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20 February 2026

The Manager
Market Announcements Office
ASX Limited
Exchange Place
Level 27
39 Martin Place
Sydney NSW 2000

Dear Sir/Madam,

Report on results and financial statements for the year ended 31 December 2025

QBE Insurance Group Limited announces to the market the financial results for the year ended 31 December 2025.

The following documents are attached:

1. Appendix 4E – Preliminary Final Report;

2. QBE's 2025 Annual Report including financial statements for the year ended 31 December 2025;

3. Appendix 4G for the year ended 31 December 2025; and

4. QBE's 2025 Corporate Governance Statement, which can be found at http://www.qbe.com/investor-relations/reports-presentations/annual-results

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

Yours faithfully,

Carolyn Scobie
Company Secretary
Attachments

QBE Insurance Group Limited
ABN 28 008 485 014

Appendix 4E

Annual Report for the year ended 31 December 2025

Results for announcement to the market

FOR THE YEAR ENDED 31 DECEMBER	UP/DOWN	% CHANGE	2025 US$M	2024 US$M
Revenue from ordinary activities[1]	Up	5%	**22,955**	**21,778**
Profit from ordinary activities after income tax attributable to ordinary equity holders of the Company	Up	21%	**2,157**	**1,779**
Profit for the year attributable to ordinary equity holders of the Company	Up	21%	**2,157**	**1,779**

1 Refers to insurance revenue. Reinsurance income during the period was $3,967 million (2024 $3,406 million).

Net profit after income tax for the year ended 31 December 2025 was $2,157 million, compared with $1,779 million for the prior year.

The Group reported a statutory insurance operating result of $2,178 million compared with $1,773 million in the prior year, supported by favourable catastrophe experience. Ex-cat claims for the year reflected higher claims activity in Accident & Health in North America, elevated large loss experience and business mix shift. The underwriting result also included modest favourable development of the central estimate.

Net investment income was $1,680 million for the current year compared with $1,310 million in the prior year, or $1,633 million compared with $1,488 million in the prior year when excluding the impacts of risk-free rates. Performance was supported by strong risk asset returns and supportive core fixed income returns.

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

The Group's effective tax rate was 23.9% compared with 22.0% in the prior year, reflecting previously unrecognised tax losses in the North American tax group that were fully utilised in the prior year.

DIVIDENDS	AMOUNT PER SECURITY (AUSTRALIAN CENTS)	FRANKED AMOUNT PER SECURITY (AUSTRALIAN CENTS)
Interim dividend	**31**	**7.8**
Final dividend	**78**	**23.4**

The Dividend Reinvestment Plan and Bonus Share Plan will operate with no discount applicable to shares allocated under the plans. The Bonus Share Plan will be satisfied by the issue of shares, and the Dividend Reinvestment Plan is anticipated to be satisfied by the on-market purchase of shares. To the extent that the on-market purchase is not able to be completed for any reason, obligations under the Dividend Reinvestment Plan will be satisfied by the issue of shares.

The final dividend will be 30% franked. The unfranked part of the dividend is declared to be conduit foreign income.

The share price for the Dividend Reinvestment Plan and the Bonus Share Plan will be based on a volume weighted average price of the shares in the 15 trading days between 13 March and 2 April 2026 (both dates inclusive).

The record date for determining shareholder entitlements to the dividend is 6 March 2026.

The last date for receipt of election notices applicable to the Dividend Reinvestment Plan and Bonus Share Plan will be 9 March 2026.

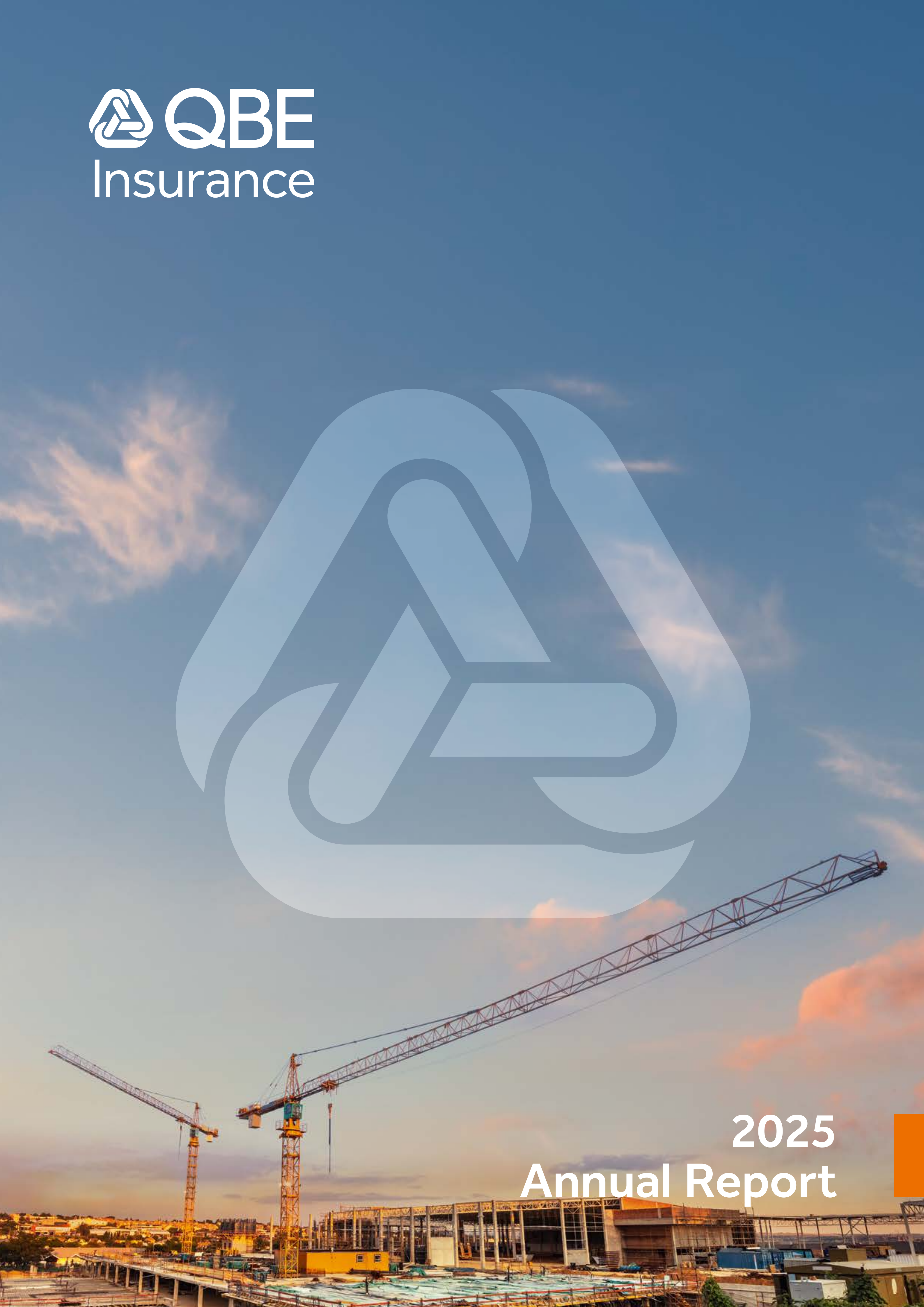
The final dividend will be paid on 17 April 2026.

Additional disclosures

Additional Appendix 4E disclosure requirements can be found in the QBE Insurance Group Limited Annual Report for the year ended 31 December 2025 (Attachment A). The Annual Report should be read in conjunction with any market or public announcements made by QBE Insurance Group Limited during the reporting year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules. The independent auditor's report is included at pages 167 to 172 of the Annual Report.

Other information

At the balance date, QBE held an interest in Chrysalis Management Ltd (20%), Raheja QBE General Insurance Company (49%), Catalyst Technologies Pty Limited (13%), Foresight Group Inc. (20%), Repair Ventures Management LLC (20%) and Converge Inc. (15%). The Group's aggregate share of profit or loss in these entities is not material.



QBE Insurance

2025 Annual Report

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About this report

This is the Annual Report for QBE Insurance Group Limited (and its controlled entities) for the year ended 31 December 2025.

This report is our primary report to shareholders and includes material information about our strategy and performance, in addition to our Remuneration Report and financial statements which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards.

Definitions of key performance metrics in section 2 are provided in the glossary on pages 177 to 180. Key metrics disclosed on a statutory basis are derived from unadjusted components of financial statement line items. Financial information prepared on a management basis has not been audited or reviewed by QBE's external auditor. A reconciliation between the statutory and management result is provided on pages 14 to 15.

Unless otherwise stated, references in this report to 'QBE', 'the Group', 'we', 'us' and 'our' refer to QBE Insurance Group Limited (and its controlled entities). References to 'the Company' refer to QBE Insurance Group Limited, the ultimate parent entity.

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

This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Acrobat Reader. Click on the links on the contents pages or use the home button in the footer to navigate the report.

