2024 Result

"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."

Andrew Horton • Group CEO

QBE announced FY24 statutory net profit after tax of $1,779 million, which increased from $1,355 million in FY23. Adjusted net profit after tax increased to $1,729 million from $1,362 million in the prior year, resulting in an adjusted return on equity of 18.2%.

Gross written premium growth of 3% tracked in line with expectations, and was supported by Group-wide renewal rate increases of 5.5%, and targeted new business growth. The combined operating ratio improved to 93.1%, ahead of our plan for the year, and was supported by favourable catastrophe experience, alongside more stable central estimate reserve development. Strong investment performance continued, with total investment income of $1,488 million equating to a return of 4.9%.

QBE's indicative regulatory Prescribed Capital Amount (PCA) multiple improved to 1.86x from 1.82x at 31 December 2023, and remains comfortably positioned relative to the Group's 1.6-1.8x target range. The Board has declared a final dividend of 63 Australian cents per share, which results in a full year dividend of 87 Australian cents per share. This represents a full year dividend payout ratio of 50% of adjusted net profit after tax.

Summary income statement and underwriting performance

		MANAGEMENT BASIS	
FOR THE YEAR ENDED 31 DECEMBER		**2024**	**2023**
Gross written premium	US$M	**22,395**	21,748
Net insurance revenue	US$M	**17,807**	16,599
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
Net insurance finance (loss) income	US$M	**142**	(60)
Fixed income losses from changes in risk-free rates	US$M	**(178)**	(5)
Net investment income	US$M	**1,488**	1,374
Net investment return	%	**4.9**	4.7
Tax rate	%	**22.0**	25.7
Net profit after income tax	**US$M**	**1,779**	1,355
Adjusted net profit after income tax	**US$M**	**1,729**	1,362
Debt to total capital	%	**19.9**	21.8
PCA multiple		**1.86x**	1.82x
Adjusted return on equity	**%**	**18.2**	15.8
Basic earnings per share – adjusted basis	US cents	**115.2**	91.4
Dividend payout ratio (percentage of adjusted net profit after tax)	%	**50**	45
Dividend per share	**A cents**	**87**	62

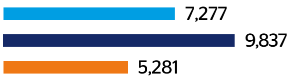
Underwriting performance

Our underwriting performance held many proof points in our strive for greater consistency and sustainable growth. 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.

Gross written premium (US$M)

22,395

3% from 2023



Growth was impacted by the portfolio exits in North America and Australia Pacific, alongside lower Crop premium. Excluding Crop, gross written premium growth was 5%, and 9% on further excluding these exited portfolios.

Average renewal premium rate increase

Group

+5.5%

North America	+7.3%
International	+3.7%
Australia Pacific	+8.4%

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, alongside a backdrop of strong rate adequacy and lower claims inflation.

Ex-cat claims ratio

59.7%

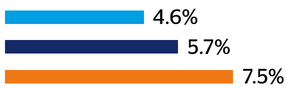
2023 59.1%

The ex-cat claims ratio increased to 59.7% from 59.1% in the prior year, though on excluding risk adjustment and Crop, improved to 53.0% from 53.8%. This reflects the benefit from favourable rate increases, partially offset by large loss activity and business mix changes.

Catastrophe claims ratio

5.9%

2023 6.6%



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.

Prior accident year claims development (US$M)

424

2023 95

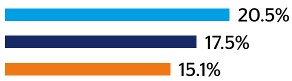
Central estimate	(21)
Prior year risk adjustment	445

The result 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.

Net commission ratio

17.7%

2023 18.3%

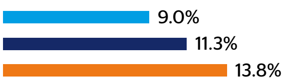


The net commission ratio reduced to 17.7% from 18.3% in the prior year, primarily due to business mix changes across the Group, including benefits associated with the exit of third-party property portfolios.

Expense ratio

12.2%

2023 11.8%



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

Combined operating ratio

93.1%

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 FY23, driven by favourable catastrophe experience and more stable central estimate reserves.

● Group ● North America ● International ● Australia Pacific

Investment portfolio performance

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.

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%.

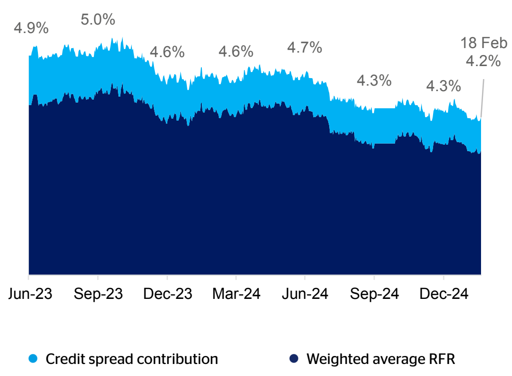
Risk asset performance improved notably compared to the prior year, with a return of 7.5% or $295 million, compared with 5.7% in the prior year. Developed market equities, infrastructure and enhanced fixed income delivered strong returns, helping to offset weaker performance in the unlisted property portfolio due to lower property valuations.

