continued premium growth and strong investment returns in the period. This was partially offset by the payment of the 2024 final dividend. The allocation to risk assets remained stable at 14% (and 15% on a committed basis).

Tax

QBE's effective statutory tax rate was 23.1% compared with 23.3% in the prior period. The effective tax rate reflects the mix of corporate tax rates across QBE's key regions, and was slightly lower than expected due to the mix of our earnings tilting toward the North American tax group. During the period, QBE paid \$222 million in corporate income tax globally. The balance of the franking account stood at A\$274 million as at 30 June 2025. The franking percentage for the 2025 interim dividend will increase to 25%.

Balance sheet and capital management

Balance sheet and share information

AS AT		STATUTORY	
		30 JUNE 2025	31 DECEMBER 2024
Net assets	US\$M	10,898	10,731
Less: intangible assets	US\$M	2,072	1,964
Net tangible assets	US\$M	8,826	8,767
Number of shares on issue	millions	1,510	1,505
Net tangible assets per share	US\$	5.85	5.83

Net outstanding claims

Net outstanding claims comprise claims reserves within the net liability for incurred claims net of recoveries on reinsurance loss portfolio transfers. At 30 June 2025, the net discounted central estimate was \$19,533 million, which increased from \$17,286 million at 31 December 2024 primarily due to organic growth, alongside the impact from foreign exchange. Excluding the impact of changes in foreign exchange and discount rates, the net discounted central estimate increased by \$1,109 million. This underlying growth primarily reflected organic growth. At 30 June 2025, the risk adjustment was \$1,562 million 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 2024 position, and at the top end of our 6–8% target range.

Borrowings

At 30 June 2025, total borrowings increased to \$3,679 million from \$2,664 million at 31 December 2024, primarily driven by Tier 2 issuance in the period, including \$500 million in April 2025 and A\$600 million in May 2025. This funding was primarily raised to replace Additional Tier 1 capital notes totaling \$900 million, which were accounted for as equity and bought back in May 2025. As a result, debt to total capital increased to 25.2% at 30 June 2025, from 19.9% at 31 December 2024. At 30 June 2025, all of the Group's borrowings count towards regulatory capital. Net interest expense on borrowings for the half year was \$84 million, an increase from \$76 million in the prior period. The average annualised cash cost of borrowings at 30 June 2025 was 5.2%, compared to 5.3% from 31 December 2024.

Capital

QBE's indicative PCA multiple of 1.85x at 30 June 2025 remained broadly in line with 1.86x at 31 December 2024. Capital generation over the period was supported by strong profitability, which broadly offset capital consumed through ongoing premium growth and the payment of the 2024 final dividend.

Adjusted profit and dividends

Reconciliation of adjusted profit

FOR THE HALF YEAR ENDED 30 JUNE	2025 US\$M	2024 US\$M
Net profit after income tax	1,022	802
Additional Tier 1 capital coupon	(25)	(25)
Adjusted net profit after income tax	997	777
Basic earnings per share – adjusted basis (US cents)	66.1	51.9
Basic earnings per share – adjusted basis (AU cents)	104.2	78.8
Diluted earnings per share – adjusted basis (US cents)	65.5	51.5
Diluted earnings per share – adjusted basis (AU cents)	103.2	78.2
Closing shareholders' equity	10,896	10,255
Less: Additional Tier 1 capital notes	–	886
Less: fair value through other comprehensive income reserve	9	(14)
Adjusted closing shareholders' equity ¹	10,887	9,369
Adjusted average shareholders' equity ¹	10,365	9,255
Adjusted return on equity (%) ¹	19.2	16.8
Dividend payout ratio (percentage of adjusted profit) ²	30	31

- Adjusted return on equity is calculated as the adjusted net profit after income tax divided by adjusted average shareholders' equity. Adjusted closing and average shareholders' equity excludes the carrying value of Additional Tier 1 capital notes and in the current period, the fair value through other comprehensive income reserve.
- Dividend payout ratio is calculated as the total A\$ dividend divided by adjusted profit converted to A\$ at the period average rate of exchange.

Dividends

The Board declared an interim dividend for 2025 of 31 Australian cents per share, or 30% of current period adjusted profit, an increase from the 2024 interim dividend of 24 Australian cents per share. This interim dividend payout of A\$468 million compares with A\$361 million in the prior period. The interim dividend will be 25% franked and is payable on 26 September 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 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.

Outlook

QBE has carried strong momentum into 2025, and continues to execute well against our medium-term strategy. The business is on track to deliver both our full year plan, and another year of excellent financial performance in 2025. We were encouraged by another period of catastrophe costs comfortably below allowance, and a favourable prior year reserving outcome. Ex-rate growth remains a highlight, and we continue to invest to ensure our priority businesses are equipped to succeed, and ultimately expect QBE can support a sustainable level of organic volume growth around the mid-single digits.

Our Modernisation and Customer strategic priorities are well calibrated to support this ambition, all underpinned by deep trading relationships and leading franchises. While premium rate increases have moderated in certain portfolios, rate adequacy remains supportive across the business. QBE remains well positioned to sustain strong underwriting performance on account of our unique diversification and balance, leading market positions, and an ongoing focus on underwriting discipline.

To support our Modernisation agenda, elevated investment will continue over the near term. These programs are centred around an objective to become a more efficient and effective business, plus an easier partner to do business with. The quality of our balance sheet remains excellent. With strong returns across our underwriting portfolio, we have ample flexibility to support organic growth, and want to be known for disciplined and transparent capital management.

