



2023 Fixed Income Supplement

QBE INSURANCE GROUP LIMITED

Enabling a more resilient future

Important information

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The information in this presentation provides an overview of the results for the year ended 31 December 2023.

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Basis of presentation (unless otherwise stated)

1. All figures are in US dollars
2. Premium growth rates are quoted on a constant currency basis
3. Premium rate change excludes North America Crop and/or Australian compulsory third party motor (CTP)
4. Adjusted net cash profit after tax adjusts statutory net profit for Additional Tier 1 capital coupon accruals, as well as any gains on disposal, amortisation or restructuring costs
5. 2021 and prior periods are presented on an adjusted AASB 1023 basis as presented in prior reports
6. APRA PCA calculations at 31 December 2023 are indicative. Prior period calculation has been updated to be consistent with APRA returns finalised subsequent to year end

APRA regulatory capital

APRA PCA calculation (\$M)	31 DEC 2022	31 DEC 2023
Ordinary share capital and reserves	8,105	9,069
Net surplus relating to insurance liabilities	1,287	1,276
Regulatory adjustments to Common Equity Tier 1 Capital	(2,643)	(2,753)
Common Equity Tier 1 Capital	6,749	7,592
Additional Tier 1 Capital – Capital securities	886	886
Total Tier 1 Capital	7,635	8,478
Tier 2 Capital – Subordinated debt and hybrid securities	2,738	2,798
Total capital base	10,373	11,276
Insurance risk charge	3,465	3,701
Insurance concentration risk charge	788	749
Asset risk charge	2,243	2,505
Operational risk charge	602	649
Less: Aggregation benefit	(1,301)	(1,425)
APRA Prescribed Capital Amount (PCA)	5,797	6,179
PCA multiple	1.79x	1.82x
CET1 ratio (APRA requirement >60%)	116%	123%

APRA Tiers of Capital Requirement



Source: Prudential Standard GPS 112, "Capital Adequacy: Measurement of Capital", July 2023

APRA: Point of non-viability loss absorption

- All Additional Tier 1 ("AT1") Capital and Tier 2 Capital must include loss absorption provisions (via conversion or write-down) upon a non-viability trigger event

APRA Additional Tier 1 discussion paper

- APRA's Additional Tier 1 (AT1) Discussion paper "Enhancing bank resilience: Additional Tier 1 Capital in Australia" was released in September 2023. APRA is reviewing the effectiveness of AT1 capital to ensure it operates as intended to absorb losses during a crisis. APRA intends to undertake a formal consultation on proposals in the first half of 2024

Balance sheet and ratings




Summary balance sheet (\$M)	RESTATED 31 DEC 2022	31 DEC 2023
Cash, investments and investment properties	28,167	30,064
Reinsurance contract assets	7,144	8,034
Intangible assets	2,018	2,112
Other receivables	423	519
Deferred tax assets	613	625
Current tax assets	45	30
Other assets	791	724
Total assets	39,201	42,108
Insurance contract liabilities	26,148	27,567
Borrowings	2,744	2,798
Other payables	347	432
Deferred tax liabilities	149	366
Current tax liabilities	39	127
Other liabilities	917	865
Total liabilities	30,344	32,155
Net assets	8,857	9,953
Shareholders' fund	7,969	9,064
Capital notes	886	886
Non-controlling interests	2	3
Total equity	8,857	9,953

Capital and borrowings

- Repaid USD\$400M of subordinated Tier 2 notes in November 2023
- Debt to total capital ratio of 21.9% (FY22 restated: 23.7%)

Credit ratings

- QBE utilises three major rating agencies and is committed to maintaining its ratings at their current levels

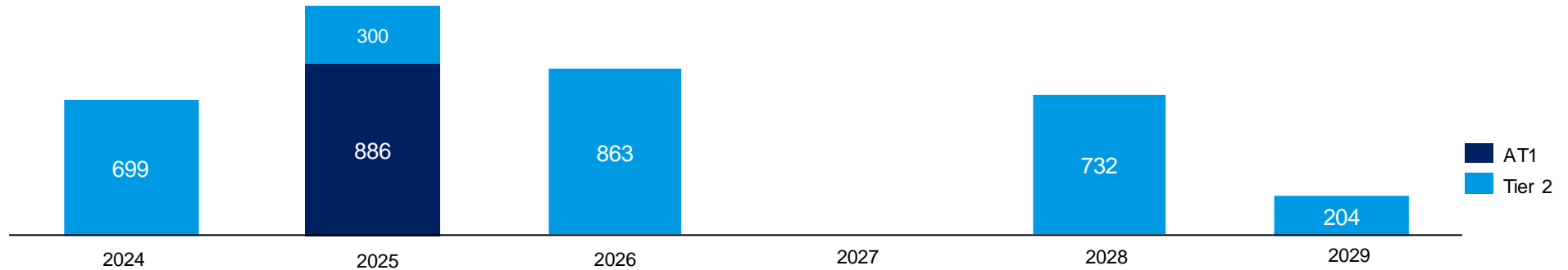
	Long-term FSR	Debt issue ICR	Outlook	Effective date
 S&P Global Ratings	A+	A-	Stable	May 2023
 Fitch Ratings	A+	A-	Stable	November 2023
 A&BEST	A	-	Stable	May 2023

Capital markets issuance profile

QBE has access to A\$MTN, EMTN and US144A capital markets

Date to first call¹ (\$M)

Weighted average time to first call: 2.4yrs



	Issued instruments	Issue date	Currency	Nominal value local currency	First call date ¹	Coupon	Maturity date	Carrying Value US\$M ²	
Accounted for as equity	Additional Tier 1 (AT1)	Capital Notes	Jul-20	US\$M	400	May-25	5.25%	Perp	393
		Capital Notes	May-20	US\$M	500	May-25	5.88%	Perp	493
	AT1 subtotal							886	
Accounted for as debt		16NC6	Aug-20	A\$M	500	Aug-26	3M BBSW + 2.75%	Aug-36	340
		17NC7	Sept-21	£M	400	Mar-28	2.50%	Sept -38	508
		15NC5	Oct-23	A\$M	330	Oct-28	3M BBSW + 2.55%	Oct-38	224
		16NC6	Jun-23	A\$M	300	Jun-29	3M BBSW + 3.10%	Jun-39	204
		30NC10	Dec-14	US\$M	700	Dec-24	6.75%	Dec-44	699
		30NC10	Nov-15	US\$M	300	Nov-25	6.10%	Nov-45	300
		30NC10	Jun-16	US\$M	524	Jun-26	5.88%	Jun-46	523
	Tier 2 subtotal							2,798	
	Total instruments							3,684	

1. Subject to prior written APRA approval
2. As at 31 December 2023

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