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.

FY24 investment return

	$M	%
FI yield (ex risk-free rate)	1,219	4.6
Credit spreads (mark to market)	63	0.3
Risk assets	295	7.5
Expenses and other	(89)	(0.3)
Net return	**1,488**	**4.9**

Core fixed income yield



Balance sheet and capital management

APRA PCA multiple

1.86x

QBE's indicative PCA multiple improved to 1.86x at 31 December 2024 from 1.82x at 31 December 2023. Allowing for the payment of the 2024 final dividend of 63 Australian cents per share, the pro-forma PCA multiple would decline to 1.77x at 31 December 2024.

Debt to total capital

19.9%

Total borrowings were $2.7 billion, compared to $2.8 billion at 31 December 2023. Debt to total capital improved to 19.9% from 21.8% at 31 December 2023, reflecting growth in the equity base.

Adjusted return on equity

18.2%

Adjusted net profit after tax increased to $1,729 million from $1,362 million in the prior year, and equates to an annualised return on equity of 18.2%.

Strategic priorities

QBE Group CEO, Andrew Horton, said: "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."

"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 six strategic priorities have been refined in 2025. This year 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 thoughts are with those impacted by the tragic wildfires in California last month. Our teams have been working tirelessly to support our customers, and help them recover as quickly as possible. We currently expect Group net exposure of ~$200M , which accounts for exposure in certain North America and International insurance portfolios, and within QBE Re."

Portfolio optimisation

Bring the enterprise together

Our people

Sustainable growth

Modernise our business

Customer

Outlook

Gross written premium	2025 constant currency GWP growth in the mid-single digits
Combined operating ratio	Combined operating ratio of ~92.5%
Investment returns	FY24 exit core fixed income yield of 4.3%

Result presentation

Group CEO, Andrew Horton, and Group CFO, Inder Singh, will host a result briefing today (Friday 21 February 2025) at 9:30am (AEDT). Access details are below.

Webcast and conference call

The briefing will be available for viewing as a live webcast and conference call. **All participants need to register** to access the webcast or conference call using the links below. Registration is now open:

Webcast (watch or listen only): https://edge.media-server.com/mmc/p/zfsp6yc5

Teleconference (Q&A participation): https://register.vevent.com/register/BI2e9f989669124d48bf4cbcbdaca88f33

Questions will only be open to analysts and investors who join via the teleconference.

Contact details

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Basis of presentation (unless otherwise stated)

1. All figures are expressed in US dollars unless otherwise stated.
2. Premium growth rates are quoted on a constant currency basis.
3. Premium rate changes exclude North America Crop and/or Australian compulsory third party motor (CTP).
4. Funds under management comprise cash and cash equivalents, investments and investment properties.
5. Core fixed income excludes enhanced fixed income risk assets, which comprise emerging market debt, high yield debt and private credit.
6. Total core fixed income yield includes assets measured at fair value through profit and loss, and fair value through other comprehensive income.
7. 2024 adjusted net profit after income tax adjusts for Additional Tier 1 capital coupon accruals. Prior periods remain as presented in prior reports.
8. 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.
9. Analysis of the Group by division excludes the Corporate & Other segment.
10. 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.

Disclaimer

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

This announcement should be read in conjunction with all information which QBE has lodged with the Australian Securities Exchange (ASX). Copies of those lodgements are available from either the ASX website www.asx.com.au or QBE's website www.qbe.com.

The information is supplied in summary form and is therefore not necessarily complete. Prior to making a decision in relation to QBE's securities, products or services, investors, potential investors and customers must undertake their own due diligence as to the merits and risks associated with that decision, which includes obtaining independent financial, legal and tax advice on their personal circumstances. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This announcement contains certain 'forward-looking information' and 'forward-looking statements' within the meaning of applicable securities laws. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'outlook' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of QBE, that may cause actual results to differ materially from those either expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward-looking statements. Such forward-looking statements only speak as of the date of this announcement and QBE assumes no obligation to update such information.

Any forward-looking statements assume no material variation in catastrophe claims or premium rates relative to our business plans; no significant change in equity markets and interest rates; no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; recoveries from our reinsurance panel; no unplanned asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this announcement.

This announcement does not constitute an offer or invitation for the sale or purchase of securities. In particular, this announcement does not constitute an offer of securities for sale in the United States, or to any person that is, or is acting for the account or benefit of, any U.S. person, or in any other jurisdiction in which such an offer would be illegal. Securities of QBE may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. persons without registration under the Securities Act or an exemption from registration.