Statutory to management result reconciliation

	STATUTORY	ADJUSTMENTS				MANAGEMENT
		DISCOUNT UNWIND	UNDERLYING PYD	LPT	INVESTMENT RFR	
FOR THE HALF YEAR ENDED 30 JUNE 2025	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
Insurance revenue	10,875	–	–	–	–	10,875
Insurance service expenses ¹	(9,079)	(530)	–	–	–	(9,609)
Reinsurance expenses	(2,464)	–	24	379	–	(2,061)
Reinsurance income ¹	1,745	181	(24)	(379)	–	1,523
Insurance service result	1,077	(349)	–	–	–	728
Other expenses ¹	(130)	–	–	–	–	(130)
Other income ¹	41	–	–	–	–	41
Insurance operating result	988	(349)	–	–	–	639
Net insurance finance (expenses) income	(481)	349	–	–	–	(132)
Fixed income gains from changes in risk-free rates	–	–	–	–	141	141
Net investment income on policyholders' funds	598	–	–	–	(89)	509
Insurance profit	1,105	–	–	–	52	1,157
Net investment income on shareholders' funds	331	–	–	–	(52)	279
Financing and other costs	(111)	–	–	–	–	(111)
Gain on sale of entities and businesses	18	–	–	–	–	18
Share of net loss of associates	(3)	–	–	–	–	(3)
Amortisation and impairment of intangibles	(6)	–	–	–	–	(6)
Profit before income tax	1,334	–	–	–	–	1,334
Income tax expense	(308)	–	–	–	–	(308)
Profit after income tax	1,026	–	–	–	–	1,026
Non-controlling interests	(4)	–	–	–	–	(4)
Net profit after income tax	1,022	–	–	–	–	1,022

	STATUTORY	ADJUSTMENTS				MANAGEMENT
		DISCOUNT UNWIND	UNDERLYING PYD	LPT	INVESTMENT RFR	
FOR THE HALF YEAR ENDED 30 JUNE 2024	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
Insurance revenue	10,436	–	2	–	–	10,438
Insurance service expenses ¹	(9,224)	(433)	(2)	–	–	(9,659)
Reinsurance expenses	(2,096)	–	38	132	–	(1,926)
Reinsurance income ¹	1,817	130	(38)	(132)	–	1,777
Insurance service result	933	(303)	–	–	–	630
Other expenses ¹	(142)	–	–	–	–	(142)
Other income ¹	37	–	–	–	–	37
Insurance operating result	828	(303)	–	–	–	525
Net insurance finance (expenses) income	(80)	303	–	–	–	223
Fixed income losses from changes in risk-free rates	–	–	–	–	(231)	(231)
Net investment income on policyholders' funds	319	–	–	–	149	468
Insurance profit	1,067	–	–	–	(82)	985
Net investment income on shareholders' funds	183	–	–	–	82	265
Financing and other costs	(109)	–	–	–	–	(109)
Gain on sale of entities and businesses	3	–	–	–	–	3
Share of net loss of associates	(2)	–	–	–	–	(2)
Restructuring and related expenses	(75)	–	–	–	–	(75)
Amortisation and impairment of intangibles	(16)	–	–	–	–	(16)
Profit before income tax	1,051	–	–	–	–	1,051
Income tax expense	(245)	–	–	–	–	(245)
Profit after income tax	806	–	–	–	–	806
Non-controlling interests	(4)	–	–	–	–	(4)
Net profit after income tax	802	–	–	–	–	802

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 HALF YEAR ENDED 30 JUNE	NET INSURANCE REVENUE		NET CLAIMS EXPENSE		NET COMMISSION		EXPENSES AND OTHER INCOME		TOTAL	
	2025 US\$M	2024 US\$M	2025 US\$M	2024 US\$M	2025 US\$M	2024 US\$M	2025 US\$M	2024 US\$M	2025 US\$M	2024 US\$M
Statutory										
Insurance revenue	10,875	10,436	–	–	–	–	–	–	10,875	10,436
Insurance service expenses	–	–	(6,560)	(6,869)	(1,542)	(1,439)	(977)	(916)	(9,079)	(9,224)
Reinsurance expenses	(2,464)	(2,096)	–	–	–	–	–	–	(2,464)	(2,096)
Reinsurance income	–	–	1,788	1,892	(43)	(75)	–	–	1,745	1,817
Insurance service result	8,411	8,340	(4,772)	(4,977)	(1,585)	(1,514)	(977)	(916)	1,077	933
Other expenses	–	–	–	–	–	–	(130)	(142)	(130)	(142)
Other income	–	–	–	–	–	–	41	37	41	37
Insurance operating result	8,411	8,340	(4,772)	(4,977)	(1,585)	(1,514)	(1,066)	(1,021)	988	828
Adjustments										
Discount unwind	–	–	(349)	(303)	–	–	–	–	(349)	(303)
Underlying PYD	24	40	(23)	(22)	(1)	(18)	–	–	–	–
LPT	379	132	(391)	(164)	12	32	–	–	–	–
Management	8,814	8,512	(5,535)	(5,466)	(1,574)	(1,500)	(1,066)	(1,021)	639	525

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 this is associated with claims and directly relates 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 (2024 \$22 million) has been reclassified to net insurance revenue and net commission. In the current period, this principally related to Crop (North America) for additional premium cessions to the US government on prior year claims under the MPC1 scheme, and 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 reinsurance loss portfolio transfer contracts entered into in prior years that remain in-force.