QBE Insurance Group Limited ABN 28 008 485 014

Reporting suite

This report forms part of our annual reporting suite which brings together information on the Group's financial and sustainability performance for the year, and other disclosures.

Annual Report

Our primary disclosure document containing the operating and financial review, sustainability report, remuneration report, financial statements and key governance disclosures.

Investor Report

Provides performance highlights and supplementary management commentary on the Group's strategic and financial performance for the convenience of analysts and institutional investors.

Impact Report

Contains discussion of QBE's sustainability performance and progress, and discloses sustainability topics that affect QBE and our impacts on society and the environment.

Impact Data Book

Provides data for key sustainability metrics and trends. This complements the Impact Report.

Modern Slavery and Human Trafficking Statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.

Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices.

All of the above disclosures can be found on QBE's website.

Where to find

	ANNUAL REPORT	INVESTOR REPORT	IMPACT REPORT	IMPACT DATA BOOK	MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT	CORPORATE GOVERNANCE STATEMENT
Business strategy and strategic priorities	●	●				
Risk management	●	○				
Corporate governance framework, policies and practices	○					●
Board membership, skills and experience	●					●
Financial performance	●	●				
Climate-related disclosures	●					
Sustainability strategy			●			
Sustainability governance	●		○		○	
Sustainability performance			●	●	●	

Key: ○ Key messages ● Comprehensive

About QBE

QBE Insurance Group Limited (QBE) was founded in Townsville, Queensland in 1886 and is now headquartered in Sydney and listed on the Australian Securities Exchange.

QBE is an international insurer and reinsurer which holds leading franchises across commercial and specialty markets, organised across three divisions: North America, Australia Pacific, and International. Our diverse insurance portfolio includes property, motor, crop, public and product liability, professional indemnity, workers' compensation, energy, marine and aviation. QBE utilises three major rating agencies and is committed to maintaining its ratings at their current levels, with an AA- S&P rating, and more than $30 billion of funds under management.

Our purpose: Enabling a more resilient future

Business overview

3 Divisions

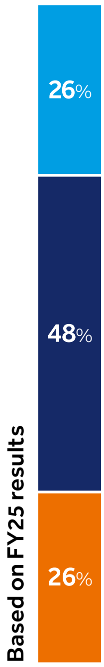
26 Countries of operation

13,196 People

Our business divisions

Net insurance revenue (US$)

~$18B



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

Our business focus

Net insurance revenue (US$)

~$18B

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 is known for underwriting expertise across a diverse group of global specialty classes, underpinned by our leading Lloyd's franchise

Reinsurance

QBE Re is a full platform, well diversified global reinsurance business, with 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 presence in the Australian personal lines segment, with a focus on home and motor products

Chair's message

A journey of resilience and consistency

2025 was another year of resilience and meaningful progress for QBE. Through disciplined execution of our strategy and a steadfast focus on our purpose, we supported customers and communities through a period of significant global complexity. As I conclude my tenure, I am proud of the stability we have built and confident in the strong foundations that will guide QBE's continued success.

As I draw closer to concluding my tenure as Chairman of QBE Insurance Group, I reflect with pride on the resilience and transformation that have defined our journey since I assumed the role in March 2020. Over the past almost six years, QBE has navigated a dynamic global environment – marked by climate and claims volatility, a global pandemic, geopolitical tensions, and economic uncertainty – with strategic clarity and a steadfast commitment to our purpose: enabling a more resilient future. Throughout this period, we have sharpened our focus on underwriting discipline, operational efficiency, and customer-centricity. Our strategic priorities have matured into tangible outcomes.

2025 was set to a backdrop of security concerns across multiple regions, and global uncertainty. While navigating the implications for our business and stakeholders, QBE delivered a statutory net profit after tax of $2,157 million, a 21% increase on the prior year. In November 2025, QBE also announced an on-market buyback of A$450 million in ordinary shares. The Board declared a final dividend of 78 Australian cents per share, compared to 63 Australian cents per share in 2024. These results reflect the strength of our operating model and the consistency we have built across the Group.

In a year marked by significant catastrophes, I am heartened by the care and professionalism our people demonstrate in these critical moments. Their dedication is a powerful reminder of the essential role insurance plays in supporting communities and economies. This year has also underscored the growing pressures on both households and the vital infrastructure that enables societies to function – from transport and energy networks to public services across multiple regions in which we operate. As the frequency and severity of weather-related events continue to rise, the need for sustained mitigation efforts remains clear. Greater investment in resilient infrastructure, alongside practical actions to reduce underlying risks, will be crucial to easing future burdens and strengthening community preparedness worldwide.

We have seen an increased focus on community resilience from government. Insurers are working with government and community stakeholders, and across industry to share insights and address some of the shared challenges we face. These challenges are common across the globe, and we have participated in many leading discussions on how nations are responding.

I also want to acknowledge the leadership of Andrew Horton, who has led QBE with clarity and purpose since 2021. Under Andrew's guidance, QBE has delivered greater consistency, strengthened its culture, improved performance, and positioned the Group for long-term success.

I thank Andrew and the Group Executive Committee for their unwavering commitment.

To my fellow directors, thank you for your stewardship and counsel. Together, we have overseen a period of meaningful change, including Board renewal and strengthened governance. During the 2025 year, Rolf Tolle retired from our Board at our Annual General Meeting and Peter Wilson stepped down from our Board at the end of the year. This year, we welcomed Non-Executive Director Neil Maidment to the Board.

At the conclusion of our upcoming AGM, I will hand over the role of Chair to Yasmin Allen AM, and I do so with confidence in her leadership and deep understanding of QBE's strategic priorities. Yasmin has been a valued member of the Board since 2022 and brings extensive experience in financial services and governance. I am certain she will guide QBE with integrity and strategic foresight.

I would like to thank our shareholders for their continued confidence in QBE. To all of our people across 26 countries, thank you. Your expertise, resilience, and alignment to our QBE DNA have been instrumental in delivering on our purpose and vision. It has been a privilege to serve as Chairman of QBE, and I leave the role with optimism for the future of this great company.

Mike Wilkins AO
Chair

Positioned for long-term success

Driven by our purpose to enable a more resilient future, 2025 has been a year of meaningful progress for QBE. Underpinned by disciplined execution of our strategic priorities, our efforts to rebalance the portfolio and stabilise performance have delivered tangible improvements, and the business has built strong momentum. We are proud of the results achieved and remain committed to delivering further value and consistent returns.

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
- Refreshed brand putting customers at the heart of it

QBE delivered strong performance in 2025, exceeding our financial plan for the year. This reflects continued execution of our strategy and a sustained focus on building a high-quality, consistent business.

This year was marked by heightened global complexity. Geopolitical tensions, ongoing tariff regimes and major loss events have reinforced the critical role of insurance. These challenges are compounded by rapidly evolving risks such as cyber – a shared global issue that touches every organisation and individual connected to the internet. Against this backdrop, the demand for insurance is greater than ever. While competition has increased in some classes, QBE remains committed to our long-term strategy, underwriting discipline, and sustaining strong performance.

In January 2026 we welcomed Chris Killourhy as Group Chief Financial Officer, succeeding Inder Singh. I am pleased with the internal appointment, which underpins the strength of our talent profile. Chris brings extensive experience in global insurance and financial management, coupled with a deep understanding of our business and strategy. I look forward to working closely with him as we continue to execute on our strategic priorities.

Business performance

Financial performance in 2025 was strong. The Group's combined operating ratio of 91.9% tracked ahead of our plan, and improved notably from 93.1% in the prior year. The result was supported by catastrophe costs comfortably below allowance.

Gross written premium increased by 7%, or 8% adjusting for the impact from recent portfolio exits, reflecting continued organic growth in targeted lines. We continue to strive for sustainable mid-single-digit volume growth, and carry good momentum into 2026. While premium rate increases have moderated, premium rate adequacy remains supportive in most lines, and our underwriting culture remains focused on profitability.

Investment returns remained robust, with total investment income of $1.6 billion or a return of 4.9%. Collectively with our underwriting performance we generated significant value for shareholders in the year, with a Group adjusted return on equity of 19.8%, QBE's highest in over a decade, and an improvement from 18.2% in the prior year.

This supported a 22 Australian cents increase in the 2025 dividend per share to 109 Australian cents relative to the prior year. Further, and in line with our focus on disciplined capital management, we announced a A$450 million share buyback in November, to be completed over the course of 2026, bringing total shareholder distributions in 2025 to around 65% of annual profits.

Within the 2025 Annual Report we have also prepared our first climate mandatory report in accordance with the Australian Government's legislation for certain entities to include climate-related financial disclosures as part of their annual reporting.

For detailed discussion of Group and divisional performance, please refer to pages 8 to 15 of this report.

Strategy in action

Our six priorities are helping us transform QBE into a more customer-led, unified, and agile organisation – one that's built on strong foundations and positioned for long-term success.

We continued to deliver on our Sustainable Growth priority in the period. This is supported by enterprise alignment around our priority businesses, and reinforced by deep broker partnerships and leading regional franchises.

