QBE Insurance Group Limited ABN 28 008 485 014
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www.qbe.com

9 August 2024

The Manager
Market Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

QBE's Investor Report for the half year ended 30 June 2024

Please see attached QBE's Investor Report for the year ended 30 June 2024.

This release has been authorised by the QBE Board of Directors.

Yours faithfully,

Carolyn Scobie
Company Secretary

Encl.

Enabling a more resilient future

QBE

2024 Half Year Investor Report

QBE INSURANCE GROUP LIMITED

Important information

Basis of presentation (unless otherwise stated)

This Investor Report should be read in conjunction with QBE's 2024 Half Year Report. Unless otherwise stated, discussion of financial performance is on a management basis. A detailed reconciliation between the statutory income statement and the management basis result is provided on page 28.

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

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

Definitions of key insurance terms and ratios are provided in the glossary on page 34.

All figures are expressed in US dollars unless otherwise stated.

Premium growth rates are quoted on a constant currency basis.

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

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

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

Core fixed income running yield and core fixed income investment duration relate to assets measured at fair value through profit and loss. A portion of fixed income is measured at fair value through other comprehensive income.

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

APRA PCA calculations at 30 June 2024 are indicative. Prior year calculation has been updated to be consistent with APRA returns finalised subsequent to year end.

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

Where appropriate, comparative information has been restated to be comparable with information presented in the current period.

QBE Insurance Group Limited
ABN 28 008 485 014

Contents

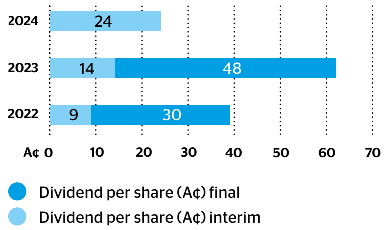
2024 half year highlights

Shareholder highlights

Dividend per share (A¢)

24

2023 **14**



Return on average shareholders' equity – adjusted basis

16.9%

2023 **10.1%**

Basic earnings per share – adjusted basis (US¢)

51.9

2023 **27.2**

Financial and operational highlights

Gross written premium growth

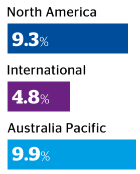
2%

2023 **13%**

Average renewal premium rate increase

6.7%

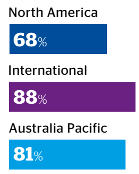
2023 **10.2%**



Premium retention

83%

2023 **82%**



Combined operating ratio

93.8%

2023 **98.8%**

Insurance operating result (US$M)

525

2023 **95**

Insurance margin

11.6%

2023 **6.0%**

Sustainability highlights

Sustainable insurance

RE100

QBE met the RE100 target for the third year[1]

Inclusion of diversity

Continued recognition of our focus on Gender Equality

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

About QBE

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

Our purpose

Enabling a more resilient future

Business overview

3
Divisions

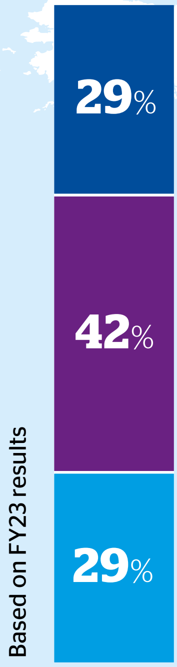
27
Countries of operation

13,621
People

Our business divisions

Net insurance revenue (US$)

~$17B



North America

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

International

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

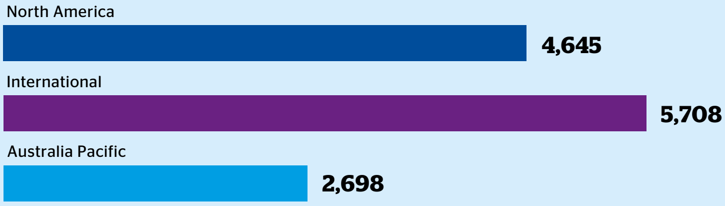
Australia Pacific

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

2024 Half year – Gross written premium by business division
(US$M)

13,051

2% from 2023



	HY 2024 %
North America	35.6
International	43.7
Australia Pacific	20.7

Sustainability focus areas

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

2. Enable a sustainable and resilient workforce

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

Net-zero commitment

Committed to net-zero emissions across our underwriting and investment portfolios by 2050, and our own operations by 2030

Employee Share Program

Helping employees share in our future and success

Partner for growth

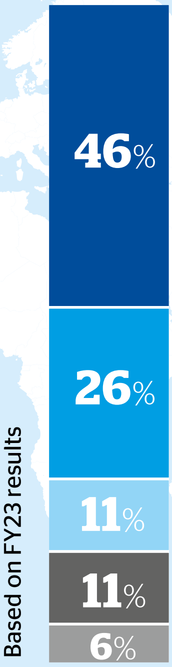
Targeting $2 billion invested in Premiums4Good

For more information see our 2023 Sustainability Report.

Our business focus

Net insurance revenue (US$)

~$17B



Commercial

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

Specialty

QBE has strong market presence across a diverse group of specialty classes, underpinned by our Lloyd's franchise which maintains a solid track record for profitability

Reinsurance

QBE Re is a full platform, well diversified global reinsurance business, which has a strong presence in property, casualty and specialty segments

Crop and LMI

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

Consumer

QBE has market presence in Australia through its personal lines franchise consisting of home and motor products

Shareholder highlights

Group adjusted ROE (%)	Dividend per share (A¢)	Total shareholder return (%)
16.9	24	25.9
from 10.1% 2023	from 14 2023	from 18.4% 2023

Our strategy

Portfolio optimisation

Active management of portfolio mix and volatility

Sustainable growth

Achieve consistent growth

Bring the enterprise together

Better leverage our global footprint and scale

Modernise our business

Make things easier for our customers, partners and people

Our people

Become an employer of choice in our key markets

Our culture

Be a purpose-led organisation. Strengthen alignment, trust and collaboration.

Financial snapshot

FOR THE HALF YEAR ENDED 30 JUNE	2024 US$M	2023 US$M
Insurance revenue	**10,438**	9,911
Insurance service expenses	**(9,659)**	(9,384)
Reinsurance expenses	**(1,926)**	(1,934)
Reinsurance income	**1,777**	1,604
Insurance service result	**630**	197
Other expenses	**(142)**	(126)
Other income	**37**	24
Insurance operating result	**525**	95
Analysed as		
Gross written premium	**13,051**	12,803
Insurance revenue	**10,438**	9,911
Reinsurance expenses	**(1,926)**	(1,934)
Net insurance revenue	**8,512**	7,977
Net claims expense	**(5,466)**	(5,505)
Net commission	**(1,500)**	(1,442)
Expenses and other income	**(1,021)**	(935)
Insurance operating result	**525**	95
Net insurance finance (expense) income	**223**	149
Fixed income losses from changes in risk-free rates	**(231)**	(201)
Net investment income on policyholders' funds	**468**	432
Insurance profit	**985**	475
Net investment income on shareholders' funds	**265**	230
Financing and other costs	**(109)**	(112)
Gain on sale of entities and businesses	**3**	–
Share of net loss of associates	**(2)**	(1)
Restructuring and related expenses	**(75)**	–
Amortisation and impairment of intangibles	**(16)**	(8)
Profit before income tax	**1,051**	584
Income tax expense	**(245)**	(180)
Profit after income tax	**806**	404
Non-controlling interests	**(4)**	(4)
Net profit after income tax	**802**	400

Management result

Combined operating ratio

93.8%

2023 98.8%

Net profit after income tax (US$M)

802

2023 400

Statutory result

Insurance operating result (US$M)

828

2023 377

Net profit after income tax (US$M)

802

2023 400

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

Detailed statutory to management result reconciliation is included on page 28 of this report.

1 Strategy and performance
2 Financial performance review
3 Other information

Underwriting metrics

FOR THE HALF YEAR ENDED 30 JUNE	2024 %	2023 %
Gross written premium growth	**2**	13
– North America	**(6)**	6
– International	**12**	18
– Australia Pacific	**(0)**	18
Ex-rate growth	**(2)**	7
Average renewal premium rate increases	**6.7**	10.2
– North America	**9.3**	10.9
– International	**4.8**	9.4
– Australia Pacific	**9.9**	11.8
Retention	**83**	82
Net insurance revenue growth	**7**	12
Net claims ratio	**64.2**	69.0
– Ex-cat claims ratio	**61.3**	60.6
– Catastrophe claims ratio	**6.2**	8.7
– Prior accident year claims development	**(3.3)**	(0.3)
Net commission ratio	**17.6**	18.1
Expense ratio	**12.0**	11.7
Combined operating ratio	**93.8**	98.8
– North America	**97.5**	106.9
– International	**89.2**	93.2
– Australia Pacific	**95.6**	98.9
Insurance profit margin	**11.6**	6.0

Investment metrics

FOR THE HALF YEAR ENDED 30 JUNE		2024 %	2023 %
Net investment return		**2.4**	2.4
– Core fixed income return		**2.4**	2.4
– Risk asset return		**3.3**	2.6
AS AT		**30 JUNE 2024**	**31 DECEMBER 2023**
Closing – Funds under management	US$M	**30,465**	30,064
Average – Funds under management	US$M	**30,265**	29,116
Risk asset allocation	%	**14**	12
Core fixed income allocation	%	**86**	88
Core fixed income exit running yield	%	**4.7**	4.6
Core fixed income investment duration	Years	**2.2**	1.7

Profitability and balance sheet metrics

FOR THE HALF YEAR ENDED 30 JUNE		2024	2023
Basic earnings per share – Adjusted basis	US¢	**51.9**	27.2
Dividend per share	A¢	**24**	14
Dividend payout ratio (percentage of adjusted profit)	%	**31**	35
Dividend franking	%	**20**	10
Tax rate	%	**23.3**	30.8
Adjusted return on equity	%	**16.9**	10.1
AS AT		**30 JUNE 2024**	**31 DECEMBER 2023**
Average shareholders' equity – Adjusted for AT1	US$M	**9,178**	8,517
Prescribed capital amount (PCA) multiple		**1.77x**	1.82x
Debt to total capital	%	**21.4**	21.9
Risk adjustment % of central estimate	%	**8**	8

Demonstrating resilience in a complex environment

We have seen a positive start to 2024, underpinned by further improvement in underwriting performance and strong return on equity. We have taken further steps to reduce volatility and ensure we deliver better performance in North America, and remain highly motivated to deliver our full year plan.

Focused on our strategic priorities

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

Actively managing our portfolio mix to reduce volatility

Sustainability focus areas will help us to deliver on our purpose of enabling a more resilient future

QBE's performance over the period tracked broadly in line with our plan, and we remain on track to deliver another solid result in 2024. Our efforts have continued to concentrate on building resilience into our business and reducing volatility, and I am confident we are executing the right decisions to deliver a more consistent organisation.