INVESTMENT RISK-FREE RATE (RFR) IMPACTS

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



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Consolidated statement of comprehensive income

FOR THE HALF YEAR ENDED 30 JUNE 2025

	NOTE	30 JUNE 2025 US\$M	30 JUNE 2024 US\$M
Insurance revenue	2.1	10,875	10,436
Insurance service expenses		(9,079)	(9,224)
Reinsurance expenses		(2,464)	(2,096)
Reinsurance income		1,745	1,817
Insurance service result		1,077	933
Other expenses		(130)	(142)
Other income		41	37
Insurance operating result		988	828
Insurance finance expenses		(725)	(143)
Reinsurance finance income		244	63
Investment income – policyholders' funds	3.1	607	331
Investment expenses – policyholders' funds	3.1	(9)	(12)
Insurance profit		1,105	1,067
Investment income – shareholders' funds	3.1	336	190
Investment expenses – shareholders' funds	3.1	(5)	(7)
Financing and other costs		(111)	(109)
Gain on sale of entities and businesses		18	3
Share of net loss of associates		(3)	(2)
Restructuring and related expenses		–	(75)
Amortisation and impairment of intangibles		(6)	(16)
Profit before income tax		1,334	1,051
Income tax expense		(308)	(245)
Profit after income tax		1,026	806
Other comprehensive income (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Net movement in foreign currency translation reserve		609	(149)
Net movement in cash flow hedge and cost of hedging reserves		(7)	(2)
Net movement in fair value through other comprehensive income reserve		20	(19)
Income tax relating to these components of other comprehensive income		(4)	5
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plans		1	(1)
Other comprehensive income (loss) after income tax		619	(166)
Total comprehensive income after income tax		1,645	640
Profit after income tax attributable to:			
Ordinary equity holders of the Company		1,022	802
Non-controlling interests		4	4
		1,026	806
Total comprehensive income after income tax attributable to:			
Ordinary equity holders of the Company		1,641	636
Non-controlling interests		4	4
		1,645	640

EARNINGS PER SHARE FOR PROFIT AFTER INCOME TAX ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	NOTE	30 JUNE 2025 US CENTS	30 JUNE 2024 US CENTS
For profit after income tax			
Basic earnings per share	4.5	66.1	51.9
Diluted earnings per share	4.5	65.5	51.5

The consolidated statement of comprehensive income above should be read in conjunction with the accompanying notes.

Consolidated balance sheet

AS AT 30 JUNE 2025

	NOTE	30 JUNE 2025 US\$M	31 DECEMBER 2024 US\$M
Assets			
Cash and cash equivalents		2,124	1,638
Investments	3.2	31,822	28,932
Derivative financial instruments	4.2	234	308
Other receivables		726	533
Current tax assets		29	23
Reinsurance contract assets	2.2	9,325	9,438
Other assets		22	2
Assets held for sale		14	7
Defined benefit plan surpluses		36	32
Right-of-use lease assets		229	213
Property, plant and equipment		72	76
Deferred tax assets		506	609
Investment properties		11	16
Investment in associates		57	55
Intangible assets		2,072	1,964
Total assets		47,279	43,846
Liabilities			
Derivative financial instruments	4.2	208	402
Other payables		754	363
Current tax liabilities		91	46
Insurance contract liabilities	2.2	30,745	28,735
Lease liabilities		247	231
Provisions		135	147
Defined benefit plan deficits		22	21
Deferred tax liabilities		500	506
Borrowings	4.1	3,679	2,664
Total liabilities		36,381	33,115
Net assets		10,898	10,731
Equity			
Contributed equity	4.3	8,338	8,710
Treasury shares held in trust		(3)	(2)
Reserves		(777)	(925)
Retained profits		3,338	2,945
Shareholders' equity		10,896	10,728
Non-controlling interests		2	3
Total equity		10,898	10,731

The consolidated balance sheet above should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

FOR THE HALF YEAR ENDED 30 JUNE 2025

	SHAREHOLDERS' EQUITY					NON-CONTROLLING INTERESTS US\$M	TOTAL EQUITY US\$M
	CONTRIBUTED EQUITY US\$M	TREASURY SHARES HELD IN TRUST US\$M	RESERVES US\$M	RETAINED PROFITS US\$M	TOTAL US\$M		
At 1 January 2025	8,710	(2)	(925)	2,945	10,728	3	10,731
Profit after income tax	–	–	–	1,022	1,022	4	1,026
Other comprehensive income	–	–	618	1	619	–	619
Total comprehensive income	–	–	618	1,023	1,641	4	1,645
Transactions with owners in their capacity as owners							
Shares issued under Employee Share and Option Plan and held in trust	55	(56)	–	–	(1)	–	(1)
Shares acquired for Dividend Reinvestment Plan and held in trust	–	(96)	–	–	(96)	–	(96)
Share-based payment expense	–	–	34	–	34	–	34
Shares vested and/or released	–	149	(54)	–	95	–	95
Repurchase and cancellation of capital notes	(886)	–	–	(16)	(902)	–	(902)
Dividends paid on ordinary shares	–	–	–	(589)	(589)	(5)	(594)
Distribution on capital notes	–	–	–	(25)	(25)	–	(25)
Foreign exchange	459	2	(450)	–	11	–	11
At 30 June 2025	8,338	(3)	(777)	3,338	10,896	2	10,898

	SHAREHOLDERS' EQUITY					NON-CONTROLLING INTERESTS US\$M	TOTAL EQUITY US\$M
	CONTRIBUTED EQUITY US\$M	TREASURY SHARES HELD IN TRUST US\$M	RESERVES US\$M	RETAINED PROFITS US\$M	TOTAL US\$M		
At 1 January 2024	9,381	(3)	(1,273)	1,922	10,027	3	10,030
Profit after income tax	–	–	–	802	802	4	806
Other comprehensive loss	–	–	(165)	(1)	(166)	–	(166)
Total comprehensive (loss) income	–	–	(165)	801	636	4	640
Transactions with owners in their capacity as owners							
Shares issued under Employee Share and Option Plan and held in trust	34	(35)	–	–	(1)	–	(1)
Share-based payment expense	–	–	26	–	26	–	26
Shares vested and/or released	–	36	(36)	–	–	–	–
Dividends paid on ordinary shares	–	–	–	(461)	(461)	(5)	(466)
Dividend Reinvestment Plan	58	–	–	–	58	–	58
Distribution on capital notes	–	–	–	(25)	(25)	–	(25)
Foreign exchange	(178)	–	173	–	(5)	–	(5)
At 30 June 2024	9,295	(2)	(1,275)	2,237	10,255	2	10,257