Our Portfolio Optimisation efforts have delivered meaningful change over the last few years. The exit of our North America non-core portfolio progressed well and broadly concluded this year, leaving us with a more focused business with substantially less property catastrophe exposure.

QBE received credit rating upgrades from S&P and Fitch this year to AA-, reflecting favourable external validation of the progress we have achieved in building a higher-quality, more consistent business.

Our Modernisation priority has been reframed as Pace and efficiency in support of our outcome-driven modernisation programs. Our continued investment in digital, cloud and AI capabilities has supported the ongoing refinement of our underwriting AI tools across the business. We saw key initiatives launched in Australia Pacific, including the successful migration of Guidewire to Cloud, and our European Operations have gone live with their modernisation programs.

We are investing in AI capabilities to drive benefits aligned with our long-term vision, with a focus on opportunities for the business to operate at pace.

We saw momentum on our Customer priority this year. Our ambition here is simple: to build stronger, deeper connections and to consistently delight our customers. We sharpened our approach to data capture and insights, helping us to drive growth and tailor our service offering globally. Being recognised as the 2025 ANZIIF Large General Insurance Company of the Year, together with Commercial Lines Insurer of the Year and Reinsurer of the Year at the 2025 British Insurance Awards, gives us further confidence in our direction.

Bringing the enterprise together continues to be an important priority. In 2025 we launched a new global brand proposition. 'At the heart of it' is a clear expression of our focus on what matters most to our customers and our people. We were very proud to launch our first ever global product campaign, Cyber Protect, in our new brand. It reflects the unity and modernity of QBE today and it's a great example of collaboration across the enterprise.

Our people are at the heart of QBE, and I am proud to see our engagement remains consistent at 66%, which is materially above the financial services benchmark of 48%[1].

Supporting our customers, communities and people

Across 26 countries, QBE has been there for families, businesses and communities who have been impacted by a wide range of unexpected events. In 2025 alone, we paid out over $12 billion in claims globally, helping customers recover and rebuild.

At QBE, we believe in the power of insurance to create meaningful change. We see this come to life every day through the QBE Foundation and its aim to help improve the resilience of communities.

In 2025 the QBE Foundation partnered with Humanity Insured, becoming the first insurer to join the initiative with a focus on expanding access to insurance and resilience support for climate-vulnerable communities in Asia. We also launched Catalysing Impact, in partnership with Australia's Social Impact Hub, an initiative designed to help purpose-driven businesses to grow and scale their impact faster.

The QBE Foundation continues to be a point of pride for our people. Equally rewarding for our team is the opportunity to collaborate globally to solve complex challenges for our customers – reflecting our collective ambition to be the most consistent and innovative risk partner in the market.

2026 Outlook

Profitability remains attractive across the majority of lines and the year ahead appears constructive for further growth, and a continuation of strong returns. For 2026 we expect:

- Mid-single-digit growth in Group gross written premium. Premium rate increases are expected at a similar level in the year ahead, with growth weighted toward targeted organic volume growth.
- A Group combined operating ratio of around 92.5%, underpinned by a 2026 catastrophe allowance of $1,130 million and expense ratio of ~12%.
- Beyond 2026, we are introducing medium-term guidance for a Group adjusted return on equity of 15%+, assuming investment returns of 3%+ and a Group tax rate of around 25%. This reflects our confidence in underlying business settings, momentum in the business and the durability of our performance.

Andrew Horton
Group Chief Executive Officer

Full year 2026

Combined operating ratio
~92.5%

Gross written premium growth
Mid-single-digit
(constant currency basis)

Medium-term outlook

Adjusted return on equity
15%+

Gross written premium growth
Mid-single-digit
(constant currency basis)

1 Benchmark: Global Employee Engagement Index – Financial Services Benchmarks Medallia.

Our strategic priorities building momentum

Portfolio optimisation

Active management of portfolio mix to deliver consistent profitability

Sustainable growth

Deliver consistent growth in our core businesses and pursue new, innovative opportunities

Bring the enterprise together

Simplify what we do and remove complexity in how we do it. Explore new ways to better leverage our global footprint and expertise

Pace and efficiency

Modernise technology, digitise processes and improve ways of working to make QBE faster and simpler to do business with

Our people

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

Customer

Deliver an excellent experience for our customers and partners

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.

What we achieved	Future focus
• Meaningful performance uplift from strategic refresh in Crop, with further benefit expected in 2026 • Run-off of non-core lines in North America tracked ahead of expectations, with limited remaining impact for 2026	• Continue to become more medium-term in our approach to business planning and actively manage underperforming cells • Continue to enhance portfolio optimisation to give the optimum balance between growth, profitability and consistency
• Achieved significant growth in our focus areas including Portfolio Solutions, Cyber and QBE Re, plus broadened North America's commercial specialty platform • Launched inaugural QBE Re casualty sidecar, supporting more capital efficient growth	• Accelerate growth in priority businesses and extend into adjacencies • Innovate with new solutions and business models to solve customer needs
• Launch of QBE's global brand proposition, 'At the heart of it' and first global product campaign • Streamlining procurement and AI governance to enable faster and more effective business outcomes	• Drive value for the organisation by strengthening change, alignment and culture to maximise the benefits of our global capabilities • Improve performance through efficiency and effectiveness initiatives
• Streamlining our supplier landscape focusing on strategic partnerships to drive consistency, efficiency and value • Delivered major milestones underpinning growth and modernisation including the successful migration of Guidewire to Cloud in Australia Pacific and continued rollout of our modern cloud-based outwards reinsurance solution	• Extend early AI successes to realise broader enterprise value, enhancing customer experience through reimagining processes • Provide teams with the right tools to speed up transformation, improve delivery quality and advance agile maturity
• Launched tailored AI Learning Lab to develop skills for now and the future • Strengthened senior leadership capability to lead complex change and navigate fast moving, ambiguous environments	• Create a workplace where our people thrive and lead in a tech-enabled world • Build a future-ready workforce grounded in strong leadership and a performance-driven culture
• Developed a consistent approach globally to deliver service excellence across QBE • Introduced a globally consistent feedback mechanism to capture broker and customer experience to lift performance	• Continue to execute against a consistent Customer strategy focused on delivering excellent service and the differentiated value we deliver in each of the segments we serve • Become an easier partner to do business with, build deeper distribution relationships

Financial performance

QBE reported a statutory profit after tax attributable to ordinary equity holders of the Company of $2,157 million for the year ended 31 December 2025 compared with $1,779 million for the prior year.

Summary financial performance

FOR THE YEAR ENDED 31 DECEMBER		MANAGEMENT 2025	MANAGEMENT 2024	STATUTORY 2025	STATUTORY 2024
Insurance revenue	US$M	**22,955**	21,778	**22,955**	21,778
Reinsurance expenses	US$M	**(4,543)**	(3,971)	**(5,251)**	(4,462)
Insurance service result	US$M	**1,689**	1,467	**2,394**	2,006
Insurance operating result	US$M	**1,487**	1,234	**2,178**	1,773
Net investment income	US$M	**1,633**	1,488	**1,680**	1,310
Income tax expense	US$M	**(680)**	(504)	**(680)**	(504)
Profit after income tax attributable to ordinary equity holders	US$M	**2,157**	1,779	**2,157**	1,779
Key metrics					
Gross written premium	US$M	**23,959**	22,395	**23,959**	22,395
Net claims ratio	%	**61.4**	63.2	**55.8**	58.8
Net commission ratio	%	**18.1**	17.7	**18.9**	18.5
Expense ratio	%	**12.4**	12.2	**13.0**	12.5
Combined operating ratio	%	**91.9**	93.1	**87.7**	89.8

Gross written premium increased by 7%, driven by targeted organic growth across several classes in North America and International, and a lower strain from exited lines. The combined operating ratio improved to 91.9% from 93.1% in the prior year, supported by favourable catastrophe experience, with catastrophe costs during the year remaining below allowance. Ex-cat claims for the year reflected higher claims activity in Accident & Health in North America, elevated large loss experience and business mix shift. The underwriting result also included modest favourable development of the central estimate.

Total investment income, excluding fixed income losses from changes in risk-free rates, was $1,633 million or a return of 4.9%, compared with $1,488 million or 4.9% in the prior year. Performance was supported by strong risk asset returns and supportive core fixed income returns. Asset liability management activities resulted in a broadly neutral impact to profit.

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

The Group's effective tax rate was 23.9% compared with 22.0% in the prior year, reflecting previously unrecognised tax losses in the North American tax group that were fully utilised in the prior year.

QBE's balance sheet remains strong. The indicative APRA PCA multiple of 1.87x increased compared to 1.86x at 31 December 2024, and remains above our 1.6–1.8x target range. In line with our commitment to disciplined capital management, in November we announced a A$450 million on-market share buyback. Activity commenced in December, and is anticipated to conclude over the course of 2026. The 2025 final dividend of 78 Australian cents per share represents a full year dividend payout ratio of 50% of adjusted net profit after tax. As a result, the APRA PCA multiple reduces to 1.76x allowing for the final dividend payment, and 1.73x on further adjusting for the buyback.