Against the backdrop of ongoing economic and geopolitical uncertainty, an agile and well diversified business is more important than ever. Persistent inflation and escalating conflicts across many parts of the world are risks which QBE remains acutely aware of in this environment.

The geopolitical landscape is particularly nuanced and dynamic. Changes in government and leadership are impacting international trade and diplomatic relations, across an ever more complex global environment.

With these challenges to navigate, our industry continues to exhibit good discipline in what remains a competitive market. Premium rate increases remain supportive in most lines, which we expect to continue.

Business performance

QBE continued to demonstrate encouraging resilience, which will be further supported by recently announced portfolio exits and balance sheet initiatives.

Financial performance improved in the period, and tracked broadly in line with our expectations for the year.

Our Group adjusted return on equity of 16.9% remains strong, increasing from 10.1% in the prior period.

Our combined operating ratio of 93.8% improved considerably from 98.8% in the prior period, primarily due to lower catastrophe costs and more stable reserve development.

We continue to see encouraging stability in net reserves, while catastrophe costs tracked comfortably within allowance. This was despite elevated global insured losses in the period, and QBE's exposure to the civil unrest in New Caledonia.

Our North America division delivered a combined operating ratio of 97.5%, a considerable improvement from 106.9% in the prior period. Strong underwriting results were achieved across its three core businesses, which, combined with recent portfolio initiatives, underscore our confidence for improved and more consistent performance.

Our gross written premium growth of 2% was driven by premium rate increases of 6.7% and targeted organic growth, partially offset by crop commodity price declines and the impact from recent portfolio exits.

Interest rates remained highly supportive during the period, resulting in strong investment performance, where we maintain a positive outlook for the remainder of 2024.

For detailed discussion of Group and divisional performance, please refer to pages 10 to 27 of this report.

Strategy in action

We have made good progress on each of our six strategic priorities in the period, which are the foundations to support our vision of being the most consistent and innovative risk partner. While there remains work ahead of us, our focus on these priorities has supported significant improvement in the business, and I am particularly pleased with how we are bringing the organisation together, and becoming more focused on the longer-term strategy and potential for our business.

Pages 8 and 9 of this report detail progress and achievements against these priorities, along with future focus areas.

In June we announced our decision to commence an orderly closure of North America middle-market, which supports our continued focus on portfolio optimisation and improving performance in North America. This will allow us to refocus our North America strategy on those businesses which hold a more meaningful market position, relevance and scale.

We have announced an important reinsurance transaction for reserves totalling $1.6 billion. This will de-risk all North America middle-market reserves which will help to support an orderly exit from the segment, and covers long-tail reserves from other North America and International businesses. This demonstrates our ongoing commitment to improving capital efficiency and reducing reserve volatility, and allows our teams to focus on future opportunities.

In the period we appointed Julie Minor to the Group Executive Committee, as Global Head of Distribution. This will ensure QBE is more consistent and strategic in how we interact with our distribution partners. I'm pleased with the improved alignment and connectivity across the enterprise. Our people remain highly engaged, and we are building a high performing, purpose-led organisation.

Supporting our customers, communities and people

This year, we have advanced our integrated approach to sustainability by progressing our Sustainability Scorecard commitments, ensuring that our actions align with our values and drive positive change across all areas of our influence. Our Scorecard also underpins our new 2024 Executive long-term incentive (LTI) award, where we have commenced including both sustainability and customer categories.

We have made good progress on our commitment to fostering an inclusive and respectful workplace which promotes and enables gender equality. This year, QBE was listed as one of the Top 100 companies globally for gender equality by Equileap for the second consecutive year. In June, we published our first global Gender Pay Gap report, a voluntary disclosure as we aim to be transparent and accountable for our progress.

The QBE Foundation continues to develop impactful partnerships, focused on creating strong, resilient and inclusive communities. In March this year, QBE Foundation, Australian Red Cross and Leading Cities were proud to announce a new global partnership that harnesses innovation, and scales data-driven technology solutions to empower community climate resilience. This is being delivered through our annual QBE AcceliCITY Resilience Challenge. In this challenge we have introduced a Humanitarian track, with plans to pilot a start-up solution in a community at the conclusion of the challenge.

The QBE Foundation also announced in March its first seed capital grant of $500,000 to First Australians Capital, an Indigenous-led organisation focused on boosting investment readiness, and designing capital solutions for Indigenous businesses. The grant will form part of a seed capital pool which aims to fund start-ups and early-stage businesses for Indigenous entrepreneurs to access capital and support capacity building programs.

Outlook

We delivered a series of important initiatives through the period to support greater resilience and consistency. The shape and health of our underwriting portfolio has improved materially over recent years, and as a result, our priorities are becoming more future focused.

Following a good start to the year, we are on track to deliver our plan in 2024, which will build on our recent trend of improved and more consistent financial performance.

For the remainder of the year, we expect trading conditions to remain supportive, and QBE will continue to benefit from initiatives to improve performance in North America and reduce volatility more broadly.

We continue to expect a Group combined operating ratio of around 93.5% for 2024. Our constant currency growth outlook has been updated from the mid-single digits to around 3%, given a larger headwind from the closure of North America middle-market and Crop than previously expected. Elevated interest rates should continue to support strong investment returns.

Andrew Horton
Group Chief Executive Officer

Our strategic priorities building momentum

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

Portfolio optimisation

Strive for both improved and more consistent risk-adjusted returns by actively managing portfolio mix and volatility

Sustainable growth

Achieve consistent growth through innovative risk solutions, leveraging improved digital capability and existing skill-sets across the enterprise

Bring the enterprise together

Simplify what we do and achieve greater consistency across the enterprise. Explore new ways to better leverage our global footprint and scale

Modernise our business

Strategically innovate and invest in differentiating capabilities that make things easier for our customers, partners and people

Our people

Empower a sustainable and diverse pipeline of leaders, while becoming an employer of choice in our markets

Our culture

Be a purpose-led organisation, and ensure our purpose is visible every day, in all our interactions. Strengthen the alignment and collaboration across the enterprise

What we have achieved so far in 2024	Future focus
• Commenced orderly closure of North America middle-market to refocus strategy, and support improved performance • On track to further reduce underperforming third party property gross written premium by ~$300 million in 2024	• Continue to become more medium-term in our approach to business planning • Look for opportunities to drive incremental reduction in potential volatility
• In line with focus of deepening core franchises, recent addition of healthcare and construction teams to broaden go-forward North America platform • Launch of QCyberProtect, QBE's global cyber coverage product, to support measured growth in an under-penetrated segment	• Drive sustainable growth through deepening core franchises, expanding footprint in focus areas, and innovating across new opportunities • Become an easier partner to do business with and build deeper distribution relationships around our growth focus areas
• Julie Minor appointed as Group Head of Distribution, to drive more strategic and aligned engagement with our distribution partners • Alignment between customer focus and development of brand proposition	• Continue to identify enterprise opportunities unlocked through better sharing of knowledge and relationships • Create a central hub that drives the delivery of QBE's modernisation initiatives
• Better alignment of future investment spend to support the capabilities required for success in our growth focus areas • Progression of our data strategy, focused on the delivery of common data enabled capabilities, and continued success with the roll-out of AI co-pilots	• Progress and operationalise review into operational efficiency, to ensure QBE is future fit • Support sustainable growth agenda through continued enhancement of underwriting tools, process and data capability
• Enhancement of parental leave policies globally, including the launch of gender-equal paid parental leave in North America, and extension of paid parental leave in Australia • Launch of QBE's annual global Gender Pay Gap report, to provide transparency in our progress toward equality	• Modernise approach to workforce planning through improved global workforce processes and integrated tools • Increase the diversity of our workforce in line with targets including increasing representation of women in all leadership roles
• Addition of sustainability and customer measures in the 2024 LTI award to align our organisation strategically toward a more resilient future • Increasing engagement across leadership cohorts through business challenges and networking to support enterprise collaboration and purpose	• Continue to embed our purpose, and foster QBE's DNA by identifying and addressing opportunities for improvement • Further strengthen the alignment and collaboration across the enterprise

Financial performance review

Strong financial performance was underpinned by an improvement in underwriting profitability and favourable investment returns. We are confident in the delivery of our full year outlook, and continue to see encouraging resilience across key underwriting metrics, which will be further supported by recently announced portfolio exits and balance sheet initiatives.

Embedding our strategic priorities

Building a more resilient and efficient business

Improving tools and capability to manage volatility

Medium-term performance and growth agenda supported by modernisation initiatives

Financial performance

QBE reported net profit after tax of $802 million compared with $400 million in the prior period.

Adjusted net profit after tax increased to $777 million from $405 million in the prior period, and equates to an annualised adjusted return on equity of 16.9%.

Unless otherwise stated, all discussion of performance within this Investor Report is on a management basis, and should be read in conjunction with the statutory income statement and management result reconciliation on page 28 of this report.

Gross written premium increased 2% from continued premium rate increases, alongside targeted new business growth. This was partially offset by lower Crop premium due to commodity price declines, and the impact of portfolio exits in North America and Australia Pacific.

Underwriting profitability tracked broadly in line with expectations, and we continue to observe encouraging resilience across key metrics. The combined operating ratio improved considerably to 93.8% from 98.8% in the prior period, primarily driven by lower catastrophe costs and more stable reserve development.

During the period further actions were taken in our strive for more consistent financial performance.

We executed a reserve transaction which will de-risk $1.6 billion in reserves, help support an orderly exit of the middle-market business in North America, and improve capital efficiency across the Group. The transaction is expected to complete during 4Q24 and is expected to incur an upfront cost of ~$85 million in the second half. This upfront cost will be split evenly across the underwriting result and restructuring expenses.

The decision to exit the middle-market business in North America improves our confidence in the outlook, as the segment has experienced performance challenges over several years.

To account for costs associated with both the business closure and the reinsurance of remaining reserves for the business, a restructure charge of ~$145 million will be recorded in 2024, of which $75 million was recognised in the first half.

Total investment income was $733 million or a return of 2.4%, compared with $662 million or 2.4% in the prior period. The investment result was supported by strong risk asset performance and favourable interest rates across the core fixed income portfolio.

Risk assets now account for 14% of total investments, increasing from 12% at 31 December 2023.

During the half, the impact from asset liability management activities was broadly neutral.

The effective tax rate decreased to 23.3% from 30.8% in the prior period, reflecting the mix of corporate tax rates across QBE's key regions, and the utilisation of previously unrecognised tax losses in the North American tax group.

QBE's balance sheet remains strong. The indicative APRA PCA multiple decreased slightly to 1.77x from 1.82x at 31 December 2023, and remains at the upper end of our 1.6–1.8x target range.

Debt to total capital of 21.4% improved from 21.9% at 31 December 2023, and is comfortably within the 15–30% target range.