The consolidated statement of changes in equity above should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

FOR THE HALF YEAR ENDED 30 JUNE 2025

	30 JUNE 2025 US\$M	30 JUNE 2024 US\$M
Operating activities		
Premium received	9,195	8,788
Reinsurance recoveries received	1,535	1,270
Reinsurance premium paid net of ceding commissions received	(1,675)	(1,867)
Acquisition costs paid	(1,825)	(1,438)
Claims and other insurance service expenses paid	(5,338)	(5,400)
Interest received	461	436
Dividends received	37	28
Other operating payments	(306)	(284)
Interest paid	(106)	(113)
Income taxes paid	(222)	(208)
Net cash flows from operating activities	1,756	1,212
Investing activities		
Net payments for purchase of growth assets	(202)	(245)
Net payments for purchase of interest-bearing financial assets	(272)	(225)
Net payments for foreign exchange transactions	(40)	(77)
Payments for purchase of intangible assets	(36)	(45)
Payments for purchase of property, plant and equipment	(9)	(11)
Payments for investment in associates	(3)	(12)
Net cash flows from investing activities	(562)	(615)
Financing activities		
Repurchase of capital notes	(902)	–
Purchase of treasury shares	(97)	(1)
Payments relating to principal element of lease liabilities	(28)	(28)
Proceeds from borrowings	883	–
Dividends and distributions paid	(524)	(433)
Net cash flows from financing activities	(668)	(462)
Net movement in cash and cash equivalents	526	135
Cash and cash equivalents at 1 January	1,638	1,366
Effect of exchange rate changes	(40)	(49)
Cash transferred to assets held for sale	–	(7)
Cash and cash equivalents at 30 June	2,124	1,445

The consolidated statement of cash flows above should be read in conjunction with the accompanying notes.



Notes to the financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2025

1. Overview

1.1 Basis of preparation

This general purpose consolidated financial report for the half year ended 30 June 2025 (Half Year Financial Report) has been prepared in accordance with AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board and the *Corporations Act 2001*, and complies with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The Half Year Financial Report does not include all the notes normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with QBE's Annual Report for the financial year ended 31 December 2024 and any public announcements made by QBE Insurance Group Limited and its controlled entities (QBE or the Group).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below or in the relevant note disclosures. Where appropriate, comparative information has been restated to be comparable with information presented in the current period.

New and amended accounting standards adopted by the Group

The Group has not adopted any new or amended accounting standards from 1 January 2025.

1.2 Critical accounting judgements and estimates

The Group makes judgements and estimates in respect of the reported amounts of certain assets and liabilities. Noted below are the key areas in which critical judgements and estimates are applied and should be considered when reviewing the financial statements for the half year ended 30 June 2025.

1.2.1 Insurance and reinsurance contract assets and liabilities

The determination of the amounts that the Group will ultimately pay for claims arising under insurance and reinsurance contracts issued involves a number of critical assumptions. Some of the uncertainties impacting these assumptions are as follows:

- changes in patterns of claims incidence, reporting and payment;
- volatility in the estimation of future costs for long-tail insurance classes due to the longer period of time that can elapse before a claim is paid in full;
- existence of complex underlying exposures;
- incidence of catastrophic events close to the balance date;
- changes in the legal environment, including the interpretation of liability laws and the quantum of damages; and
- changing social, environmental, political and economic trends, for example price and wage inflation.

QBE's approach to identifying onerous contracts is set out in note 2.2.1 to the consolidated financial statements for the year ended 31 December 2024. The carrying values of the loss and corresponding reinsurance loss-recovery components as at 30 June 2025 are disclosed in note 2.2.1.

The risk adjustment is approved by the Board and represents the compensation QBE requires for bearing the uncertainty in the present value of future cash flows within the net insurance contract liabilities. The risk adjustment recognised in relation to the liability for incurred claims (net of reinsurance held) at the balance date and the corresponding confidence level is disclosed in note 2.2.4.

The potential impact of changes in key variables used in the determination of net insurance contract liabilities on the Group's profit or loss is summarised in note 2.2.7 to the consolidated financial statements for the year ended 31 December 2024.

1.2.2 Intangible assets

QBE monitors goodwill and identifiable intangible assets for impairment in accordance with the Group's policy, which is set out in note 7.2.1 to the consolidated financial statements for the year ended 31 December 2024. At 30 June 2025, QBE has reviewed all intangible assets for indicators of impairment and has completed a detailed impairment test where indicators of impairment were identified.

1.2.3 Recoverability of deferred tax assets

A deferred tax asset (DTA) of \$340 million (2024 \$429 million) has been recognised in relation to the entities included in the North American tax group. Uncertainty continues to exist in relation to the utilisation of this DTA and QBE has made a judgement that entities in the North American tax group will be able to generate sufficient taxable profits to utilise the DTA balance over the foreseeable future, based on business plans. Losses expire over the next 18 years, with the majority expiring between 2034 and 2040.

Recovery of the DTA remains sensitive to changes in forecast insurance and investment taxable income assumptions, including premium growth and investment yields as these items are the key drivers of future taxable income.

Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

1. Overview

1.3 Segment information

The Group's operating segments are consistent with the basis on which information is provided to the Group Executive Committee for measuring performance and determining the allocation of capital, being the basis upon which the Group's underwriting products and services are managed within the various markets in which QBE operates.

Corporate & Other includes non-operating holding companies that do not form part of the Group's insurance operations; gains or losses on disposals; and financing costs and amortisation of any intangibles which are not allocated to a specific operating segment. Intersegment transactions are priced on an arm's length basis and are eliminated on consolidation.

