

QBE Insurance Group Limited ABN 28 008 485 014
Level 18, 388 George Street, SYDNEY NSW 2000 Australia
GPO Box 82, Sydney NSW 2001
telephone + 612 9375 4444 • facsimile + 612 9231 6104

www.qbe.com



27 November 2023

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

Dear Sir/Madam

3Q23 PERFORMANCE UPDATE

Please find attached an announcement for release to the market.

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

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Carolyn Scobie'.

Carolyn Scobie
Company Secretary

Attachment

For personal use only

3Q23 Performance update

QBE updates on recent trading performance and reiterates full year outlook. QBE continues to expect FY23 Group constant currency GWP growth of around 10%, and a FY23 Group combined operating ratio of around 94.5%.

Growth and pricing momentum

3Q23 gross written premium growth was 7% on the prior corresponding period, on both a reported and constant currency basis. Group-wide renewal rate increases averaged 9.6% in 3Q23, while ex-rate growth was broadly flat due to the continuation of portfolio exits, alongside the large first half bias for written premium across a number of growth focus areas. Retention has remained at favourable levels.

In the year to September, gross written premium growth was 10% on the prior corresponding period, or 11% in constant currency, with ex-rate growth of 5%. Excluding Crop, Group gross written premium increased by 11% in constant currency, with ex-rate growth of 4%.

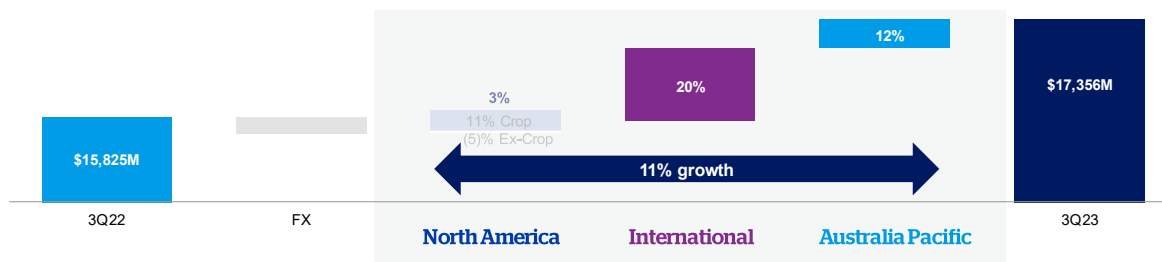
Continued favourable rate and retention

Rate increases	3Q22	4Q22	1Q23	2Q23	3Q23
North America +11.4% YTD	8.1% 9.1% 74%	6.7% 74%	10.9% 10.6% 68%	11.5% 66%	12.3% 66%
International +8.6% YTD	5.5% 6.3% 87%	4.9% 87%	9.4% 9.2% 84%	9.5% 85%	6.0% 84%
Australia Pacific +12.0% YTD	9.9% 9.4% 87%	10.4% 87%	11.8% 11.3% 90%	12.2% 88%	12.5% 86%
Group +10.1% YTD	7.7% 8.4% 84%	7.1% 84%	10.2% 10.0% 82%	10.5% 82%	9.6% 81%

YTD premium retention

3QYTD constant currency GWP growth of 11%

Growth ex rate 5%



Underwriting performance

Claims update

Natural catastrophe activity continued over recent months, underscored by multiple storm, flood and wildfire events in Europe and North America, alongside hurricanes Idalia, Otis and Hillary. Catastrophe claims through the period have however trended favourably relative to QBE's revised FY23 catastrophe cost assumption of ~\$1.3B. The net cost of catastrophe claims in the four months to October is expected to be ~\$250M, resulting in catastrophe costs of ~\$950M in the year to October.

Claims inflation trends remain broadly similar with those outlined at QBE's 1H23 result. Whilst some early moderation is clear in certain lines, inflation has remained more persistent across a small number of portfolios including Australia Pacific personal lines, and North America non-core lines and Accident & Health.