Summary income statement and underwriting performance

FOR THE HALF YEAR ENDED 30 JUNE	2024 US$M	2023 US$M
Insurance revenue	**10,438**	9,911
Insurance service expenses	**(9,659)**	(9,384)
Reinsurance expenses	**(1,926)**	(1,934)
Reinsurance income	**1,777**	1,604
Insurance service result	**630**	197
Other expenses	**(142)**	(126)
Other income	**37**	24
Insurance operating result	**525**	95
Analysed as		
Gross written premium	**13,051**	12,803
Insurance revenue	**10,438**	9,911
Reinsurance expenses	**(1,926)**	(1,934)
Net insurance revenue	**8,512**	7,977
Net claims expense	**(5,466)**	(5,505)
Net commission	**(1,500)**	(1,442)
Expenses and other income	**(1,021)**	(935)
Insurance operating result	**525**	95
Net insurance finance (expense) income	**223**	149
Fixed income losses from changes in risk-free rates	**(231)**	(201)
Net investment income on policyholders' funds	**468**	432
Insurance profit	**985**	475
Net investment income on shareholders' funds	**265**	230
Financing and other costs	**(109)**	(112)
Gain on sale of entities and businesses	**3**	–
Share of net loss of associates	**(2)**	(1)
Restructuring and related expenses	**(75)**	–
Amortisation and impairment of intangibles	**(16)**	(8)
Profit before income tax	**1,051**	584
Income tax expense	**(245)**	(180)
Profit after income tax	**806**	404
Non-controlling interests	**(4)**	(4)
Net profit after income tax	**802**	400

	%	%
Ex-cat claims ratio	**61.3**	60.6
Catastrophe claims ratio	**6.2**	8.7
Prior accident year claims development	**(3.3)**	(0.3)
Net claims ratio	**64.2**	69.0
Net commission ratio	**17.6**	18.1
Expense ratio	**12.0**	11.7
Combined operating ratio	**93.8**	98.8
Insurance profit margin	**11.6**	6.0

Premium income and pricing

Gross written premium
(US$M)

13,051

2% from 2023

Net insurance revenue
(US$M)

8,512

7% from 2023

Gross written premium increased 2% on a headline basis to $13,051 million from $12,803 million in the prior period.

On a constant currency basis, gross written premium increased 2%, reflecting premium rate increases and targeted organic growth, partially offset by lower Crop premium and portfolio exits. Excluding Crop, gross written premium growth was 6% on the same basis.

The Group achieved an average renewal premium rate increase of 6.7% compared with 10.2% in the prior period. The result reflects moderation in certain property and reinsurance lines following substantial increases in 2023, and a backdrop characterised by favourable rate adequacy across many lines. Excluding rate increases, gross written premium reduced 2% for the half, though increased by 1% excluding Crop, and 5% on further adjusting for exited portfolios.

The decision to exit North America middle-market, alongside the impact from recently terminated portfolios in North America and Australia Pacific, is expected to impact 2024 gross written premium by around $550 million.

Retention increased slightly to 83% from 82% in the prior period, reflecting strong performance in International, partially offset by the run-off of exited portfolios.

Reinsurance expenses

Headline reinsurance expenses reduced slightly to $1,926 million from $1,934 million in the prior period.

The expense associated with the Group catastrophe and risk reinsurance was broadly consistent with the prior period, reflecting modest cost increases on parts of the program which were mitigated by the run-off of non-core property lines and the new cyclone pool in Australia.

Crop reinsurance expense reduced relative to the prior period, reflecting increased cessions to the Federal reinsurance scheme, which were more than offset by reduced external quota share reinsurance.

The $1.6 billion reserve transaction announced this period is expected to drive an increase in reinsurance expenses of around $40 million in the second half of the year.

Net insurance revenue

Group net insurance revenue increased 7% on a constant currency basis, higher than the growth in gross written premium. This largely reflects the earn-through of strong premium rate increases, recent portfolio exits and reduced Crop reinsurance expense.

Gross written premium mix by product

	GROUP	NORTH AMERICA	INTERNATIONAL	AUSTRALIA PACIFIC
Commercial & domestic property	27.2	14.5	28.6	40.3
Agriculture	22.5	56.4	–	10.6
Public/product liability	11.7	3.2	23.2	8.6
Motor & motor casualty	9.3	0.5	10.4	23.8
Marine energy & aviation	8.4	1.2	16.7	2.8
Professional indemnity	7.1	6.8	8.4	1.7
Accident & health	5.8	11.9	3.5	1.5
Workers' compensation	5.3	5.6	3.4	8.1
Financial & credit	1.0	0.1	1.1	2.6
Other	1.7	(0.2)	4.7	–

Key premium metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE HALF YEAR ENDED 30 JUNE		**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Gross written premium	US$M	**13,051**	12,803	**4,645**	4,967	**5,708**	5,072	**2,698**	2,771
Gross written premium – Crop and LMI	US$M	**2,667**	3,008	**2,629**	2,959	**–**	–	**38**	49
Gross written premium growth	%	**2**	13	**(6)**	6	**12**	18	**(0)**	18
Ex-rate growth	%	**(2)**	7	**(9)**	3	**8**	10	**(6)**	9
Average renewal premium rate increases	%	**6.7**	10.2	**9.3**	10.9	**4.8**	9.4	**9.9**	11.8
Retention	%	**83**	82	**68**	66	**88**	85	**81**	88
Net insurance revenue	US$M	**8,512**	7,977	**2,243**	2,285	**3,803**	3,278	**2,468**	2,393
Net insurance revenue – Crop and LMI	US$M	**818**	766	**737**	686	**–**	–	**81**	80
Net insurance revenue growth	%	**7**	12	**(2)**	5	**16**	16	**6**	13

North America

International

Australia Pacific

Gross written premium (US$M)

North America: 4,645
(6%) from 2023

International: 5,708
12% from 2023

Australia Pacific: 2,698
(0%) from 2023

North America

Gross written premium declined by 6% to $4,645 million, largely on account of lower premiums from Crop and the run-off of non-core lines. Excluding Crop, gross written premium remained broadly flat against prior period.

Net insurance revenue reduced 2% to $2,243 million.

Average premium rate increases of 9.3% compared with 10.9% in the prior period, and represented strong rate increases in property lines and Accident & Health, against rate declines in financial lines, where competition remains elevated.

Crop gross written premium decreased 11%, where the impact of lower commodity prices was partially offset by organic growth. Full year Crop gross written premium is expected to be around $3.8 billion.

Excluding Crop, and the run-off of non-core lines, gross written premium increased by 15%. On the same basis, ex-rate growth was 8%, representing momentum across core Specialty lines.

The run-off of non-core lines in North America, including middle-market, is expected to represent a gross written premium headwind of around $350 million in 2024, with roughly $200 million having occurred this period.

International

Favourable market conditions and targeted growth initiatives supported a 12% increase in gross written premium on a constant currency basis to $5,708 million.

Net insurance revenue increased by 16% in constant currency to $3,803 million.

Average premium rate increases moderated to 4.8%, compared with 9.4% in the prior period. This reflected a reduction in rate increases across property and reinsurance lines following significant increases in 2023, alongside ongoing competition in financial lines.

Growth excluding premium rate increases was 8%, compared to 10% in the prior period. Encouraging ex-rate growth was achieved across most business segments, led by International Markets and UK insurance.

Within the International Markets segment, which largely represents QBE's Lloyd's franchise, strong ex-rate growth was achieved across a broad number of product lines, where rate adequacy remains favourable.

Within QBE's UK insurance business, premium rate increases remained more resilient than expected, with organic growth recorded in line with a strategy to build profile in adjacent lines.

Australia Pacific

Gross written premium of $2,698 million remained broadly flat against prior period on a constant currency basis, where strong rate increases and targeted growth were partially offset by property portfolio exits.

On a constant currency basis, net insurance revenue increased by 6% to $2,468 million.

Premium rate increases reduced to 9.9% from 11.8% in the prior period. This reflected moderation in commercial property and strata businesses, which more than offset the materially higher rate increases in personal home and motor lines.

Excluding premium rate increases, gross written premium reduced by 6% compared to the prior period, primarily due to the termination of third-party property underwriting relationships. Excluding the run-off of these lines, ex-rate reduction of 1% reflects volume reduction in consumer and strata portfolios, partly offset by organic growth in CTP and select commercial lines.

LMI gross written premium declined further by 21% to $38 million in the period, reflecting a market slowdown driven by higher interest rates and inflationary pressure, alongside the impact from government initiatives to support first home buyers.
As a result, for the 2024 underwriting year, QBE reduced the cession on its external quota share from 50% to 30%.

Net insurance revenue by business segment

North America

	2024 %
Commercial	32.8
Crop	32.1
Specialty	28.3
Consumer	6.8

International

	2024 %
Commercial	42.2
Specialty	30.9
Reinsurance	26.9

Australia Pacific

	2024 %
Commercial	61.0
Specialty	22.8
Consumer	12.8
LMI	3.4

Claims

Net claims ratio

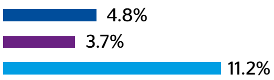
64.2%

Ex-cat claims ratio

61.3%

Catastrophe claims ratio

6.2%



- North America
- International
- Australia Pacific

The net claims ratio decreased to 64.2% from 69.0% in the prior period, primarily driven by a reduction in catastrophe costs and more stable reserve development.

The result demonstrated encouraging resilience, with further stability in net reserves, and catastrophe costs tracking comfortably within allowance during a period of elevated global insured losses.

Ex-cat claims

The ex-cat claims ratio increased to 61.3% from 60.6% in the prior period.

The result included current accident year risk adjustment of $376 million, compared to $316 million in the prior period. Excluding risk adjustment, the ex-cat claims ratio increased slightly to 56.9% from 56.6% in the prior period.

On the same basis, excluding Crop, which contributed to an increase due to changes in the reinsurance program, the Group ex-cat claims ratio improved by 0.2% from the prior period to 54.8%. Favourable premium rate increases were partially offset by large loss activity, business mix shift away from property classes, and persistent inflation in certain lines.

Claims inflation is moderating more notably in the Northern Hemisphere, but remains persistent across a number of short-tail classes in Australia Pacific.

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

Catastrophe claims

The net cost of catastrophe claims reduced to $527 million or 6.2% of net insurance revenue, from $699 million or 8.7% in the prior period.

The result was below the Group's first half catastrophe allowance of $609 million, or 7.2% of net insurance revenue, which is encouraging following recent initiatives to build greater resilience.

Catastrophe costs in the period were underscored by a high frequency of global events, including the civil unrest in New Caledonia, a series of storm and flood events across many regions of the business, and the Dubai floods.

Prior accident year claims development

The result was supported by favourable prior accident year claims development of $282 million or 3.3% of net insurance revenue, increasing from $30 million or 0.3% in the prior period.