30 JUNE 2025	NORTH AMERICA US\$M	INTERNATIONAL US\$M	AUSTRALIA PACIFIC US\$M	TOTAL REPORTABLE SEGMENTS US\$M	CORPORATE & OTHER US\$M	TOTAL US\$M
Insurance revenue – external	3,489	4,826	2,542	10,857	18	10,875
Insurance revenue – internal	–	18	–	18	(18)	–
Insurance service expenses	(3,033)	(3,837)	(2,171)	(9,041)	(38)	(9,079)
Reinsurance expenses	(1,624)	(616)	(222)	(2,462)	(2)	(2,464)
Reinsurance income	1,294	210	241	1,745	–	1,745
Insurance service result	126	601	390	1,117	(40)	1,077
Other expenses	(21)	(44)	(54)	(119)	(11)	(130)
Other income	1	5	35	41	–	41
Insurance operating result	106	562	371	1,039	(51)	988
Insurance finance expenses	(194)	(398)	(133)	(725)	–	(725)
Reinsurance finance income	129	96	19	244	–	244
Investment income – policyholders' funds	77	344	169	590	8	598
Insurance profit (loss)	118	604	426	1,148	(43)	1,105
Investment income – shareholders' funds	88	139	76	303	28	331
Financing and other costs	(1)	(3)	(2)	(6)	(105)	(111)
Gain on sale of entities and businesses	18	–	–	18	–	18
Share of net loss of associates	(1)	–	(2)	(3)	–	(3)
Amortisation and impairment of intangibles	–	–	(6)	(6)	–	(6)
Profit (loss) before income tax	222	740	492	1,454	(120)	1,334
Income tax (expense) credit	(32)	(164)	(137)	(333)	25	(308)
Profit (loss) after income tax	190	576	355	1,121	(95)	1,026
Net profit attributable to non-controlling interests	–	–	–	–	(4)	(4)
Net profit (loss) after income tax attributable to ordinary equity holders of the Company	190	576	355	1,121	(99)	1,022

30 JUNE 2024	NORTH AMERICA US\$M	INTERNATIONAL US\$M	AUSTRALIA PACIFIC US\$M	TOTAL REPORTABLE SEGMENTS US\$M	CORPORATE & OTHER US\$M	TOTAL US\$M
Insurance revenue – external	3,329	4,393	2,703	10,425	11	10,436
Insurance revenue – internal	–	11	–	11	(11)	–
Insurance service expenses	(3,160)	(3,595)	(2,443)	(9,198)	(26)	(9,224)
Reinsurance expenses	(1,234)	(626)	(235)	(2,095)	(1)	(2,096)
Reinsurance income	1,225	389	203	1,817	–	1,817
Insurance service result	160	572	228	960	(27)	933
Other expenses	(20)	(46)	(54)	(120)	(22)	(142)
Other income	1	3	33	37	–	37
Insurance operating result	141	529	207	877	(49)	828
Insurance finance (expenses) income	(78)	37	(102)	(143)	–	(143)
Reinsurance finance income (expenses)	34	(2)	27	59	4	63
Investment income (loss) – policyholders' funds	54	161	110	325	(6)	319
Insurance profit (loss)	151	725	242	1,118	(51)	1,067
Investment income – shareholders' funds	56	68	45	169	14	183
Financing and other costs	(1)	(1)	(2)	(4)	(105)	(109)
Gain on sale of entities and businesses	–	3	–	3	–	3
Share of net loss of associates	–	–	(2)	(2)	–	(2)
Restructuring and related expenses	(75)	–	–	(75)	–	(75)
Amortisation and impairment of intangibles	–	(14)	(2)	(16)	–	(16)
Profit (loss) before income tax	131	781	281	1,193	(142)	1,051
Income tax (expense) credit	(30)	(201)	(95)	(326)	81	(245)
Profit (loss) after income tax	101	580	186	867	(61)	806
Net profit attributable to non-controlling interests	–	–	–	–	(4)	(4)
Net profit (loss) after income tax attributable to ordinary equity holders of the Company	101	580	186	867	(65)	802

Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

2. Underwriting activities

2.1 Insurance revenue

	30 JUNE 2025 US\$M	30 JUNE 2024 US\$M
Insurance revenue from contracts measured under the premium allocation approach	10,803	10,342
Insurance revenue from contracts measured under the general model	72	94
Insurance revenue	10,875	10,436

2.2 Insurance and reinsurance contract assets and liabilities

The Group's insurance and reinsurance contracts are aggregated into portfolios, each comprising contracts that are of similar risks and managed together. There were no portfolios of insurance contracts issued that were assets or portfolios of reinsurance contracts held that were liabilities at the balance date and at 31 December 2024.

2.2.1 Net carrying amounts

	30 JUNE 2025				31 DECEMBER 2024			
	LIABILITY (ASSET) FOR REMAINING COVERAGE		LIABILITY FOR (RECOVERIES OF) INCURRED CLAIMS US\$M	TOTAL US\$M	LIABILITY (ASSET) FOR REMAINING COVERAGE		LIABILITY FOR (RECOVERIES OF) INCURRED CLAIMS US\$M	TOTAL US\$M
	EXCLUDING LOSS (LOSS- RECOVERY) COMPONENT US\$M	LOSS (LOSS- RECOVERY) COMPONENT US\$M			EXCLUDING LOSS (LOSS- RECOVERY) COMPONENT US\$M	LOSS (LOSS- RECOVERY) COMPONENT US\$M		
Insurance contract liabilities	(3,275)	72	33,948	30,745	(1,291)	101	29,925	28,735
Reinsurance contract assets	107	(6)	(9,426)	(9,325)	(784)	(26)	(8,628)	(9,438)
Net insurance contract (assets) liabilities	(3,168)	66	24,522	21,420	(2,075)	75	21,297	19,297

Changes that relate to past service – prior accident years

Movements during the period include a \$454 million decrease (2024 \$584 million decrease) in the insurance contract liabilities partly offset by a \$76 million decrease (2024 \$459 million decrease) in reinsurance contract assets for changes that relate to past service.