Unless otherwise stated, discussion of performance in this section of the report is on a management basis which is consistent with how performance is assessed internally. The management basis reflects adjustments to the statutory result to provide greater transparency over the underlying drivers of the Group's performance, and a reconciliation is provided on pages 14 and 15. Definitions of key metrics, including how they are calculated, are provided in the glossary on pages 177 to 180. The key metrics used by QBE to manage and assess underwriting performance are derived from components of financial statement line items. An analysis of the insurance operating result by these components is provided on page 15.

Underwriting performance

Unless otherwise stated, discussion of performance is on a management basis. A reconciliation to the equivalent statutory result is provided on page 14.

Net insurance revenue

Gross written premium

Gross written premium increased 7% on both a headline and reported basis to $23,959 million from $22,395 million in the prior year. Ongoing momentum was driven by targeted organic growth across several classes in North America and International, and a lower strain from exited lines. Excluding Crop, gross written premium growth was 6%, and 8% when further excluding exited portfolios. Portfolio exits reduced gross written premium by around $250 million for the year. Ex-rate growth was 6% for the year, or 8% excluding the non-core run-off, and 7% on further excluding Crop. Further momentum was achieved across a number of growth focus areas including QBE Re, Portfolio Solutions and Cyber. The Group achieved an average renewal premium rate increase of 1.0% compared with 5.5% in the prior year. Moderation of premium rate increases was most evident across commercial property and Lloyd's portfolios, where profitability has been particularly strong. Excluding these portfolios, the Group achieved an average rate increase of around 4%.

Reinsurance expenses

Headline reinsurance expenses increased to $4,543 million from $3,971 million in the prior year, driven primarily by Crop. The cost for the 2025 Group catastrophe and risk cover was slightly lower, reflecting a modest reduction in property rates and further benefit from portfolio optimisation. Crop reinsurance costs increased compared to the prior year, reflecting higher gross written premiums for the year and increased cessions to the Federal program.

Net insurance revenue

Net insurance revenue increased 3% on a constant currency basis. This was lower than the growth in gross written premium, reflecting higher Crop cessions and recent portfolio exits.

Net claims

The net claims ratio decreased to 61.4% from 63.2% in the prior year, driven primarily by lower catastrophe costs and more favourable prior accident year reserve development.

The ex-cat claims ratio increased slightly to 59.8% from 59.7% in the prior year. The result included current accident year risk adjustment of $603 million, compared to $637 million in the prior year. Excluding risk adjustment, the ex-cat claims ratio increased to 56.5% from 56.1% in the prior year. On further excluding Crop, the Group ex-cat claims ratio increased to 54.9% from 53.0% in the prior year. This was primarily driven by adverse experience in certain portfolios including Accident & Health in North America, elevated large loss activity and business mix shift. In a number of portfolios where claims activity was elevated, such as Accident & Health, meaningful rate increases have been achieved through early-2026, which will support a recovery in performance. The large loss claims ratio tracked well above recent averages, with a number of high profile aviation and energy events. While claims inflation has moderated across many classes, geopolitical and economic uncertainty reinforce the need for disciplined underwriting.

The net cost of catastrophe claims decreased to $751 million or 4.1% of net insurance revenue, from $1,048 million or 5.9% in the prior year. The result was below the 2025 catastrophe allowance of $1,160 million. While global insured losses in 2025 were lower than recent years, the industry still experienced meaningful activity in North America and Australia, and our resilient performance is notable. Costs for the period were driven by the Californian wildfires and Hurricane Melissa, plus a number of eastern storm and flood events in Australia, including Cyclone Alfred. Exposure to these events was notably lower than historic experience, given recent portfolio exits and portfolio optimisation initiatives.

The result was also supported by favourable prior accident year claims development of $449 million or 2.5% of net insurance revenue, compared with $424 million or 2.4% in the prior year. This included favourable development of the central estimate of net outstanding claims by $40 million, compared with the modest strengthening of $21 million in the prior year. The positive result was supported by releases in Australia Pacific short-tail lines, CTP and LMI, alongside favourable development in North America Crop and property lines. These benefits more than offset adverse development in certain Liability and Marine portfolios within International. In addition to the central estimate development, the result included favourable development of $409 million related to the unwind of risk adjustment from prior accident years, compared with $445 million in the prior year.

Commission and expenses

The net commission ratio increased to 18.1% compared with 17.7% in the prior year, predominantly reflecting business mix shift. The Group's expense ratio of 12.4% increased slightly from 12.2% in the prior year. Constant currency expense growth of 5% improved from 10% in the prior year, as we remain focused on balancing business investment in transformation alongside the trajectory for premium growth. The core focus of these activities is centred on simplifying and modernising our data and technology estate, while improving customer and partner experience. Excluding this investment, underlying run cost growth was a result of inflation in wages against moderately lower headcount in the period, plus the ongoing cost to support new technology services and capabilities.

Divisional underwriting performance

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

North America

Gross written premium increased by 5% to $7,658 million, as continued growth across the core platform more than offset the drag from exited lines. Net insurance revenue decreased by 2% to $4,773 million, driven by higher Crop cessions. Excluding the impact from exited lines, gross written premium increased by 9%, supported by ex-rate growth of 8% on the same basis. On further excluding Crop, gross written premium increased 8%, with ex-rate growth of 5%. Good momentum was maintained in key segments including Accident & Health and Financial Lines, while the contribution from adjacent focus areas including Construction, Healthcare and Specialty casualty continued to build. Rates moderated most significantly in commercial property lines following several years of substantial increases. Crop gross written premium increased by 11%, supported by organic growth and broadly stable commodity prices.

North America's combined operating ratio improved to 97.7%, compared with 98.9% in the prior year. The outcome was driven by a strong Crop performance, substantially reduced drag from non-core lines during the final stages of the run-off and a second consecutive year of favourable prior year development. Despite this, the core business performance tracked behind plan for the year, driven by the rising cost of healthcare which is driving industry-wide claims trends in Accident & Health, alongside elevated large Aviation losses and business mix shift.

North America's net commission ratio increased slightly to 20.7% from 20.5% in the prior year, largely driven by a shift in business mix. This increase was partially offset by the benefit from strong growth in Crop, which carries a lower commission ratio, and the continued run-off of non-core lines that typically operate on higher third-party commission structures.

		MANAGEMENT[1]		STATUTORY	
FOR THE YEAR ENDED 31 DECEMBER		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US$M	**7,658**	7,277	**7,658**	7,277
Net insurance revenue	US$M	**4,773**	4,891	**4,194**	4,566
Net claims ratio	%	**68.2**	69.4	**61.8**	63.7
Net commission ratio	%	**20.7**	20.5	**23.6**	21.9
Expense ratio	%	**8.8**	9.0	**10.0**	9.7
Combined operating ratio	%	**97.7**	98.9	**95.4**	95.3

1 Adjusted for subsequent impacts of in-force reinsurance loss portfolio transfer transactions (LPT), underlying prior accident year development (PYD) adjustment relating to Crop, the inclusion of unwind of discount on claims and in addition for 2024, costs attributable to the middle-market exit.

International

International maintained strong momentum, with gross written premium increasing 11% on a constant currency basis to $11,073 million. Net insurance revenue increased by 10% in constant currency to $8,882 million. Average premium rate increases moderated to around zero for the year, predominantly driven by property classes and Lloyd's portfolios, where profitability has significantly improved in recent years. Across the UK, Europe and QBE Re segments, premium rate increases were more stable, continuing in the low-to-mid single digits for the year. Solid ex-rate growth of 11% was recorded during the period compared to 8% in the prior year. This was led by International Markets, QBE Re, Asia and Europe. Retention increased to 88% compared with 87% in the prior year. Within QBE Re, ex-rate growth was strong, delivering mid-teen increases for the year, underpinned by consistent and sustainable growth across our product range and priority markets.

International reported a combined operating ratio of 88.5% which improved modestly from 88.7% in the prior year. The result reflected a continuation of solid underwriting performance, despite reserve strengthening, and elevated large loss activity. Catastrophe claims improved on the prior year and were within allowance notwithstanding the major Californian wildfires event in January 2025.

The net commission ratio in International increased to 18.1% from 17.5% in the prior year, largely driven by portfolio mix changes, with strong growth in Portfolio Solutions and Reinsurance, both of which typically operate at higher commission levels than the divisional average, though with substantially lower operating expense ratios.