This included modest strengthening of the central estimate of net outstanding claims by $18 million, compared with adverse development of $177 million in the prior period.

The broadly stable outcome was a function of reserve strengthening in International related to the 2023 Italian hailstorm and certain liability lines, which was largely offset by releases in North America short-tail lines and Crop, alongside Australia Pacific LMI and CTP.

The modest strengthening of the central estimate was more than offset by favourable development of $300 million related to the unwind of risk adjustment from prior accident years, an increase from $207 million in the prior period.

Key claims metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE HALF YEAR ENDED 30 JUNE		2024	2023	2024	2023	2024	2023	2024	2023
Ex-cat claims ratio	%	**61.3**	60.6	**68.7**	64.0	**57.8**	57.9	**60.4**	61.8
Catastrophe claims ratio	%	**6.2**	8.7	**4.8**	9.3	**3.7**	6.2	**11.2**	11.8
Prior accident year claims development	%	**(3.3)**	(0.3)	**(6.0)**	3.9	**(1.3)**	(0.9)	**(4.1)**	(3.8)
Net claims ratio	%	**64.2**	69.0	**67.5**	77.2	**60.2**	63.2	**67.5**	69.8
Net insurance revenue	US$M	**8,512**	7,977	**2,243**	2,285	**3,803**	3,278	**2,468**	2,393

1 Strategy and performance
2 Financial performance review
3 Other information

Net claims ratio

North America

67.5%

2023 77.2%

North America recorded improvement in its net claims ratio to 67.5% from 77.2% in the prior period, driven by lower catastrophe costs and favourable prior accident year development.

The ex-cat claims ratio increased by 4.7% to 68.7%, or 4.3% excluding risk adjustment, which includes an increase due to changes in the reinsurance program for Crop.

Net catastrophe claims of $108 million or 4.8% of net insurance revenue reduced meaningfully from 9.3% in the prior period. The majority of catastrophe costs in the period were incurred across non-core lines, and driven by winter and convective storm activity.

The result included favourable prior year central estimate development of $35 million or 1.6%, a significant improvement compared with 7.4% adverse in the prior period, and was driven by Crop releases of $21 million and favourable development in other short-tail lines.

The current accident year Crop combined operating ratio was broadly in line with expectations at 95.0%.

International

60.2%

2023 63.2%

The net claims ratio improved to 60.2% from 63.2% in the prior period, predominately driven by benign catastrophe experience.

The ex-cat claims ratio improved by 0.1% to 57.8%, or 0.9% excluding risk adjustment. The benefit from favourable rate increases relative to inflation was partially offset by elevated large claims costs, including International's exposure to the Baltimore Bridge event.

Further, growth in recent periods has been biased toward non-property classes, which carry a higher ex-cat claims ratio.

International strengthened the central estimate by $68 million or 1.8%, increasing from 1.0% adverse in the prior period. This was primarily driven by adverse development on 2023 catastrophe events, including the Italian hailstorm which occurred in the third quarter, alongside strengthening in select liability classes and financial lines.

Net catastrophe claims of $142 million or 3.7% were lower than expected, and improved from 6.2% in the prior period. Catastrophe costs in the period included flooding events in Dubai, Germany and Italy, and the Taiwan earthquake.

Australia Pacific

67.5%

2023 69.8%

The net claims ratio of 67.5% improved from 69.8% in the prior period, where elevated catastrophe costs remained a key feature of the result.

The ex-cat claims ratio improved by 1.4% to 60.4%, with a similar improvement of 1.4% when excluding risk adjustment. This reflected the benefit of significantly higher premium rate increases through recent periods, which are driving some recovery from inflation related challenges in the prior year.

Net catastrophe claims of $277 million, or 11.2% of net insurance revenue, improved from 11.8% in the prior period. Catastrophe costs in the period were driven by the civil unrest in New Caledonia, alongside a series of convective storm events across eastern Australia.

Favourable prior accident year central estimate development of $16 million or 0.6% compared to $19 million favourable or 0.8% in the prior period. This was driven by favourable prior accident year experience in CTP and LMI.

Comparison of ex-cat claims ratio by division

	North America	International	Australia Pacific
2024	68.7%	57.8%	60.4%
2023	64.0%	57.9%	61.8%

Commission, expenses and other income

Net commission ratio

17.6%

Expense ratio

12.0%

- North America
- International
- Australia Pacific

Net commission

The net commission ratio improved to 17.6% from 18.1% in the prior period, primarily due to business mix changes across the Group.

North America's net commission ratio of 19.8% decreased from 20.5% in the prior period. This was driven by the reduction in non-core premium and business mix shift towards Crop and Accident & Health in the period, both of which have a commission ratio below divisional average.

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

The net commission ratio in International of 17.6% decreased from 17.9% in the prior period, primarily reflecting lower commission ratios across certain International Markets specialty lines.

Australia Pacific's net commission ratio reduced slightly to 15.4% from 15.6% in the prior period. This reflected broadly stable commission ratios across most lines, and favourable mix shift towards businesses with lower commission ratios such as CTP and certain commercial classes.

Expenses and other income

The Group's expense ratio increased to 12.0% from 11.7% in the prior period, which reflected constant currency expense growth of 9%.

The elevated expense growth reflected a continuation of investment in QBE's modernisation program, which includes targeted initiatives to support sustainable growth, alongside investment to improve operational efficiency.

Excluding this investment, higher run costs in the period primarily reflected annual salary increases, and higher headcount to support recent business growth, particularly in International.

Having laid strong foundations in recent years through investment in platforms and cloud infrastructure, the focus of QBE's modernisation program over coming periods will centre around delivery of a common set of technology and data enabled capabilities.

This will support greater digitisation and straight through processing, embed richer data analytics capability and support continued modernisation of underwriting tools. We believe this body of work will drive the development of differentiating capabilities for QBE, and support both sustainable growth and efficiency.

Key commission and expenses metrics

		GROUP		NORTH AMERICA		INTERNATIONAL		AUSTRALIA PACIFIC	
FOR THE HALF YEAR ENDED 30 JUNE		2024	2023	2024	2023	2024	2023	2024	2023
Net commission	US$M	**1,500**	1,442	**445**	469	**670**	588	**380**	374
Net commission ratio	%	**17.6**	18.1	**19.8**	20.5	**17.6**	17.9	**15.4**	15.6
Expenses and other income	US$M	**1,021**	935	**229**	211	**435**	395	**313**	322
Expense ratio	%	**12.0**	11.7	**10.2**	9.2	**11.4**	12.1	**12.7**	13.5
Net insurance revenue	US$M	**8,512**	7,977	**2,243**	2,285	**3,803**	3,278	**2,468**	2,393

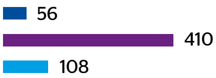
Underwriting performance and outlook

Combined operating ratio

93.8%

Insurance operating result
(US$M)

525



- North America
- International
- Australia Pacific

Underwriting performance

The Group combined operating ratio improved by 5.0% to 93.8% on account of lower catastrophe costs and more stable reserve development.

Key underwriting metrics continued to improve, demonstrating greater resilience and tracked broadly in line with our plan.

Gross written premium growth of 2% was supported by compound premium rate increases of 6.7% and further organic growth. Excluding Crop, and the impact of exited lines, the business continues to exhibit good momentum with gross written premium growth of 11%, and ex-rate growth of 5%.

It was an active start to the year for catastrophes, with global insured losses of around $60 billion for the half. Against this backdrop, and in light of recent initiatives to reduce volatility, it was pleasing to see catastrophe costs tracking comfortably within allowance.

North America's combined operating ratio of 97.5% improved considerably from 106.9% in the prior period. This was supported by strong underwriting results across all three core businesses, alongside lower catastrophe costs and favourable prior accident year development. The drag on performance from non-core lines remains a challenge, which we are highly motivated to mitigate over the remaining run-off.

Crop delivered a strong combined operating ratio of 92.1%, which included favourable prior year development of $21 million. Excluding this benefit, the current accident year combined operating ratio was 95.0%, tracking broadly in line with expectations for the period.

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

Underwriting outlook

Over the period a number of important steps were taken to reduce volatility, and drive sustained performance improvement in North America. We have seen a good start to the year, and are highly motivated to drive further improvement over the remainder of 2024.

While premium rate increases have moderated from the prior year, discipline remains across the majority of classes, in what are rational but competitive markets.

Against this backdrop, the opportunity for targeted growth remains attractive. The balance and health of our underwriting portfolio continues to improve, and rate adequacy is strong across many of our franchises.

We have commenced an orderly closure of our middle-market business in North America, and executed an important reserve transaction to de-risk the back book for this business.

This decision has meaningfully increased our confidence in achieving improved and more stable performance in North America, where the go-forward core business has an established track record of underwriting profitability.

We were encouraged by the stability in net reserves in the period. The $1.6 billion reserve transaction will serve to further de-risk long-tail reserves for older accident years, and drive greater capital efficiency. The transaction is expected to incur an upfront cost of around $85 million in the second half, split evenly across the underwriting result and restructuring expenses.

Elevated investment will continue in the remainder of 2024 as we progress our modernisation agenda. This will ultimately position QBE to grow our core franchises and become a partner that is easier and more efficient to do business with.

	GROSS WRITTEN PREMIUM		NET INSURANCE REVENUE		COMBINED OPERATING RATIO		INSURANCE OPERATING RESULT	
FOR THE HALF YEAR ENDED 30 JUNE	2024 US$M	2023 US$M	2024 US$M	2023 US$M	2024 %	2023 %	2024 US$M	2023 US$M
North America	**4,645**	4,967	**2,243**	2,285	**97.5**	106.9	**56**	(158)
International	**5,708**	5,072	**3,803**	3,278	**89.2**	93.2	**410**	223
Australia Pacific	**2,698**	2,771	**2,468**	2,393	**95.6**	98.9	**108**	26
Corporate & Other	**–**	(7)	**(2)**	21	**–**	–	**(49)**	4
Group	**13,051**	12,803	**8,512**	7,977	**93.8**	98.8	**525**	95

Investment performance and strategy

Total investment income (US$M)

733

662 from 2023

Total investment return

2.4%

2023 2.4%

Core fixed income	Vs	Risk assets
2.4%		**3.3%**
2023 2.4%		2023 2.6%

Total investment income for the period was $733 million, equating to a return of 2.4%. The result improved from $662 million or 2.4% in the prior period, driven by favourable risk asset performance despite valuation pressure in the unlisted property portfolio, and higher interest rates across core fixed income securities.

Over the period, the portfolio transitioned toward our target strategic asset allocation, with risk assets now accounting for 14% of total investments, an increase from 12% at 31 December 2023. High quality fixed income securities account for the remaining 86% of the portfolio.