2.2.2 Net liability for incurred claims for contracts measured under the premium allocation approach

	30 JUNE 2025			31 DECEMBER 2024		
	PRESENT VALUE OF FUTURE CASH FLOWS US\$M	RISK ADJUSTMENT US\$M	LIABILITY FOR (RECOVERIES OF) INCURRED CLAIMS US\$M	PRESENT VALUE OF FUTURE CASH FLOWS US\$M	RISK ADJUSTMENT US\$M	LIABILITY FOR (RECOVERIES OF) INCURRED CLAIMS US\$M
Insurance contract liabilities	31,632	2,201	33,833	27,783	2,020	29,803
Reinsurance contract assets	(8,519)	(461)	(8,980)	(7,747)	(437)	(8,184)
Net insurance contract liabilities	23,113	1,740	24,853	20,036	1,583	21,619

2.2.3 Contracts measured under the general model

	30 JUNE 2025				31 DECEMBER 2024			
	PRESENT VALUE OF FUTURE CASH FLOWS US\$M	RISK ADJUSTMENT US\$M	CONTRACTUAL SERVICE MARGIN US\$M	TOTAL US\$M	PRESENT VALUE OF FUTURE CASH FLOWS US\$M	RISK ADJUSTMENT US\$M	CONTRACTUAL SERVICE MARGIN US\$M	TOTAL US\$M
Insurance contract liabilities	239	44	155	438	240	45	153	438
Reinsurance contract assets	(3,048)	(208)	(16)	(3,272)	(3,253)	(232)	(20)	(3,505)
Net insurance contract (assets) liabilities	(2,809)	(164)	139	(2,834)	(3,013)	(187)	133	(3,067)

2.2.4 Risk adjustment

The risk adjustment included in the liability for incurred claims (net of reinsurance held) corresponds to a confidence level of 89.6% (2024 90.2%). The net liability for incurred claims excludes recoveries under reinsurance loss portfolio transfer contracts that are accounted for under the general model and recognised within the reinsurance asset for remaining coverage as they relate to underlying claims that have not yet been settled. The confidence level in relation to the net outstanding claims inclusive of these recoveries is 89.4% (2024 90.1%).

2.3 Reinsurance of prior accident year claims liabilities

Reinsurance expenses for the half year ended 30 June 2025 include \$379 million (2024 \$132 million) relating to reinsurance loss portfolio transfer contracts entered into in prior periods that remain in-force, reflecting amounts recognised over the coverage period as the underlying claims settle.

Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

3. Investment activities

3.1 Investment income

	30 JUNE 2025 US\$M	30 JUNE 2024 US\$M
Income on fixed interest securities, short-term money and cash	769	439
Income on growth assets	138	91
Gross investment income ¹	907	530
Investment expenses	(14)	(19)
Net investment income	893	511
Foreign exchange	36	(10)
Other income	–	1
Total investment income	929	502
Investment income – policyholders' funds	607	331
Investment expenses – policyholders' funds	(9)	(12)
Investment income – shareholders' funds	336	190
Investment expenses – shareholders' funds	(5)	(7)
Total investment income	929	502

1 Amounts from investments measured at fair value through profit or loss (FVPL) comprise net fair value gains of \$365 million (2024 \$50 million), interest income of \$416 million (2024 \$408 million) and dividend and distribution income of \$59 million (2024 \$39 million). Amounts from investments measured at fair value through other comprehensive income (FVOCI) comprise interest income of \$67 million (2024 \$34 million) and allowance for expected credit losses (ECL) of nil (2024 \$1 million).

3.2 Investments

	30 JUNE 2025			31 DECEMBER 2024		
	FVPL US\$M	FVOCI US\$M	TOTAL US\$M	FVPL US\$M	FVOCI US\$M	TOTAL US\$M
Fixed income assets						
Short-term money	4,174	7	4,181	4,490	74	4,564
Government bonds	7,399	1,175	8,574	6,228	1,027	7,255
Corporate bonds	12,115	2,212	14,327	10,872	1,932	12,804
Infrastructure debt	36	–	36	33	–	33
Emerging market debt	494	–	494	530	–	530
High yield debt	739	–	739	800	–	800
Private credit	443	–	443	378	–	378
	25,400	3,394	28,794	23,331	3,033	26,364
Growth assets						
Developed market equity	861	–	861	817	–	817
Unlisted property trusts	657	–	657	599	–	599
Infrastructure assets	1,318	–	1,318	955	–	955
Alternatives	192	–	192	197	–	197
	3,028	–	3,028	2,568	–	2,568
Total investments	28,428	3,394	31,822	25,899	3,033	28,932

3.3 Fair value hierarchy

The Group's investment assets are disclosed in the table below using a fair value hierarchy which reflects the significance of inputs into the determination of their fair value.

	30 JUNE 2025				31 DECEMBER 2024			
	LEVEL 1 US\$M	LEVEL 2 US\$M	LEVEL 3 US\$M	TOTAL US\$M	LEVEL 1 US\$M	LEVEL 2 US\$M	LEVEL 3 US\$M	TOTAL US\$M
Fixed income assets								
Short-term money	319	3,862	–	4,181	337	4,227	–	4,564
Government bonds	7,275	1,299	–	8,574	5,904	1,351	–	7,255
Corporate bonds	–	14,327	–	14,327	–	12,804	–	12,804
Infrastructure debt	–	–	36	36	–	–	33	33
Emerging market debt	–	494	–	494	–	530	–	530
High yield debt	–	739	–	739	–	800	–	800
Private credit	–	–	443	443	–	–	378	378
	7,594	20,721	479	28,794	6,241	19,712	411	26,364
Growth assets								
Developed market equity	861	–	–	861	817	–	–	817
Unlisted property trusts	–	–	657	657	–	–	599	599
Infrastructure assets	–	–	1,318	1,318	–	–	955	955
Alternatives	25	73	94	192	40	71	86	197
	886	73	2,069	3,028	857	71	1,640	2,568
Total investments	8,480	20,794	2,548	31,822	7,098	19,783	2,051	28,932

The Group's approach to measuring the fair value of investments is described below:

Short-term money

Cash managed as part of the investment portfolio is categorised as level 1 in the fair value hierarchy. Term deposits are valued at par. Other short-term money (bank bills, certificates of deposit, treasury bills and other short-term instruments) is priced using interest rates and yield curves observable at commonly quoted intervals.