		MANAGEMENT[1]		STATUTORY	
FOR THE YEAR ENDED 31 DECEMBER		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US$M	**11,073**	9,837	**11,073**	9,837
Net insurance revenue	US$M	**8,882**	7,931	**8,754**	7,765
Net claims ratio	%	**59.0**	59.9	**53.1**	56.4
Net commission ratio	%	**18.1**	17.5	**18.4**	17.9
Expense ratio	%	**11.4**	11.3	**11.6**	11.6
Combined operating ratio	%	**88.5**	88.7	**83.1**	85.9

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

Australia Pacific

On a constant currency basis, gross written premium increased by 1% to $5,230 million and net insurance revenue reduced by 2% to $4,757 million. A meaningful reduction in rate increases was observed across consumer lines, as short-tail inflation eased further in the period. Excluding premium rate increases, gross written premium was broadly flat compared to the prior year. This was despite reductions in consumer portfolios, as we recalibrate our strategy, and a generally competitive backdrop in commercial lines. LMI gross written premium increased by 35% to $110 million, reflecting a lift in housing market activity as mortgage rates began to reduce.

Australia Pacific delivered a combined operating ratio of 89.6%, an improvement from 92.0% in the prior year. The result was driven by favourable prior accident year reserve development across a number of short-tail portfolios, plus CTP and LMI. This helped to counter catastrophe claims which were modestly above allowance, on account of an active period for storm and flood events on the east coast of Australia, including Cyclone Alfred. Short-tail claims inflation moderated gradually, following greater persistency in the prior year relative to many comparable classes in the northern hemisphere. While this supported the ex-cat claims trend, higher non-catastrophe related weather and fire claims were experienced in a number of short-tail portfolios.

Australia Pacific's net commission ratio increased to 15.4% from 15.1% in the prior year. This reflected adverse business mix shift and the impact of profit share arrangements on certain portfolios.

		MANAGEMENT[1]		STATUTORY	
FOR THE YEAR ENDED 31 DECEMBER		2025	2024	2025	2024
Key underwriting metrics					
Gross written premium	US$M	**5,230**	5,281	**5,230**	5,281
Net insurance revenue	US$M	**4,757**	4,985	**4,756**	4,985
Net claims ratio	%	**59.4**	63.1	**55.5**	58.7
Net commission ratio	%	**15.4**	15.1	**15.7**	15.9
Expense ratio	%	**14.8**	13.8	**15.1**	13.8
Combined operating ratio	%	**89.6**	92.0	**86.3**	88.4

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

Investment performance

Total investment income, excluding fixed income losses from changes in risk-free rates, was $1,633 million, equating to a return of 4.9%. The result was broadly stable compared to $1,488 million or 4.9% in the prior period, supported by strong performance across both core fixed income and risk asset portfolios. Investment income also included a benefit of $24 million associated with movement in foreign exchange rates through the period.

The core fixed income portfolio delivered a return of 4.2% or $1,184 million, down from $1,282 million in the prior period. The result included a gain of $18 million from modestly tighter credit spreads, compared to a $63 million benefit in the prior year. The core fixed income yield moderated slightly with the 31 December 2025 exit yield of 3.7% around 60 basis points lower than at 31 December 2024. 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 period, and consists predominantly of high-quality investment grade credit, with 89% rated A or higher, and an average rating of A+.

Risk asset performance improved notably compared to the prior year. The portfolio generated a return of 9.6% or $461 million, compared with 7.5% in the prior year. Returns were supportive across all asset classes, with a particularly strong contribution from developed market equities, enhanced fixed income and alternatives. Following recent weakness, some stabilisation in property valuations through the period supported a positive return in the unlisted property portfolio.

Funds under management

Funds under management of $35,850 million increased by 17% compared to $30,586 million at 31 December 2024, or 11% on a constant currency basis. The increase in constant currency funds under management was predominantly driven by continued premium growth, strong Group profitability and investment returns in the period. This was partially offset by the payment of dividends. The allocation to risk assets increased to 15% from 14% in the prior year.

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

Tax

QBE's effective statutory tax rate was 23.9% compared with 22.0% in the prior year. The effective tax rate reflected the mix of earnings across our key regions, and was modestly lower than our medium term expectation for a tax rate around 25% given a skew to the North American tax group. During the period, QBE paid $399 million in corporate income tax globally. The balance of the franking account stood at A$301 million as at 31 December 2025. The franking percentage for the 2025 final dividend will increase to around 30%, and is expected to remain at this level.

Balance sheet and capital management

Balance sheet and share information

		STATUTORY	
AS AT		31 DECEMBER 2025	31 DECEMBER 2024
Net assets	US$M	**11,673**	10,731
Less: intangible assets	US$M	**2,104**	1,964
Net tangible assets	US$M	**9,569**	8,767
Number of shares on issue	millions	**1,506**	1,505
Net tangible assets per share	US$	**6.35**	5.83

Net outstanding claims

Net outstanding claims comprise claims reserves within the net liability for incurred claims net of recoveries on reinsurance loss portfolio transfers. At 31 December 2025, the net discounted central estimate was $20,604 million, which increased from $17,286 million at 31 December 2024 primarily due to the impact from organic growth alongside foreign exchange. Excluding the impact of changes in foreign exchange and discount rates, the net discounted central estimate increased by $2,268 million. This underlying growth primarily reflected organic growth.

At 31 December 2025, the risk adjustment was $1,648 million or 8.0% of the net discounted central estimate. As a proportion of the net discounted central estimate, this remains consistent with the 31 December 2024 position, and at the top end of our 6–8% target range.

Borrowings

At 31 December 2025, total borrowings were $3,700 million compared to $2,664 million at 31 December 2024. This was primarily driven by Tier 2 issuance in the first half, including $500 million in April 2025 and A$600 million in May 2025. This funding was primarily raised to replace Additional Tier 1 capital notes totaling $900 million, which were accounted for as equity and bought back in May 2025. As a result, debt to total capital increased to 24.1% at 31 December 2025, from 19.9% at 31 December 2024. At 31 December 2025, all of the Group's borrowings counts towards regulatory capital. Net interest expense on borrowings for the year was $181 million, an increase from $162 million in the prior year. The average annualised net cash cost of borrowings at 31 December 2025 was 5.2% compared to 5.3% from 31 December 2024.

Capital

QBE's indicative PCA multiple of 1.87x at 31 December 2025 increased slightly relative to 1.86x at 31 December 2024. The quality of capital improved further with the CET1 multiple increasing to 1.37x from 1.31x at 31 December 2024. In November 2025, QBE announced a A$450 million on-market share buyback of ordinary shares, funded by surplus capital, and commenced repurchases during December with a view to completion during the course of 2026. Allowing for the payment of the 2025 final dividend, the 31 December 2025 pro forma PCA multiple would be 1.76x, or 1.73x on accounting for the aforementioned buyback.

Capital generation over the period was driven by strong profitability, which broadly offset capital consumed through ongoing premium growth and shareholder distributions. With a focus on driving more capital efficient growth, and greater capital diversification, QBE recently announced a catastrophe bond providing $400 million of collateralised reinsurance, alongside a casualty sidecar for QBE Re.

In May 2025, QBE completed the buyback of its Additional Tier 1 capital notes totaling $900 million. As a result, the after-tax distribution on QBE's AT1 capital was $25 million in 2025 and will be nil in 2026.

Adjusted profit and dividends

Reconciliation of adjusted net profit after tax

FOR THE YEAR ENDED 31 DECEMBER	2025 US$M	2024 US$M
Net profit after income tax	**2,157**	1,779
Additional Tier 1 capital coupon	**(25)**	(50)
Adjusted net profit after income tax	**2,132**	1,729
Basic earnings per share – statutory (US cents)[1]	**141.3**	115.2
Basic earnings per share – statutory (AU cents)[1]	**219.1**	174.7
Diluted earnings per share – statutory (US cents)[1]	**140.0**	114.2
Diluted earnings per share – statutory (AU cents)[1]	**217.1**	173.2
Closing shareholders' equity	**11,671**	10,728
Less: Additional Tier 1 capital notes	**–**	886
Less: fair value through other comprehensive income reserve	**(13)**	(5)
Adjusted closing shareholders' equity[2]	**11,684**	9,842
Adjusted average shareholders' equity[2]	**10,764**	9,492
Adjusted return on equity (%)[2]	**19.8**	18.2
Dividend payout ratio (percentage of adjusted net profit after tax)[3]	**50.0**	50.0

1 Reported earnings per share is calculated based on profit or loss after income tax attributable to ordinary equity holders of the Company, after deducting distributions paid on Additional Tier 1 capital notes classified as equity.
2 Adjusted return on equity is calculated as defined in the glossary on page 177.
3 Dividend payout ratio is calculated as the total A$ dividend divided by adjusted net profit after tax converted to A$ at the period average rate of exchange.

Dividends

The Board declared a final dividend for 2025 of 78 Australian cents per share, which results in a full year dividend of 109 Australian cents per share, an increase from the 2024 full year dividend of 87 Australian cents per share. The full year dividend payout of A$1,642 million compares with A$1,312 million in the prior period. This represents a full year dividend payout ratio of 50% of adjusted net profit after tax. 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 to capitalise on favourable market conditions in 2026. QBE's dividend policy is calibrated to a 40–60% payout of annual adjusted net profit after tax, which has been set at a level which can support the Group's sustainable growth ambition, and provide flexibility to manage the dynamics of pricing cycles across different classes and regions. The final dividend will be 30% franked and is payable on 17 April 2026. The Dividend Reinvestment Plan and Bonus Share Plan will operate with no discount applicable to shares allocated under the plans. The Bonus Share Plan will be satisfied by the issue of shares, and the Dividend Reinvestment Plan is anticipated to be satisfied by the on-market purchase of shares.