We have commenced holding a portfolio of core fixed income securities to manage interest rate sensitivity within regulatory capital, resulting in these investments being accounted for at fair value through other comprehensive income. The accounting classification of these assets will result in a modest extension in portfolio duration, though it will have no impact on QBE's approach to asset-liability management in relation to earnings.

Core fixed income

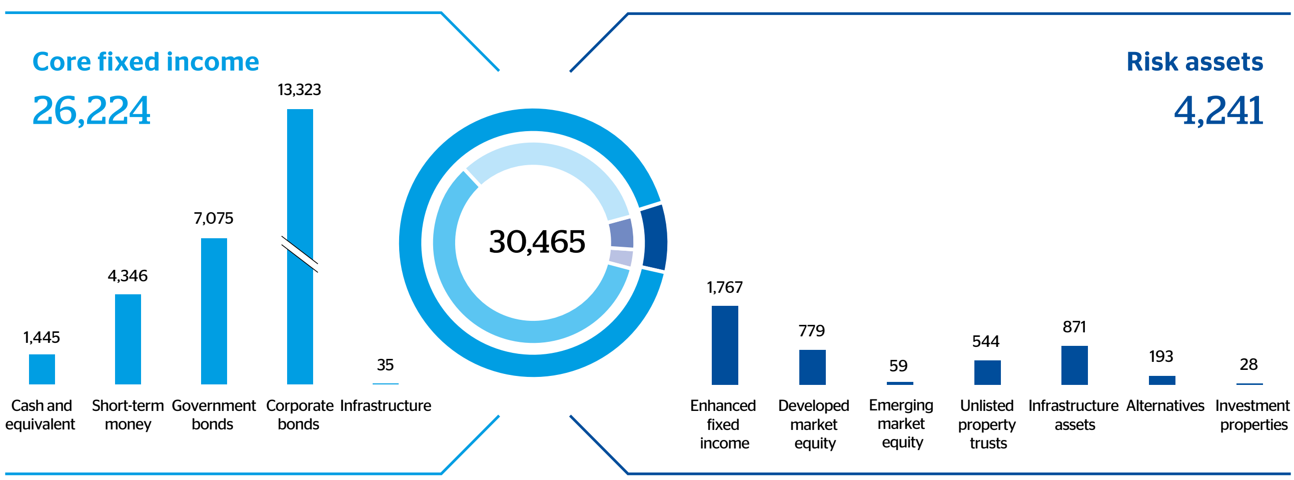
The core fixed income portfolio delivered a return of 2.4% or $633 million, an improvement on $583 million in the prior period.

The result included a $55 million benefit from tighter credit spreads, compared with $52 million in the prior period.

The running yield on the core fixed income portfolio remained strong, and relatively steady through the period, as markets recalibrated toward a higher for longer outlook. The 30 June 2024 exit running yield of 4.7% was around 10 basis points higher than at 31 December 2023.

The portfolio remains conservatively positioned with a focus on strong credit quality. The corporate credit portfolio performed in line with broad market indices during the half, and consists predominately of high quality investment grade credit; with 90% rated A or higher, and an average rating of A+.

Total cash and investments (US$M)



	POLICY-HOLDERS' FUNDS	SHARE-HOLDERS' FUNDS
Cash and cash equivalents	930	515
Short-term money	2,796	1,550
Government bonds	4,552	2,523
Corporate bonds	8,573	4,750
Infrastructure debt	23	12

Fixed income
- Policyholders' funds
- Shareholders' funds

Risk assets
- Policyholders' funds
- Shareholders' funds

	POLICY-HOLDERS' FUNDS	SHARE-HOLDERS' FUNDS
Enhanced fixed income	1,137	630
Developed market equity	501	278
Emerging market equity	38	21
Unlisted property trusts	350	194
Infrastructure assets	560	311
Alternatives	124	69
Investment properties	18	10

Risk assets

The favourable backdrop for risk assets saw the portfolio deliver a return of 3.3% or $128 million, which improved from 2.6% in the prior period.

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

We expect challenging conditions for property classes are likely to persist through the remainder of 2024, despite seeing early signs of stabilisation.

As we redeployed toward our target strategic asset allocation, the mix of QBE's risk asset portfolio shifted toward equities and enhanced fixed income, while exposure to unlisted property continued to decline. Further deployments to infrastructure assets and enhanced fixed income, specifically private credit, are expected through the remainder of the year.

Funds under management

Funds under management of $30,465 million increased 1% from $30,064 million at 31 December 2023.

On a constant currency basis, funds under management increased by 3%, which was driven by further premium growth, strong Group profitability and favourable investment returns in the period, partially offset by the payment of 2023 final dividend.

Over the period, the allocation to risk assets increased to 14% (and 17% on a committed basis) from 12% at 31 December 2023. The core fixed income portfolio now represents 86% of total investments, tracking towards QBE's target of a strategic asset allocation of ~85% core fixed income and ~15% risk assets.

Asset allocation

Core fixed income

86%

Target 85%

Risk assets

14%

Target 15%

Exit running yield

4.7%

Investment result

FOR THE HALF YEAR ENDED 30 JUNE	POLICYHOLDERS' FUNDS 2024 US$M	POLICYHOLDERS' FUNDS 2023 US$M	SHAREHOLDERS' FUNDS 2024 US$M	SHAREHOLDERS' FUNDS 2023 US$M	TOTAL 2024 US$M	TOTAL 2023 US$M
Core fixed income yield (ex risk-free rate)	**372**	345	**206**	186	**578**	531
Credit spreads – Mark to market	**35**	34	**20**	18	**55**	52
Risk assets	**83**	57	**45**	30	**128**	87
Expenses and other	**(22)**	(4)	**(6)**	(4)	**(28)**	(8)
Net return	**468**	432	**265**	230	**733**	662

Total cash and investments

AS AT	POLICYHOLDERS' FUNDS 30 JUNE 2024 US$M	POLICYHOLDERS' FUNDS 31 DECEMBER 2023 US$M	SHAREHOLDERS' FUNDS 30 JUNE 2024 US$M	SHAREHOLDERS' FUNDS 31 DECEMBER 2023 US$M	TOTAL FUNDS UNDER MANAGEMENT 30 JUNE 2024 US$M	TOTAL FUNDS UNDER MANAGEMENT 31 DECEMBER 2023 US$M
Core fixed income	**16,874**	17,165	**9,350**	9,334	**26,224**	26,499
Risk assets	**2,728**	2,309	**1,513**	1,256	**4,241**	3,565
Total cash and investments – closing	**19,602**	19,474	**10,863**	10,590	**30,465**	30,064
Average – Core fixed income	**17,019**	16,840	**9,343**	8,920	**26,362**	25,759
Average – Risk assets	**2,519**	2,194	**1,385**	1,163	**3,903**	3,357
Total cash and investments – average	**19,538**	19,033	**10,727**	10,083	**30,265**	29,116

Balance sheet and capital management

Summary balance sheet

AS AT	30 JUNE 2024 US$M	31 DECEMBER 2023 US$M
Assets		
Cash, investments and investment properties	**30,465**	30,064
Reinsurance contract assets	**8,380**	8,034
Intangible assets	**2,046**	2,112
Other receivables	**550**	519
Deferred tax assets	**612**	625
Current tax assets	**1**	30
Other assets	**578**	724
Total assets	**42,632**	42,108
Liabilities		
Insurance contract liabilities	**27,827**	27,567
Borrowings	**2,779**	2,798
Other payables	**690**	432
Deferred tax liabilities	**437**	366
Current tax liabilities	**17**	127
Other liabilities	**702**	865
Total liabilities	**32,452**	32,155
Net assets	**10,180**	9,953
Equity		
Shareholders' funds	**9,292**	9,064
Capital notes	**886**	886
Non-controlling interests	**2**	3
Total equity	**10,180**	9,953
Closing shareholders' equity	**10,178**	9,950
Average shareholders' equity	**10,064**	9,403
Average shareholders' equity – Adjusted for AT1	**9,178**	8,517

Key balance sheet and capitalisation metrics

AS AT		BENCHMARK	30 JUNE 2024	31 DECEMBER 2023
Net discounted central estimate	US$M		**17,868**	17,198
Risk adjustment	US$M		**1,429**	1,379
Net outstanding claims	US$M		**19,297**	18,577
Net assets	US$M		**10,180**	9,953
Less: intangible assets	US$M		**2,046**	2,112
Net tangible assets	US$M		**8,134**	7,841
Add: borrowings	US$M		**2,779**	2,798
Total tangible capitalisation	US$M		**10,913**	10,639
Risk adjustment to central estimate	%	6–8	**8.0**	8.0
Debt to total capital	%	15–30	**21.4**	21.9
Debt to equity	%		**27.3**	28.1
QBE's regulatory capital base	US$M		**11,787**	11,276
APRA's Prescribed Capital Amount (PCA)	US$M		**6,659**	6,182
PCA multiple		**1.6–1.8x**	**1.77x**	1.82x
Ordinary shares			**1,502**	1,494
Weighted average shares			**1,498**	1,490
Weighted average shares – diluted			**1,509**	1,500
Book value per share	A$		**10.1**	9.8
Net tangible assets per share	A$		**8.1**	7.7
Book value per share	US$		**6.8**	6.7
Net tangible assets per share	US$		**5.4**	5.2

Net outstanding claims

At 30 June 2024, the net discounted central estimate was $17,868 million, which increased from $17,198 million at 31 December 2023.

Excluding foreign exchange, the net discounted central estimate increased by $929 million. This underlying growth primarily reflected organic growth and inflation, partially offset by higher interest rates.

At 30 June 2024, the risk adjustment was $1,429 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 2023 position, and at the top end of our 6–8% target range.

Borrowings

At 30 June 2024, total borrowings of $2,779 million remained broadly unchanged from 31 December 2023.

Debt to total capital reduced to 21.4% at 30 June 2024, from 21.9% at 31 December 2023, reflecting strong profitability and earnings retention in the period. At 30 June 2024, all of the Group's borrowings count towards regulatory capital.

Gross interest expense on borrowings for the half was $82 million, comparing with $83 million in the prior period.

The average annualised cash cost of borrowings at 30 June 2024 was unchanged at 5.9% from 31 December 2023.

Tax

QBE's effective statutory tax rate was 23.3% compared with 30.8% in the prior period.

The effective tax rate reflects the mix of corporate tax rates across QBE's key regions, alongside the utilisation of previously unrecognised tax losses in the North American tax group against its improved profitability.