Government bonds, corporate bonds, emerging market debt and high yield debt

These assets are valued based on quoted prices sourced from external data providers. The fair value categorisation of these assets is based on the observability of the inputs.

Infrastructure debt

Infrastructure debt is priced by external data providers where quoted prices are available or by the external fund manager who may use a combination of observable market prices or comparable prices where available and other valuation techniques. When valuation techniques require the use of significant unobservable inputs, these assets have been categorised as level 3.

Private credit

These assets comprise investments in fund vehicles that are valued using current unit prices as advised by the investment fund manager. As the valuation techniques require the use of significant unobservable inputs, these assets have been categorised as level 3.

Developed market equity

These assets mainly comprise exchange-traded equity index funds and listed equities traded in active markets valued by reference to quoted prices.

Unlisted property trusts and infrastructure assets

These assets are valued using current unit prices as advised by the responsible entity, trustee or equivalent of the investment management scheme. As the valuation techniques require the use of significant unobservable inputs, these assets have been categorised as level 3.

Alternatives

These assets comprise investments in exchange-traded commodity products, fund vehicles and strategic unlisted investments. Exchange-traded commodity products are listed, traded in active markets and valued by reference to quoted prices and have been categorised as level 1. Investments in fund vehicles and strategic unlisted investments are valued based on current unit prices advised by the investment fund manager or other valuation techniques utilising significant unobservable inputs.



Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

3.

Investment activities

Movements in level 3 investments

The following table provides an analysis of investments valued with reference to level 3 inputs:

LEVEL 3	30 JUNE 2025 US\$M	31 DECEMBER 2024 US\$M
At 1 January	2,051	1,828
Purchases	404	433
Disposals	(47)	(172)
Fair value movement recognised in profit or loss ¹	40	29
Foreign exchange	100	(67)
At balance date	2,548	2,051

1 Includes net unrealised gains of \$39 million (2024 \$30 million).

4. Capital structure

4.1 Borrowings

The Group's borrowings are initially measured at fair value net of directly attributable transaction costs and are subsequently remeasured at amortised cost.

FINAL MATURITY DATE	ISSUE DATE	PRINCIPAL AMOUNT	30 JUNE 2025 US\$M	31 DECEMBER 2024 US\$M
Subordinated debt				
11 June 2035	11 September 2024	A\$400 million	261	246
3 October 2035	3 April 2025	\$500 million	498	–
21 May 2036	21 May 2025	A\$600 million	391	–
25 August 2036	25 August 2020	A\$500 million ¹	327	309
21 November 2036	21 November 2024	A\$250 million	163	154
13 September 2038	13 September 2021	£400 million	547	500
26 October 2038	26 October 2023	A\$330 million	215	203
28 June 2039	28 June 2023	A\$300 million	196	185
11 September 2039	11 September 2024	A\$350 million	228	215
12 November 2045	12 November 2015	\$300 million	300	300
17 June 2046	17 June 2016	\$524 million	524	524
Other subordinated debt			29	28
Total borrowings			3,679	2,664

¹ Details of related hedging activities are included in note 4.1.2.

Key terms in relation to subordinated debt issued during the period are summarised below:

Subordinated debt due 2035

On 3 April 2025, the Group issued \$500 million of subordinated notes maturing on 3 October 2035. Interest is payable semi-annually in arrears at a fixed rate of 5.834% per annum until 3 October 2030. Thereafter, the rate will reset at a rate equal to the yield to maturity for a five-year US treasury security plus a margin of 1.697% per annum.

Subordinated debt due 2036

On 21 May 2025, the Group issued the following subordinated notes maturing on 21 May 2036 in two tranches:

- A\$275 million of subordinated notes, with interest payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 1.95% per annum; and
- A\$325 million of subordinated notes, with interest payable semi-annually in arrears at a fixed rate of 5.802% per annum until 21 May 2031. Thereafter, interest will be payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 1.95% per annum.

Redemption terms

The securities are redeemable at the option of QBE, with the prior written approval of APRA, at any time in the event of certain tax or regulatory events or on the interest payment date falling on or nearest to:

- 3 October 2030 for securities due 2035; and
- 21 May 2031 and each interest payment date thereafter for securities due 2036.

Conversion terms

The securities must be converted into a variable number of the Company's ordinary shares, or written off, if APRA determines QBE to be non-viable. The conversion rate is subject to a price floor of 20% of the volume-weighted average price of the shares in the five trading days before the date of issue of the securities.



Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

4. Capital structure

4.1.1 Fair value of borrowings

	30 JUNE 2025 US\$M	31 DECEMBER 2024 US\$M
Subordinated debt	3,686	2,654
Total fair value of borrowings	3,686	2,654

The fair value of the Group's borrowings is categorised as level 2 in the fair value hierarchy. Fixed and floating rate securities are priced using broker quotes and comparable prices for similar instruments in active markets. Where no active market exists, floating rate resettable notes are priced at par plus accrued interest.

4.1.2 Cash flow hedges of borrowings

Interest rate swaps were used to hedge interest rate risk in relation to coupons on A\$500 million of subordinated debt maturing in 2036. The interest rate swaps hedge coupon payments up to the first call date in August 2026 and were put in place to more effectively manage costs of funding.

4.2 Derivatives

Forward foreign exchange contracts are used as a tool to manage the Group's foreign exchange exposures. Interest rate swaps are used to hedge exposure to interest rate movements in relation to some of the Group's borrowings.