Looking ahead

We enter 2026 with strong momentum, having beaten our combined operating ratio plan again this year, and delivered underlying gross written premium growth of 8%. Looking to the year ahead, rate adequacy remains supportive for further growth across the majority of the portfolio. While this is encouraging in the near term, we ultimately expect to deliver a sustainable level of organic volume growth around the mid-single digits.

Our business is well positioned to benefit from a number of growing and emerging pools of risk, and we continue to invest to ensure our priority businesses are equipped to succeed. This period again highlighted the resilience in our underlying business settings, which was further reinforced by the pleasing outcome achieved at the 2026 reinsurance renewal. These strong, and much improved foundations will support more consistent and predictable outcomes. While premium rate increases have moderated, QBE remains well positioned to sustain strong underwriting performance.

Our unique diversification and balance, leading market positions, and ongoing focus on underwriting discipline leave us well placed to manage effectively through different product cycles across the industry. The quality of our balance sheet remains robust. With strong returns across our underwriting portfolio, we have ample flexibility to support organic growth, and want to be known and respected for disciplined capital management. To this end, we announced a A$450 million buyback and launched a new catastrophe bond and casualty sidecar, enhancing both the diversity and efficiency of our capital base.

Statutory to management result reconciliation

FOR THE YEAR ENDED 31 DECEMBER 2025	STATUTORY US$M	ADJUSTMENTS DISCOUNT UNWIND US$M	ADJUSTMENTS UNDERLYING PYD US$M	ADJUSTMENTS LPT US$M	ADJUSTMENTS INVESTMENT RFR US$M	ADJUSTMENTS APPR US$M	MANAGEMENT US$M
Insurance revenue	**22,955**	**–**	**–**	**–**	**–**	**–**	**22,955**
Insurance service expenses[1]	**(19,277)**	**(1,067)**	**–**	**–**	**–**	**–**	**(20,344)**
Reinsurance expenses	**(5,251)**	**–**	**23**	**685**	**–**	**–**	**(4,543)**
Reinsurance income[1]	**3,967**	**362**	**(23)**	**(685)**	**–**	**–**	**3,621**
Insurance service result	**2,394**	**(705)**	**–**	**–**	**–**	**–**	**1,689**
Other expenses[1]	**(301)**	**–**	**–**	**–**	**–**	**14**	**(287)**
Other income[1]	**85**	**–**	**–**	**–**	**–**	**–**	**85**
Insurance operating result	**2,178**	**(705)**	**–**	**–**	**–**	**14**	**1,487**
Net insurance finance (expenses) income	**(758)**	**705**	**–**	**–**	**–**	**–**	**(53)**
Fixed income losses from changes in risk-free rates	**–**	**–**	**–**	**–**	**47**	**–**	**47**
Net investment income on policyholders' funds	**1,066**	**–**	**–**	**–**	**(30)**	**–**	**1,036**
Insurance profit	**2,486**	**–**	**–**	**–**	**17**	**14**	**2,517**
Net investment income on shareholders' funds	**614**	**–**	**–**	**–**	**(17)**	**–**	**597**
Financing and other costs	**(254)**	**–**	**–**	**–**	**–**	**6**	**(248)**
Gain on sale of entities and businesses	**18**	**–**	**–**	**–**	**–**	**–**	**18**
Share of net loss of associates	**(5)**	**–**	**–**	**–**	**–**	**–**	**(5)**
Remediation	**–**	**–**	**–**	**–**	**–**	**(20)**	**(20)**
Amortisation and impairment of intangibles	**(14)**	**–**	**–**	**–**	**–**	**–**	**(14)**
Profit before income tax	**2,845**	**–**	**–**	**–**	**–**	**–**	**2,845**
Income tax expense	**(680)**						**(680)**
Profit after income tax	**2,165**						**2,165**
Non-controlling interests	**(8)**						**(8)**
Net profit after income tax	**2,157**						**2,157**

FOR THE YEAR ENDED 31 DECEMBER 2024	STATUTORY US$M	ADJUSTMENTS DISCOUNT UNWIND US$M	ADJUSTMENTS UNDERLYING PYD US$M	ADJUSTMENTS LPT US$M	ADJUSTMENTS INVESTMENT RFR US$M	ADJUSTMENTS MIDDLE-MARKET US$M	MANAGEMENT US$M
Insurance revenue	21,778	–	–	–	–	–	21,778
Insurance service expenses[1]	(18,716)	(816)	–	–	–	10	(19,522)
Reinsurance expenses	(4,462)	–	31	408	–	52	(3,971)
Reinsurance income[1]	3,406	215	(31)	(408)	–	–	3,182
Insurance service result	2,006	(601)	–	–	–	62	1,467
Other expenses[1]	(311)	–	–	–	–	–	(311)
Other income[1]	78	–	–	–	–	–	78
Insurance operating result	1,773	(601)	–	–	–	62	1,234
Net insurance finance (expenses) income	(459)	601	–	–	–	–	142
Fixed income losses from changes in risk-free rates	–	–	–	–	(178)	–	(178)
Net investment income on policyholders' funds	819	–	–	–	113	–	932
Insurance profit	2,133	–	–	–	(65)	62	2,130
Net investment income on shareholders' funds	491	–	–	–	65	–	556
Financing and other costs	(226)	–	–	–	–	–	(226)
Gain on sale of entities and businesses	2	–	–	–	–	–	2
Share of net loss of associates	(6)	–	–	–	–	–	(6)
Restructuring and related expenses	(85)	–	–	–	–	(62)	(147)
Amortisation and impairment of intangibles	(18)	–	–	–	–	–	(18)
Profit before income tax	2,291	–	–	–	–	–	2,291
Income tax expense	(504)						(504)
Profit after income tax	1,787						1,787
Non-controlling interests	(8)						(8)
Net profit after income tax	1,779						1,779

1 Further analysed as net claims expense, net commission and expenses and other income in the management discussion as shown in the table on the next page.

Analysis of the insurance operating result

The insurance operating result is further analysed as net insurance revenue, net claims, net commission and expenses and other income for the purposes of explaining the key drivers of the Group's operating result and calculating key metrics. Analysis of the nature of income and expenses within the insurance operating result provides useful additional information about underlying trends in relation to the different components of underwriting profitability.

FOR THE YEAR ENDED 31 DECEMBER	NET INSURANCE REVENUE		NET CLAIMS EXPENSE		NET COMMISSION		EXPENSES AND OTHER INCOME		TOTAL	
	2025 US$M	2024 US$M	2025 US$M	2024 US$M	2025 US$M	2024 US$M	2025 US$M	2024 US$M	2025 US$M	2024 US$M
Statutory										
Insurance revenue	**22,955**	21,778	**–**	–	**–**	–	**–**	–	**22,955**	21,778
Insurance service expenses	**–**	–	**(13,965)**	(13,794)	**(3,233)**	(2,984)	**(2,079)**	(1,938)	**(19,277)**	(18,716)
Reinsurance expenses	**(5,251)**	(4,462)	**–**	–	**–**	–	**–**	–	**(5,251)**	(4,462)
Reinsurance income	**–**	–	**4,082**	3,616	**(115)**	(210)	**–**	–	**3,967**	3,406
Insurance service result	**17,704**	17,316	**(9,883)**	(10,178)	**(3,348)**	(3,194)	**(2,079)**	(1,938)	**2,394**	2,006
Other expenses	**–**	–	**–**	–	**–**	–	**(301)**	(311)	**(301)**	(311)
Other income	**–**	–	**–**	–	**–**	–	**85**	78	**85**	78
Insurance operating result	**17,704**	17,316	**(9,883)**	(10,178)	**(3,348)**	(3,194)	**(2,295)**	(2,171)	**2,178**	1,773
Adjustments										
Discount unwind	**–**	–	**(705)**	(601)	**–**	–	**–**	–	**(705)**	(601)
Underlying PYD	**23**	31	**(22)**	(23)	**(1)**	(8)	**–**	–	**–**	–
LPT	**685**	408	**(704)**	(457)	**19**	49	**–**	–	**–**	–
Middle-market	**–**	52	**–**	10	**–**	–	**–**	–	**–**	62
APPR	**–**	–	**–**	–	**–**	–	**14**	–	**14**	–
Management	**18,412**	17,807	**(11,314)**	(11,249)	**(3,330)**	(3,153)	**(2,281)**	(2,171)	**1,487**	1,234

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 in the current year has been reclassified to net insurance revenue and net commission. This principally related to Crop (North America) for additional premium cessions to the US government on prior year claims under the MPCI scheme, partly offset by CTP within Australia Pacific for profit commission income arising from favourable development under the 2021 reinsurance loss portfolio transfer.