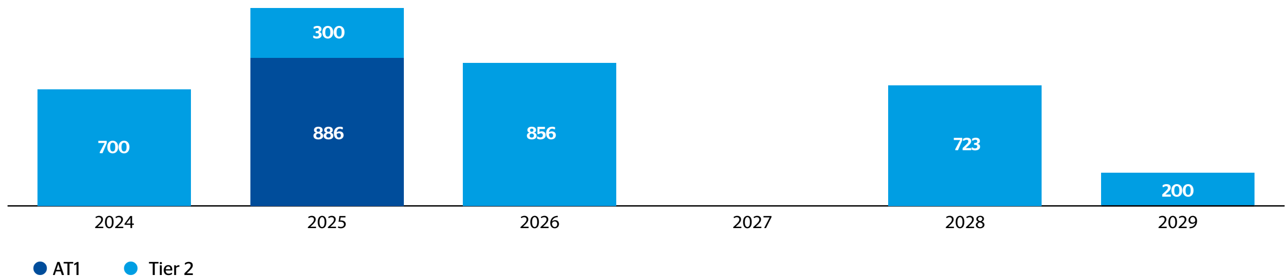
During the period, QBE paid $208 million in corporate income tax globally.

The balance of the franking account stood at A$201 million as at 30 June 2024. Having regard to QBE's franked AT1 distribution commitments and carry over tax losses, the dividend franking percentage is expected to remain around 20%, an increase from recent prior periods.

Capital markets issuance profile

Date to first call ($M)

Weighted average time to first call 1.9 years

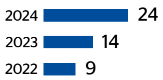


		ISSUED INSTRUMENTS	ISSUE DATE	CURRENCY	NOMINAL VALUE LOCAL CURRENCY	FIRST CALL DATE	COUPON	MATURITY DATE	CARRYING VALUE US$M
Accounted for as equity	**Additional Tier 1 (AT1)**	Capital Notes	Jul-20	US$M	400	May-25	5.25%	Perp	393
		Capital Notes	May-20	US$M	500	May-25	5.88%	Perp	493
	AT1 subtotal								**886**
Accounted for as debt	**Tier 2**	16NC6	Aug-20	A$M	500	Aug-26	3M BBSW + 2.75%	Aug-36	333
		17NC7	Sep-21	£M	400	Mar-28	2.50%	Sep-38	504
		15NC5	Oct-23	A$M	330	Oct-28	3M BBSW + 2.55%	Oct-38	219
		16NC6	Jun-23	A$M	300	Jun-29	3M BBSW + 3.10%	Jun-39	200
		30NC10	Dec-14	US$M	700	Dec-24	6.75%	Dec-44	700
		30NC10	Nov-15	US$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								**2,779**
Total instruments									**3,665**

Capital and dividends

Dividend per share Interim (A¢)

24



Dividend payout (A$M)

360

PCA multiple

1.77x

Capital

QBE's indicative PCA multiple reduced to 1.77x at 30 June 2024 from 1.82x at 31 December 2023.

Upon completion in the second half of 2024, the recently announced $1.6 billion reserve transaction is expected to give rise to a ~3 basis point benefit to the PCA multiple.

On further allowing for the payment of the 2024 interim dividend of 24 Australian cents, the pro-forma PCA multiple would decline to ~1.76x at 30 June 2024.

Capital generation over the period was supported by strong profitability and capital released from business closures, which was offset by capital consumed through ongoing premium growth, investment portfolio repositioning and the payment of the 2023 final dividend.

QBE carries $886 million of perpetual fixed rate resetting capital notes that are AT1 qualifying under APRA's capital adequacy framework. The notes are classified as equity, pay franked after-tax distributions and do not impact the weighted average number of shares for earnings per share calculations (since the notes are written off in whole or in part if APRA determines QBE is, or would become, non-viable).

The after-tax distribution on QBE's AT1 capital was $25 million, consistent with the prior period.

Dividends

The Board declared an interim dividend for 2024 of 24 Australian cents per share, or 31% of current period adjusted profit, an increase from 14 Australian cents per share for the 2023 interim dividend.

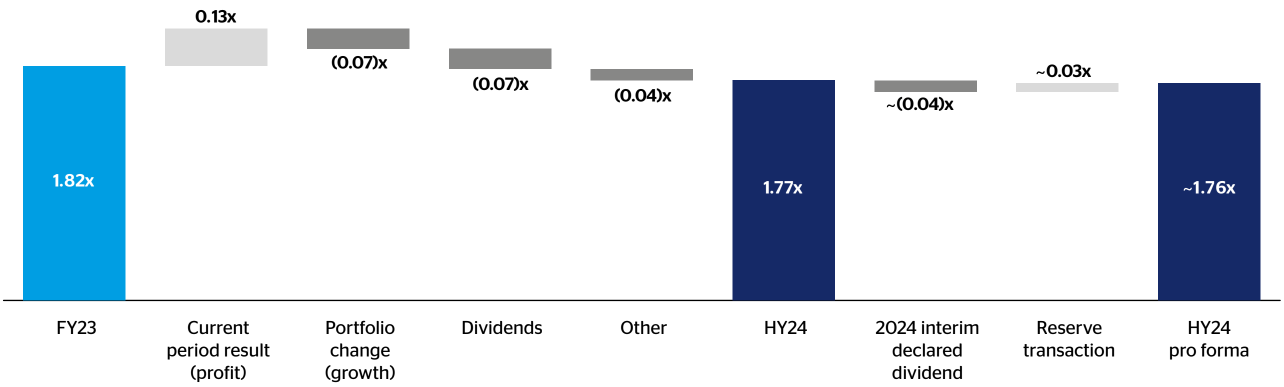
This interim dividend payout of A$360 million compares with A$209 million in the prior period.

The interim dividend will be 20% franked and is payable on 20 September 2024. The Dividend Reinvestment Plan and Bonus Share Plan will be satisfied by the issue of shares at a nil discount.

QBE's dividend policy is calibrated to a 40–60% payout of annual adjusted profit, which has been set at a level which can support the Group's growth ambitions and provide flexibility to manage the dynamics associated with the global insurance cycle.

The payout for the current period reflects the Board's confidence in the strength of the balance sheet and favourable outlook for returns, while retaining flexibility given the positive outlook for premium growth.

PCA multiple



Reconciliation of adjusted profit

FOR THE HALF YEAR ENDED 30 JUNE	2024 US$M	2023 US$M
Net profit after income tax	**802**	400
Amortisation and impairment of intangibles after tax	**–**	30
Additional Tier 1 capital coupon	**(25)**	(25)
Adjusted net profit after income tax[1]	**777**	405
Basic earnings per share – statutory (US cents)	**51.9**	25.2
Diluted earnings per share – statutory (US cents)	**51.5**	25.0
Basic earnings per share – adjusted basis (US cents)	**51.9**	27.2
Diluted earnings per share – adjusted basis (US cents)	**51.5**	27.0
Return on average shareholders' equity – adjusted basis (%)[2]	**16.9**	10.1
Dividend payout ratio (percentage of adjusted profit)[3]	**31**	35

1 The current period has not been adjusted for amortisation and impairment of intangibles, net gain on disposals and restructuring costs. On the same basis, the prior period adjusted net profit after income tax would have been $375 million.

2 Return on average shareholders' equity is calculated as the adjusted net profit after income tax divided by average shareholders' equity excluding the carrying value of Additional Tier 1 capital notes.

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

Prescribed Capital Amount

AS AT	30 JUNE 2024 US$M	31 DECEMBER 2023 US$M
Ordinary share capital and reserves	**9,294**	9,067
Net surplus relating to insurance liabilities	**1,496**	1,276
Regulatory adjustments to Common Equity Tier 1 Capital	**(2,668)**	(2,751)
Common Equity Tier 1 Capital	**8,122**	**7,592**
Additional Tier 1 Capital – Capital securities	**886**	886
Total Tier 1 Capital	**9,008**	**8,478**
Tier 2 Capital – Sub debt and hybrid securities	**2,779**	2,798
Total capital base	**11,787**	**11,276**
Insurance risk charge	**3,908**	3,706
Insurance concentration risk charge	**749**	749
Asset risk charge	**2,889**	2,493
Operational risk charge	**704**	654
Less: Aggregation benefit	**(1,591)**	(1,420)
APRA Prescribed Capital Amount (PCA)	**6,659**	**6,182**
PCA multiple	**1.77x**	**1.82x**
CET1 ratio (APRA requirement >60%)	**122%**	**123%**

Divisional review

North America

Gross written premium (US$M)

4,645

(6%) from 2023

Combined operating ratio

97.5%

2023 106.9%

Performance for the half highlighted meaningful progression in North America's strategy. Whilst non-core lines remained a headwind, strong underwriting results across our three core businesses, supportive market conditions and the recent decision to exit middle-market all contribute to an outlook of improved and more stable performance for North America. Growth across core Commercial and Specialty segments continued, underpinned by average rate increases of 9.3%, and further ex-rate growth across a number of segments.

International

Gross written premium (US$M)

5,708

12% from 2023

Combined operating ratio

89.2%

2023 93.2%

International delivered excellent performance in the first half, following a strong result in FY23. The breadth of performance was evident across both insurance and reinsurance segments, underscored by recent portfolio optimisation initiatives, further targeted growth and favourable markets. There was encouraging resilience in key underwriting metrics despite elevated large loss and catastrophe activity, while the reserve transaction announced this period will serve to further reduce potential long-tail reserve volatility.

Australia Pacific

Gross written premium (US$M)

2,698

(0%) from 2023

Combined operating ratio

95.6%

2023 98.9%

Performance for the period was challenged by elevated catastrophe costs, which were driven by QBE's exposure to the civil unrest in New Caledonia. The benefit from recent premium rate increases, particularly across short-tail classes, is driving some recovery from inflation challenges in the prior year, and markets remain disciplined in light of persistent inflation in certain lines. A number of important modernisation milestones were achieved, including the commencement of migration to a cloud-based policy administration system.

1 Strategy and performance
2 Financial performance review
3 Other information

Underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2024	2023
Gross written premium	US$M	**4,645**	4,967
Net insurance revenue	US$M	**2,243**	2,285
Net claims expense	US$M	**(1,513)**	(1,763)
Net commission	US$M	**(445)**	(469)
Expenses and other income	US$M	**(229)**	(211)
Insurance operating result	US$M	**56**	(158)
Net claims ratio	%	**67.5**	77.2
Net commission ratio	%	**19.8**	20.5
Expense ratio	%	**10.2**	9.2
Combined operating ratio	%	**97.5**	106.9
Insurance profit (loss) margin	%	**5.8**	(4.1)

Underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2024	2023
Gross written premium	US$M	**5,708**	5,072
Net insurance revenue	US$M	**3,803**	3,278
Net claims expense	US$M	**(2,288)**	(2,072)
Net commission	US$M	**(670)**	(588)
Expenses and other income	US$M	**(435)**	(395)
Insurance operating result	US$M	**410**	223
Net claims ratio	%	**60.2**	63.2
Net commission ratio	%	**17.6**	17.9
Expense ratio	%	**11.4**	12.1
Combined operating ratio	%	**89.2**	93.2
Insurance profit margin	%	**17.9**	13.5

Underwriting result

FOR THE HALF YEAR ENDED 30 JUNE		2024	2023
Gross written premium	US$M	**2,698**	2,771
Net insurance revenue	US$M	**2,468**	2,393
Net claims expense	US$M	**(1,667)**	(1,671)
Net commission	US$M	**(380)**	(374)
Expenses and other income	US$M	**(313)**	(322)
Insurance operating result	US$M	**108**	26
Net claims ratio	%	**67.5**	69.8
Net commission ratio	%	**15.4**	15.6
Expense ratio	%	**12.7**	13.5
Combined operating ratio	%	**95.6**	98.9
Insurance profit margin	%	**9.3**	6.0

Divisional review continued

North America

Operational review

North America's combined operating ratio improved considerably from 106.9% in the prior period to 97.5%. The result was supported by a meaningful reduction in catastrophe costs despite significant convective storm activity, alongside favourable prior accident year development. Whilst performance across non-core lines remained challenging, and contributed the majority of North America's catastrophe costs, the core business combined operating ratio improved from 93.2% in the prior period to 90.8%, and was underpinned by solid performance across each of our three segments.