	30 JUNE 2025			31 DECEMBER 2024		
	EXPOSURE US\$M	FAIR VALUE ASSET US\$M	FAIR VALUE LIABILITY US\$M	EXPOSURE US\$M	FAIR VALUE ASSET US\$M	FAIR VALUE LIABILITY US\$M
Forward foreign exchange contracts not in designated hedges	830	216	208	1,018	292	392
Forward foreign exchange contracts used in hedges of net investments in foreign operations	131	8	–	115	–	10
Interest rate swaps	328	10	–	310	16	–
		234	208		308	402

The fair value of these derivatives are categorised as level 2 in the fair value hierarchy. They are fair valued using present value techniques utilising observable market data, broker quotes and/or comparable prices for similar instruments in active markets.

4.3 Contributed equity

	NOTE	30 JUNE 2025 US\$M	31 DECEMBER 2024 US\$M
Issued ordinary shares, fully paid	4.3.1	8,338	7,824
Capital notes ¹		–	886
Contributed equity		8,338	8,710

¹ The capital notes were repurchased and cancelled on 12 and 16 May 2025.

4.3.1 Share capital

	30 JUNE 2025		30 JUNE 2024	
	NUMBER OF SHARES MILLIONS	US\$M	NUMBER OF SHARES MILLIONS	US\$M
Issued ordinary shares, fully paid at 1 January	1,505	7,824	1,494	8,495
Shares issued under the Employee Share and Option Plan	5	55	3	34
Shares issued under the Dividend Reinvestment Plan	–	–	5	58
Foreign exchange	–	459	–	(178)
Issued ordinary shares, fully paid at 30 June	1,510	8,338	1,502	8,409
Shares notified to the Australian Securities Exchange	1,510	8,339	1,502	8,410
Less: plan shares subject to non-recourse loans, de-recognised under accounting standards	–	(1)	–	(1)
Issued ordinary shares, fully paid at 30 June	1,510	8,338	1,502	8,409

4.4 Dividends

	2024		2023
	FINAL	INTERIM	FINAL
Dividend per share (Australian cents)	63	24	48
Franking percentage	20%	20%	10%
Franked amount per share (Australian cents)	12.6	4.8	4.8
Dividend payout (A\$M)	951	361	719
Payment date	11 April 2025	20 September 2024	12 April 2024

On 8 August 2025, the directors declared a 25% franked interim dividend of 31 Australian cents per share, payable on 26 September 2025. The interim dividend payout is A\$468 million. The record date is 20 August 2025.

The unfranked part of the dividend is declared to be conduit foreign income. For shareholders not resident in Australia, the dividend will not be subject to Australian withholding tax.

4.5 Earnings per share

	30 JUNE 2025	30 JUNE 2024
For profit after income tax		
Profit used in calculating basic and diluted earnings per share (US\$M)	997	777
Basic earnings per share (US cents)	66.1	51.9
Diluted earnings per share (US cents)	65.5	51.5

4.5.1 Reconciliation of earnings used for earnings per share measures

Earnings per share is based on profit or loss after income tax attributable to ordinary equity holders of the Company, as follows:

	30 JUNE 2025 US\$M	30 JUNE 2024 US\$M
Profit after income tax attributable to ordinary equity holders of the Company	1,022	802
Less: distributions paid on capital notes classified as equity	(25)	(25)
Profit used in calculating basic and diluted earnings per share	997	777

4.5.2 Reconciliation of weighted average number of ordinary shares used for all earnings per share measures

	30 JUNE 2025 NUMBER OF SHARES MILLIONS	30 JUNE 2024 NUMBER OF SHARES MILLIONS
Weighted average number of ordinary shares on issue and used as the denominator in calculating basic earnings per share	1,508	1,498
Weighted average number of dilutive potential ordinary shares relating to shares issued under the Employee Share and Option Plan	15	11
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,523	1,509

Notes to the financial statements continued

FOR THE HALF YEAR ENDED 30 JUNE 2025

5. Other

5.1 Contingent liabilities

The Group continues to be exposed to contingent liabilities in the ordinary course of business in relation to claims litigation and regulatory examinations or investigations arising out of its insurance and reinsurance activities, as well as in relation to the Group's support of the underwriting activities of controlled entities which are corporate members at Lloyd's of London, as described in note 8.2 to the consolidated financial statements for the year ended 31 December 2024. The Group may also be exposed to the possibility of contingent liabilities in relation to insurance and non-insurance litigation including but not limited to regulatory enforcement proceedings and class actions, taxation and compliance matters, which may result in legal damages or regulatory penalties and financial or non-financial losses and other impacts.

5.2 Events after the balance date

Other than the declaration of the interim dividend, no matter or circumstance has arisen since 30 June 2025 that, in the opinion of the directors, has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial periods.

Directors' declaration

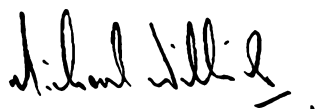
FOR THE HALF YEAR ENDED 30 JUNE 2025

In the directors' opinion:

1. the financial statements and notes set out on pages 14 to 30 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Group Chief Executive Officer and Group Chief Financial Officer recommended under the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

Signed in SYDNEY on 8 August 2025 in accordance with a resolution of the directors.



Michael Wilkins AO
Director



Andrew Horton
Director

Independent auditor's review report

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED



Report on the Half Year Financial Report

Conclusion

We have reviewed the Half Year Financial Report of QBE Insurance Group Limited (the Company) and the entities it controlled during the half year (together the Group), which comprises the consolidated balance sheet as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying Half Year Financial Report of QBE Insurance Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the Half Year Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the Half Year Financial Report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the Half Year Financial Report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the Half Year Financial Report

Our responsibility is to express a conclusion on the Half Year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half Year Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Scott Hadfield

Scott Hadfield
Partner

Sydney
8 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757

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