Reinsurance loss portfolio transfer transactions (LPT)

The subsequent impacts of in-force reinsurance loss portfolio transfer contracts within reinsurance expenses and reinsurance income are analysed on a net basis within net claims expense to provide a view of the underlying development on these contracts against the corresponding development of the subject gross reserves, consistent with the focus on net underwriting performance. Adjustments relate to the current year reserve transaction to reinsure claims liabilities in North America and International, and other reinsurance loss portfolio transfer contracts entered into in prior years that remain in-force.

Investment risk-free rate (RFR) impacts

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

Australian pricing promise review (APPR)

Net costs (before tax) recognised in relation to the Australian pricing promise review are reclassified from Other expenses and Financing and other costs.

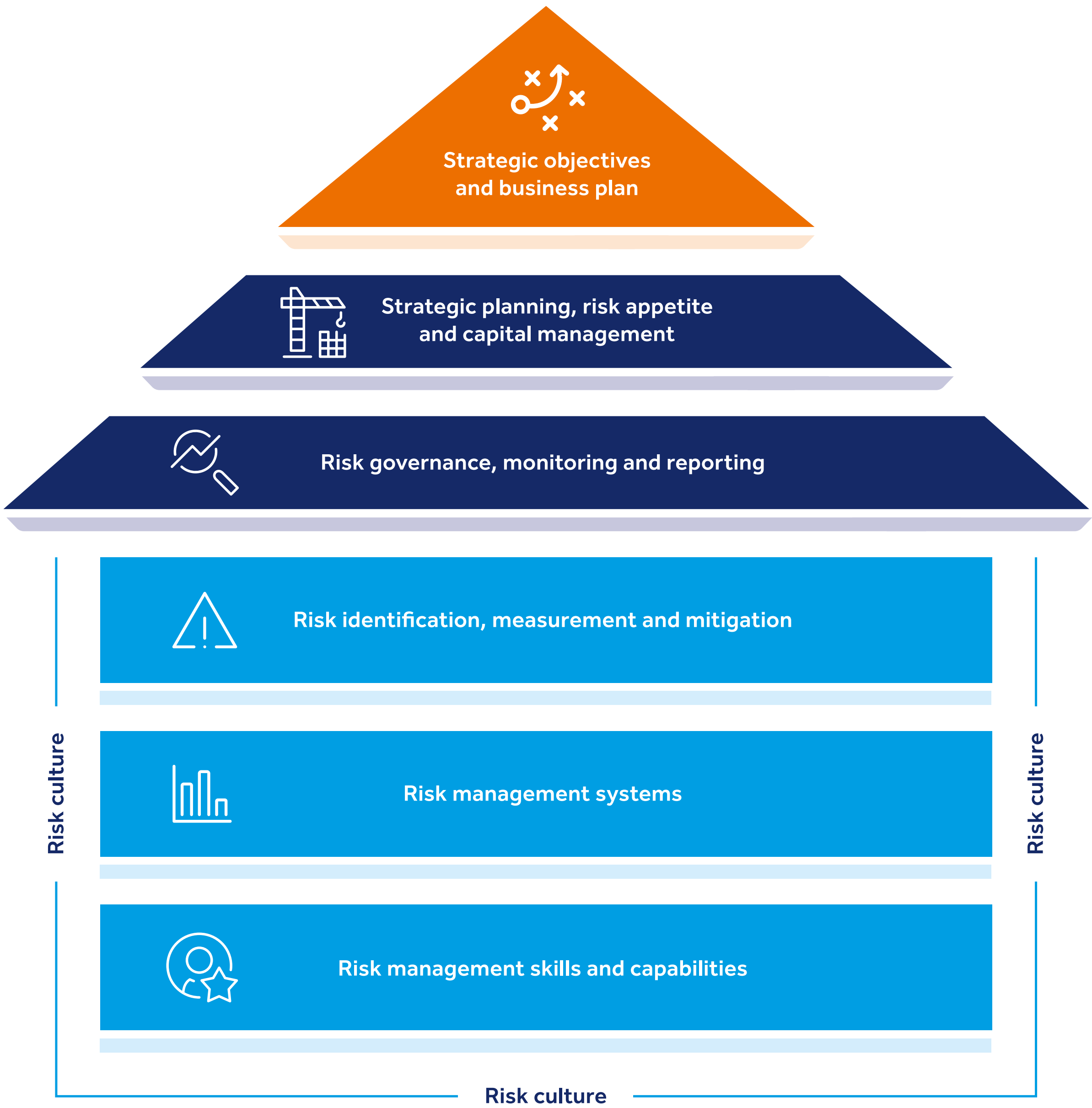
Middle-market exit

Costs attributable to the decision to exit the middle-market business in North America in 2024 included reinsurance expenses for loss portfolio transfer and catastrophe covers as well as onerous contract losses which are recognised within the statutory insurance service result. These costs have been reclassified to be presented together with the related restructuring expenses.

Risk management

QBE's Risk Management Strategy (RMS) enables the achievement of QBE's strategic agenda and business objectives by articulating the fundamental principles for managing risk, which apply to all levels of the organisation. We undertake ongoing monitoring of the effectiveness of the RMS and an annual audit review to assess compliance and effectiveness. QBE's Enterprise Risk Management (ERM) Framework is part of the RMS. It describes our approach to managing risk effectively and supports our strategy and fundamental principles.

Diagram of Enterprise Risk Management (ERM) Framework



Risk strategic priorities

As part of our Risk and Compliance Strategy, QBE has prioritised three key focus areas that enable the business and support the enterprise in achieving its vision.

These are:

- **Advisory** – deep understanding of the business and the risk environment to inform and enable better business outcomes;
- **Simplification** – simple processes, reporting, policies and frameworks that are easier to embed, principles-based and address the key risks to the enterprise; and
- **Integrated and organised for execution** – clarity, accountability and connection for better execution and targeted assurance across the enterprise.

These priorities help enable efficient risk and compliance management whilst supporting QBE in making data-driven and timely decisions for sustainable growth and resilience.

Strategic objectives and business plan

QBE requires the management of risk to be embedded in the business planning process to allow QBE's risks to be managed in an integrated manner and to support QBE's overall strategic objectives. QBE develops strategic objectives over a three-year period, and business plans annually. An assessment and identification of material risk and mitigation strategies occurs as part of the development of the annual business plan.

Risk governance

QBE's risk governance is defined as the authorities, accountabilities and responsibilities for managing risk. QBE's risk governance model reflects a 'three lines model' approach, which defines roles and responsibilities relating to risk management including Board oversight.

At the highest level, the Board oversees management of risks with support from the Board Risk & Capital Committee (BRCC) which reviews and monitors the effectiveness and implementation of risk frameworks. The Executive Risk Committee (ERC) supports the Board Risk & Capital Committee in managing material risks and reviews policies, standards and processes to assist the Group Chief Risk Officer to assess if QBE is operating in alignment with the strategic objectives and business plan.

Strategic planning, risk appetite and capital management

QBE's risk management is embedded in the business planning process through strategic planning which considers a variety of factors such as business objectives, risk appetites and market conditions.

QBE's Risk Appetite Statements (RAS) set out the nature and level of risk we are willing to take by defining our appetite and tolerance. We continue to enhance our key risk indicators to improve the effectiveness of monitoring and reporting on our RAS adherence to management and the Board.

Group-wide stress testing, including geopolitical scenarios, is performed as part of business planning and enables QBE to consider and design actions to increase its likelihood of achieving its business plan objectives whilst remaining resilient and within risk appetite.

To achieve balance between strategic planning and risk appetite, QBE maintains an appropriate level of capital aligned with our strategic priorities, risk profile and regulatory requirements.

Risk processes and standards

QBE's Group Risk and Control Self-Assessment (RCSA) Standard sets out the minimum requirements for identifying, documenting and assessing risks that we face in delivering our strategic and business objectives. The RCSA process is to support the effective management and governance of risk and control assessments, evaluating the effectiveness of controls to mitigate risks, strengthen the control environment and ensure compliance with regulatory obligations.

The QBE Incident and Issue Management Standard establishes the minimum requirements for managing incidents and issues, with the aim of enhancing risk awareness, driving continuous improvement by understanding risk exposure and improving the overall control environment. The Standard includes the requirements to effectively identify, assess, record, escalate, manage and remediate, monitor and report incidents and issues which arise.

The Risk Maturity Assessment (RMA) is an annual maturity assessment of the risk management capability across the enterprise. This is a simplified process and supplements the more comprehensive Risk Maturity Self-Assessment (RMSA) process which will now be conducted on a triennial basis. These processes help us determine areas of strong risk performance and areas of opportunity to uplift maturity. QBE's internal governance, risk and compliance system 'Insight' supports our risk management processes and standards, and facilitates the recording, measurement, aggregation, monitoring and reporting of material risks.

Risk culture

QBE recognises the importance of a sound risk culture, and that risk culture is strongly connected to our QBE DNA. The Board, assisted by the Board Risk & Capital Committee, is responsible for overseeing our risk culture, including forming a view on whether it supports QBE to operate consistently within its risk appetite.