Gross written premium reduced 6% for the period, as strong premium rate increases of 9.3% were tempered by lower Crop commodity prices and the run-off of non-core lines. Gross written premium growth excluding Crop and the non-core run-off was 15%, which was underpinned by ex-rate growth of 8%, led by Accident & Health and other specialty lines.

Crop gross written premium reduced 11% due to commodity price declines, which was partially offset by continued organic growth, and QBE expects FY24 crop gross written premium of ~$3.8 billion. The Crop combined operating ratio of 92.1% reflected a 2.9% benefit from favourable prior accident year development, while the current year result was broadly in line with plan.

International

Operational review

International delivered improvement in underwriting performance, achieving a combined operating ratio of 89.2% compared with 93.2% in the prior period. This was underscored by strong results across key business segments of insurance, reinsurance and Asia, against a backdrop of elevated large and secondary peril loss activity.

The gradual moderation in premium rate increases through the period tracked broadly in line with assumptions, and was predominately driven by lower rate increases in certain property and reinsurance lines, and building competition in financial lines. Despite this, growth in gross written premium continued at 12%, supported by ex-rate growth of 8%, led by International Markets and UK insurance.

The strong underwriting result was supported by lower than expected current accident year catastrophe costs, where the benefit from recent efforts to reduce property catastrophe volatility remains encouraging. This more than offset elevated large loss activity, alongside modest strengthening of the central estimate associated with 2023 catastrophe events, including the 3Q23 Italian hailstorm.

Australia Pacific

Operational review

Australia Pacific reported a combined operating ratio of 95.6% compared with 98.9% in the prior period. The result was impacted by elevated catastrophe costs, which were underscored by exposure to the civil unrest in New Caledonia and a series of convective storm events across eastern Australia.

Catastrophe costs were partially offset by improvement in the ex-cat claims ratio, and favourable prior accident year central estimate development driven by CTP and LMI. Claims inflation trends remain nuanced by class of business, and while inflation remains persistent in parts of the portfolio, the benefit from recent premium rate increases is driving some recovery from inflation-related challenges in the prior year.

Gross written premium remained broadly flat compared with prior period, or better stated at 5% growth excluding the drag from terminated third-party property underwriting relationships, which had a bias towards the first half. Momentum was underpinned by average premium rate increases of 9.9%, partially offset by normalisation in the particularly strong levels of retention experienced in the prior period.

Our strategic priorities

Portfolio optimisation

Active management of portfolio mix and volatility

Sustainable growth

Achieve consistent growth

Bring the enterprise together

Better leverage our global footprint and scale

Modernise our business

Make things easier for our customers, partners and people

Our people

Become an employer of choice in our key markets

Our culture

Be a purpose-led organisation.
Strengthen alignment, trust and collaboration.

Strategy in action

North America commenced an orderly closure of its middle-market segment, which has experienced performance challenges over several years. The decision was an important step toward improved performance in North America. The go-forward core business has a long-established track record of underwriting profitability, which alongside supportive market conditions underpins our confidence in the outlook.

The run-off of non-core lines continued through the period. These lines collectively contributed an underwriting loss of ~$130 million in 1H24, and QBE estimates these lines will contribute an underwriting loss of ~$200 million in FY24.

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

Strategy in action

International continues to execute well against a growth agenda which spans multiple opportunities. There remains good momentum within UK insurance, where we continue to broaden presence beyond existing strengths in commercial motor and property lines.

QBE Re delivered further targeted growth, which was biased toward casualty lines, and supported by premium rate increases of around 7%. Underwriting performance was notably improved, where recent property portfolio initiatives focusing on raising attachment points and reducing exposure across a number of regions are resulting in greater resilience.

Across long-tail classes, inflation management remains a key priority, and the recently announced reserve transaction will serve to improve capital efficiency and further reduce potential reserve volatility in classes which carry social inflation exposure.

Strategy in action

Portfolio optimisation remained the key focus for Australia Pacific with a particular emphasis on property accumulation management, and managing exposure to convective storm risk. Discipline across markets remains a consistent feature, where particularly in short-tail lines, inflation and natural catastrophe challenges remain dynamic.

Modernisation projects built momentum through the period, with a number of important milestones achieved. Australia Pacific commenced migrating a key policy administration platform to the cloud, and progressed digitisation work streams aimed at driving greater straight-through processing, which will enhance customer and partner experience.

Growth initiatives were primarily focused on commercial lines including farm, commercial motor and commercial packages, where we achieved ongoing new business volumes. Attractive growth was also achieved in CTP, while LMI volumes remained under pressure.

1 Strategy and performance
2 Financial performance review
3 Other information

Statutory to management result reconciliation

	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**

	STATUTORY	ADJUSTMENTS				MANAGEMENT
		DISCOUNT UNWIND	UNDERLYING PYD	LPT	INVESTMENT RFR	
FOR THE HALF YEAR ENDED 30 JUNE 2023	US$M	US$M	US$M	US$M	US$M	US$M
Insurance revenue	9,921	–	(10)	–	–	9,911
Insurance service expenses[1]	(8,978)	(416)	10	–	–	(9,384)
Reinsurance expenses	(2,278)	–	–	344	–	(1,934)
Reinsurance income[1]	1,814	134	–	(344)	–	1,604
Insurance service result	479	(282)	–	–	–	197
Other expenses[1]	(126)	–	–	–	–	(126)
Other income[1]	24	–	–	–	–	24
Insurance operating result	377	(282)	–	–	–	95
Net insurance finance (expenses) income	(133)	282	–	–	–	149
Fixed income losses from changes in risk-free rates	–	–	–	–	(201)	(201)
Net investment income on policyholders' funds	301	–	–	–	131	432
Insurance profit	545	–	–	–	(70)	475
Net investment income on shareholders' funds	160	–	–	–	70	230
Financing and other costs	(112)	–	–	–	–	(112)
Share of net loss of associates	(1)	–	–	–	–	(1)
Amortisation and impairment of intangibles	(8)	–	–	–	–	(8)
Profit before income tax	584	–	–	–	–	584
Income tax expense	(180)					(180)
Profit after income tax	404					404
Non-controlling interests	(4)					(4)
Net profit after income tax	400					400

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.

	NET INSURANCE REVENUE		NET CLAIMS EXPENSE		NET COMMISSION		EXPENSES AND OTHER INCOME		TOTAL	
FOR THE HALF YEAR ENDED 30 JUNE	2024 US$M	2023 US$M	2024 US$M	2023 US$M	2024 US$M	2023 US$M	2024 US$M	2023 US$M	2024 US$M	2023 US$M
Statutory										
Insurance revenue	**10,436**	9,921	**–**	–	**–**	–	**–**	–	**10,436**	9,921
Insurance service expenses	**–**	–	**(6,869)**	(6,744)	**(1,439)**	(1,401)	**(916)**	(833)	**(9,224)**	(8,978)
Reinsurance expenses	**(2,096)**	(2,278)	**–**	–	**–**	–	**–**	–	**(2,096)**	(2,278)
Reinsurance income	**–**	–	**1,892**	1,884	**(75)**	(70)	**–**	–	**1,817**	1,814
Insurance service result	**8,340**	7,643	**(4,977)**	(4,860)	**(1,514)**	(1,471)	**(916)**	(833)	**933**	479
Other expenses	**–**	–	**–**	–	**–**	–	**(142)**	(126)	**(142)**	(126)
Other income	**–**	–	**–**	–	**–**	–	**37**	24	**37**	24
Insurance operating result	**8,340**	7,643	**(4,977)**	(4,860)	**(1,514)**	(1,471)	**(1,021)**	(935)	**828**	377
Adjustments										
Discount unwind	**–**	–	**(303)**	(282)	**–**	–	**–**	–	**(303)**	(282)
Underlying PYD	**40**	(10)	**(22)**	13	**(18)**	(3)	**–**	–	**–**	–
LPT	**132**	344	**(164)**	(376)	**32**	32	**–**	–	**–**	–
Management	**8,512**	7,977	**(5,466)**	(5,505)	**(1,500)**	(1,442)	**(1,021)**	(935)	**525**	95

Adjustments

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

Discount unwind

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

Underlying prior year development (PYD)

Underlying prior accident year claims development within net claims expense amounting to $22 million (2023 $13 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 MPCI 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. The current period 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.