This is expected to result in some strain on the current year, and modest adverse prior year development. These impacts, alongside a weaker North America Crop result are expected to be offset by lower catastrophe costs in 2H23.

North America Crop

The North America Crop result is expected to be adverse to Plan in 2023, reflecting the impact of lower commodity prices and drier conditions across certain states. Based on currently available data, QBE expects a current accident year Crop combined operating ratio of around 93-97%.

Investment performance

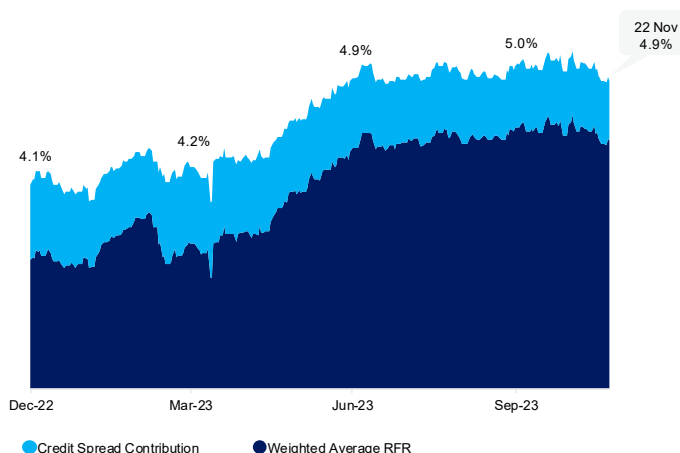
Despite weaker risk asset performance, strong fixed income returns underpinned favourable investment performance in 3Q23. Interest rates were relatively stable across our key markets, and the core fixed income running yield exited 3Q23 at 5.0%, slightly higher relative to the 1H23 exit running yield of 4.9%.

Total investment FUM for 3Q23 was \$28.2B, increasing from \$27.4B at 1H23, with risk assets accounting for ~13% of the portfolio. During the third quarter, the net impact from asset liability management activities was broadly neutral.

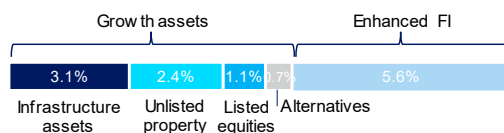
3Q23 investment return

	3Q23 \$M	3Q23 YTD \$M
FI yield (ex risk-free rate)	293	824
Credit spreads MTM	22	74
Risk assets	(10)	77
Expenses and other	11	3
Net return	316	978

Fixed income running yield



Risk assets - 13% of total 3Q23 FUM



Outlook

QBE reiterates full year outlook, and continues to expect:

- FY23 Group constant currency GWP growth of around 10%, and we expect the supportive premium rate environment should continue into 2024.
- FY23 Group combined operating ratio of around 94.5%. QBE's FY23 combined ratio outlook continues to exclude the upfront impact of the reserve transaction completed in 1H23.

Contact details

For further information, please contact:

Investor Relations

Ashley Dalziell
Head of Investor Relations
Tel: +61 2 9225 8868
investor.relations@qbe.com

Media Enquiries

Natalie Kitchen
Group Head of External Relations
Tel: +61 2 8275 9253
natalie.kitchen@qbe.com

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Basis of presentation (unless otherwise stated)

1. All figures are in US\$.
2. Premium growth rates are quoted on a constant currency basis.
3. Premium rate change excludes North America Crop and/or Australian compulsory third party motor (CTP).
4. Core fixed income excludes enhanced fixed income risk assets which comprise emerging market debt, high yield debt and private credit.
5. Funds under management comprise cash and cash equivalents, investments and investment properties.
6. QBE adopted AASB 17 Insurance Contracts from 1 January 2023 and has restated the comparative period (excluding premium growth rates and premium rate changes). The impacts of adoption are provided in the AASB 17 transition update released on 30 May 2023 with a subsequent update on 8 August 2023.

Disclaimer

The information in this announcement provides an overview of the results for the September 2023 quarter and where relevant with the addition of October 2023.

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

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

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

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

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

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