Key sensitivities

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

Foreign exchange

Foreign exchange rates

FOR THE HALF YEAR ENDED 30 JUNE		2024		2023	
		PROFIT OR LOSS	BALANCE SHEET	PROFIT OR LOSS	BALANCE SHEET
Australian dollar	A$	**0.658**	**0.668**	0.676	0.666
Sterling	£	**1.265**	**1.264**	1.233	1.271
Euro	€	**1.081**	**1.072**	1.081	1.091

Premium and investments currency mix

Gross written premium by currency

FOR THE HALF YEAR ENDED 30 JUNE	2024		2023	
	US$M	%	US$M	%
US dollar	**7,289**	**56**	7,261	57
Australian dollar	**2,534**	**19**	2,624	20
Sterling	**1,327**	**10**	1,112	9
Euro	**1,171**	**9**	1,092	8
New Zealand dollar	**209**	**2**	198	2
Canadian dollar	**184**	**1**	167	1
Hong Kong dollar	**79**	**1**	104	1
Singapore dollar	**106**	**1**	96	1
Other	**152**	**1**	149	1
Total	**13,051**	**100**	12,803	100

Cash and investments by currency

AS AT	30 JUNE 2024		31 DECEMBER 2023	
	US$M	%	US$M	%
US dollar	**9,315**	**31**	9,762	32
Australian dollar	**8,641**	**28**	8,738	30
Sterling	**5,279**	**17**	4,848	16
Euro	**4,217**	**14**	3,697	12
Canadian dollar	**1,581**	**5**	1,539	5
New Zealand dollar	**559**	**2**	571	2
Hong Kong dollar	**409**	**1**	429	1
Singapore dollar	**173**	**1**	177	1
Other	**291**	**1**	303	1
Total	**30,465**	**100**	30,064	100

Claims

Weighted average risk-free rates

AS AT CURRENCY		30 JUNE 2024	31 DECEMBER 2023	30 JUNE 2023
Australian dollar	%	**4.19**	3.80	4.09
US dollar	%	**4.55**	4.15	4.35
Sterling	%	**4.25**	3.67	4.70
Euro	%	**2.62**	2.16	2.59
Group weighted	%	**3.96**	3.48	3.95
Estimated risk-free rate benefit	US$M	**2**	(36)	170

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

AS AT	%	PROFIT (LOSS)[1] 30 JUNE 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
Net discounted central estimate	+5	**(631)**	(635)
	-5	**631**	635
Inflation rate	+1	**(372)**	(395)
	-1	**347**	366
Discount rate	+1	**330**	348
	-1	**(360)**	(383)
Weighted average term to settlement	+10	**156**	145
	-10	**(158)**	(147)

Cash and investments

Fixed income – interest rate and credit spread risk

AS AT	%	PROFIT (LOSS)[1] 30 JUNE 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
Interest rate movement – interest-bearing financial assets	+1.0	**(392)**	(337)
	-1.0	**378**	347
Credit spread movement – interest-bearing financial assets	+0.5	**(111)**	(116)
	-0.5	**107**	111

Growth assets – price risk

AS AT	%	PROFIT (LOSS)[1] 30 JUNE 2024 US$M	PROFIT (LOSS)[1] 31 DECEMBER 2023 US$M
ASX 200	+20	**33**	21
	-20	**(33)**	(21)
S&P 500	+20	**34**	18
	-20	**(34)**	(18)
FTSE 100	+20	**28**	18
	-20	**(28)**	(18)
EURO STOXX	+20	**17**	8
	-20	**(17)**	(8)
Emerging market equities	+20	**8**	–
	-20	**(8)**	–
Unlisted property trusts	+20	**76**	82
	-20	**(76)**	(82)
Infrastructure assets	+20	**122**	130
	-20	**(122)**	(130)
Alternatives	+20	**27**	26
	-20	**(27)**	(26)

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

Historical management result review

FOR THE HALF YEAR ENDED 30 JUNE 2024

		HALF YEAR ENDED 30 JUNE[1,2]					YEAR ENDED 31 DECEMBER[1,2]				
		2024	**2023**	**2022**	**2021**	**2020**	**2023**	**2022**	**2021**	**2020**	**2019[3]**
Insurance contracts issued											
Gross written premium	US$M	**13,051**	**12,803**	11,576	10,203	8,041	21,748	19,993	18,453	14,685	13,442
Insurance revenue/Gross earned premium	US$M	**10,438**	**9,911**	8,942	7,980	6,539	20,825	18,834	17,031	14,050	13,257
Net insurance revenue/Net earned premium	US$M	**8,512**	**7,977**	7,328	6,571	5,556	16,599	15,088	13,779	11,785	11,609
Combined operating ratio	%	**93.8**	**98.8**	94.9	93.3	97.4	95.2	95.9	95.0	98.6	97.5
Investment income (loss)											
excluding net fair value gains/losses	US$M	**733**	**662**	(20)	241	225	1,374	570	531	432	555
including net fair value gains/losses	US$M	**502**	**461**	(874)	58	(90)	1,369	(773)	122	226	1,036
Insurance profit (loss)	US$M	**985**	**475**	292	674	(249)	1,617	903	1,073	(72)	708
Insurance profit (loss) to net insurance revenue/net earned premium	%	**11.6**	**6.0**	4.0	10.3	(4.5)	9.7	6.0	7.8	(0.6)	6.1
Financing and other costs	US$M	**(109)**	**(112)**	(120)	(126)	(125)	(232)	(230)	(247)	(252)	(257)
Operating profit (loss) before income tax	US$M	**1,051**	**584**	61	530	(443)	1,837	676	771	(817)	733
after income tax and non-controlling interests	US$M	**802**	**400**	48	441	(377)	1,355	587	N/A	N/A	N/A
Balance sheet and share information											
Number of shares on issue[4]	millions	**1,502**	**1,492**	1,483	1,475	1,468	1,494	1,485	1,477	1,471	1,305
Shareholders' equity	US$M	**10,178**	**9,006**	8,458	8,839	8,438	9,950	8,855	8,881	8,491	8,153
Total assets	US$M	**42,632**	**40,546**	38,590	49,390	43,167	42,108	39,201	49,303	46,624	40,035
Net tangible assets per share[4]	US$	**5.42**	**4.68**	4.35	4.30	3.88	5.25	4.61	4.36	4.05	4.11
Borrowings to total capital	%	**21.4**	**24.7**	24.6	23.7	26.5	21.9	23.7	26.9	25.8	27.5
Basic earnings (loss) per share[4]	US cents	**51.9**	**25.2**	1.6	28.2	(51.9)	87.6	36.2	47.5	(108.5)	41.8
Basic earnings (loss) per share adjusted basis[5]	US cents	**51.9**	**27.2**	4.5	31.4	(48.6)	91.4	44.8	54.6	(60.7)	55.7
Diluted earnings (loss) per share[4]	US cents	**51.5**	**25.0**	1.5	28.1	(51.9)	87.0	36.0	47.2	(108.5)	41.5
Adjusted return on equity[5]	%	**16.9**	**10.1**	1.7	10.2	(17.2)	16.0	8.3	8.6	(18.2)	6.7
Dividend per share	Australian cents	**24**	**14**	9	11	4	62	39	30	4	52
Dividend payout	A$M	**360**	**209**	133	162	59	926	580	443	59	681
Total investments and cash[6]	US$M	**30,465**	**27,426**	26,749	27,864	24,432	30,064	28,167	28,967	27,735	24,374

1 2022–2024 prepared on a AASB 17 basis.

2 2019–2021 prepared on a AASB 1023 basis.

3 Profit or loss information for 2019 excludes the results of discontinued operations.

4 Reflects shares on an accounting basis.

5 2024 calculated with reference to adjusted net profit, being profit after tax adjusted for coupons on Additional Tier 1 instruments. Prior periods remain as presented in prior reports.

6 Includes financial assets at fair value through profit or loss and other comprehensive income, cash and cash equivalents and investment properties; excludes any balances held for sale.

Financial calendar

YEAR	MONTH	DAY	ANNOUNCEMENT
2024	August	9	Results and dividend announcement for the half year ended 30 June 2024
		16	Shares begin trading ex-dividend
		19	Record date for determining shareholders' entitlement to the 2024 interim dividend
		20	DRP/BSP election close date – last day to nominate participation in the DRP or BSP
	September	20	Payment date for the 2024 interim dividend
	November	27	3Q24 Performance update
	December	31	Year end

Glossary

AASB 1023	AASB 1023 *General Insurance Contracts* was the accounting standard that previously applied to accounting for insurance and reinsurance contracts. This standard was replaced by AASB 17 *Insurance Contracts* which became effective from 1 January 2023.
Accident year	The year in which the event causing the claim occurs, regardless of when reported or paid.
Acquisition costs	Commission and other costs incurred in selling, underwriting and starting insurance contracts.
Admitted insurance	Insurance written by an insurance company that is admitted (or licensed) to do business in the State in the United States in which the policy was sold.
Agent	One who negotiates contracts of insurance or reinsurance as an insurance company's representative i.e. the agent's primary responsibility is to the insurance company, not the insured party.
Aggregate reinsurance	Reinsurance cover that provides protection for an accumulation of claims arising from multiple events over a specified period of time.
APRA	Australian Prudential Regulation Authority, being the Group's primary insurance regulator.
Attachment point	The amount of claims retained by the cedant in a reinsurance arrangement, after which reinsurance protection will apply.
Attributable expenses	Administrative, general and other expenses that directly relate to fulfilling insurance contracts.
Borrowings to total capital	The Group's gearing ratio (also referred to as debt to total capital), calculated as borrowings expressed as a percentage of total capital. Total capital is shareholders' equity plus Tier 1 instruments classified as liabilities (which are excluded from borrowings for the purposes of this calculation), and subordinated debt.
Broker	One who negotiates contracts of insurance or reinsurance on behalf of an insured party, receiving a commission from the insurance or reinsurance company for placement and other services rendered. In contrast with an agent, the broker's primary responsibility is to the insured party, not the insurance company.
Capacity	In relation to a Lloyd's member, the maximum amount of insurance premium (gross of reinsurance but net of brokerage) which a member can accept. In relation to a syndicate, it is the aggregate of each member's capacity allocated to that syndicate.
Captive	A licensed entity within the Group that provides reinsurance protection to other controlled entities.
Casualty insurance	Insurance that is primarily concerned with the claims resulting from injuries to third persons or their property (i.e. not the policyholder) and the resulting legal liability imposed on the insured. It includes, but is not limited to, general liability, employers' liability, workers' compensation, professional liability, public liability and motor liability insurance.
Catastrophe claims	Total of all net claims resulting from catastrophe events. Referred to as catastrophe claims ratio when expressed as a percentage of net insurance revenue.
Catastrophe reinsurance	A reinsurance contract (often in the form of excess of loss reinsurance) that, subject to specified limits and retention, compensates the ceding insurer for financial losses related to an accumulation of claims resulting from a catastrophe event or series of events.
Claim	The amount payable under a contract of insurance or reinsurance arising from a loss relating to an insured event.
Claims incurred	The aggregate of all claims paid during an accounting period adjusted for the change in the claims provision in that accounting period.
Combined operating ratio (COR)	The sum of the net claims ratio, commission ratio and expense ratio. A combined operating ratio below 100% indicates an underwriting profit. A combined operating ratio over 100% indicates an underwriting loss.
Commercial lines	Refers to insurance for businesses, professionals and commercial establishments.
Confidence level	A statistical measure of the level of confidence that the insurance contract liabilities will be sufficient to pay claims as and when they fall due. This was previously referred to as probability of adequacy under AASB 1023.
Contractual service margin (CSM)	A component of the asset or liability for remaining coverage of contracts measured under the general model, which represents profit that has not yet been recognised in profit or loss as it relates to future services to be provided over the remaining coverage of the insurance contracts.
Credit spread	The difference in yield between a bond and a reference yield (e.g. BBSW or a fixed sovereign bond yield).
Credit spread duration	The weighted average term of cash flows for a corporate bond. It is used to measure the price sensitivity of a corporate bond to changes in credit spreads.
Ex-cat claims	Net claims excluding catastrophe claims and prior accident year claims development (including movements in risk adjustment related to prior accident years). Referred to as ex-cat claims ratio when expressed as a percentage of net insurance revenue.

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

Glossary continued

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

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