QBE regularly monitors and assesses the risk culture against Board-approved Target Statements. Important components which facilitate our risk culture include developing a strong risk mindset and risk skills in our business, a commitment to safety in speaking up, and recognising risk performance through balanced rewards and incentives.

Our top risks

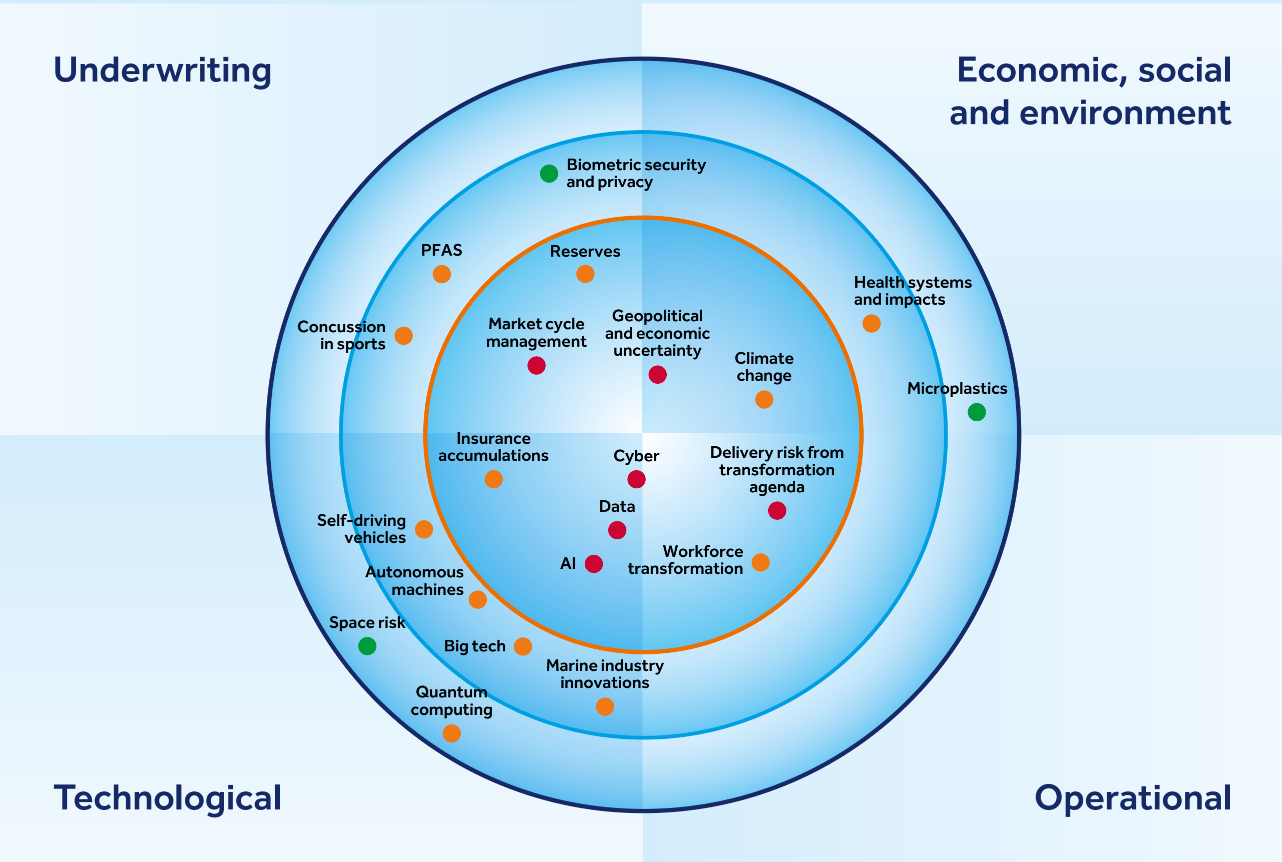
In 2025, QBE continued to navigate a dynamic and increasingly complex landscape with heightened oversight of top risks including geopolitical, economic, cyber, data and climate change.

Geopolitical instability remained a key concern, with persistent global tensions and regional conflicts contributing to economic uncertainty. While inflationary pressures have moderated in some markets, macroeconomic volatility and the risk of recession continue to pose challenges.

The external cyber threat environment has intensified, driven by increasingly sophisticated threat actors and the proliferation of artificial intelligence-enabled attack vectors. In response, QBE has continued to evolve its cyber security strategy, focusing on resilience, detection and response capabilities. Data management and privacy have also become critical, as regulatory requirements and stakeholder expectations evolve. QBE is advancing its data governance framework and building workforce capability to ensure robust management of personal and sensitive data throughout its lifecycle.

Climate change also remains a top risk, with increasing frequency and severity of extreme weather events and evolving regulatory frameworks across jurisdictions. QBE continues to enhance its understanding of transition risks and is uplifting data to support reliable disclosures and strategic decision-making.

Top and emerging risk radar



Key:

Residual risk (top risk)/level of impact (emerging risk)

- High
- Medium
- Low

Time horizon

- Impact already seen or expected within 1 year (i.e. QBE top risks)
- First significant impacts expected within 1 to 3 years
- First significant impacts expected within 3 to 8 years
- (Outside) First significant impacts expected beyond 8 years

QBE's top risk process is designed to ensure that the most significant threats to the Group's strategic objectives are identified, assessed, and managed proactively. Assessing QBE's top risks occurs at least annually and more regularly when there are material changes in the risk profile. This profile is informed by a combination of divisional risk assessments and external perspectives, including insights from global industry reports and regulatory developments. Risks are prioritised using QBE's standardised criteria for assessment of likelihood and impact, with trends monitored to capture changes in the risk landscape.

The Group Top Risk Profile underpins key risk management activities, including stress and scenario analysis. Management actions are tracked and reported, with oversight from dedicated risk committees and forums. This structured approach ensures that QBE remains resilient and responsive to both current and emerging risks, supporting sustainable growth and the achievement of strategic objectives.

TOP RISK CONTEXT	HOW WE RESPOND	STRATEGIC PRIORITY LINKAGE	TREND
Artificial intelligence (AI): The insurance industry is increasingly adopting AI technologies to streamline operations, improve underwriting processes, and enhance customer experiences. However, there are risks associated with the use of AI in the insurance industry, such as inconsistent underwriting and claims decisions and cyber vulnerabilities. There is also the risk that QBE fails to leverage the opportunities that AI can provide.	QBE manages AI through a Group AI Governance Policy, supported by our Responsible Use of AI Councils and mandatory training established in 2025. We have embedded risk assessments into procurement, developed divisional roadmaps, and introduced new standards for cybersecurity and AI delivery to ensure ethical and secure adoption.	Sustainable growth; Modernise our business	Increase
Climate change: The physical and transition risks associated with climate change, resulting in potential impacts on QBE's operating environment, underwriting or investment activities, or impacts associated with failing to meet regulatory requirements or our own commitments.	QBE understands and monitors this risk through scenario analysis, development of a Climate Transition Plan, and uplifted sustainability governance to support mandatory reporting. The actions we are taking are outlined in QBE's Sustainability Report.	Sustainable growth; Portfolio optimisation	No change
Cyber: The proliferation of technology has brought about unprecedented opportunities and convenience, but it has also exposed businesses to a new realm of threats. Cyberattack, data breaches and privacy violations can disrupt business operations and erode customer trust.	QBE strengthened its cyber resilience through a refreshed Group Cyber Strategy, with a sharper focus on proactive risk reduction. This includes targeted remediation and prioritising rapid threat detection and incident response.	Sustainable growth; Portfolio optimisation	No change
Data: Data risk is the inherent risk in capturing, processing, publishing, using and retaining data. Data issues may result in a material loss or limit the ability to leverage data as an asset.	In 2025, we refined our Data Strategy and began developing a Data Risk Management Framework and Risk Appetite Statement to embed data oversight and accountability across the Group.	Modernise our business	No change
Delivery risk of transformation agenda: The delivery risks present in QBE's transformation portfolio can impact cost, regulatory compliance and benefits realisation.	Governance has been enhanced with the establishment of a value realisation framework which has introduced more disciplined delivery tracking and risk assurance across major programs.	Modernise our business	No change

Strategic priorities:

Portfolio optimisation
Sustainable growth
Modernise our business
Bring the enterprise together
Our people
Our culture

Trends:

Increase
Decrease
No change

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TOP RISK CONTEXT	HOW WE RESPOND	STRATEGIC PRIORITY LINKAGE	TREND
Geopolitical and economic uncertainty: The risk that political instability, armed conflict, or significant geopolitical tensions (combined with global or regional economic volatility) adversely impact QBE's ability to deliver on its insurance and investment business plans. This includes potential disruption to international trade, regulatory actions arising from sanctions, tariffs, ratings downgrades, and deterioration in macroeconomic conditions that affect customer activity, behaviour, and financial performance.	QBE actively monitors geopolitical developments, sanctions, and macroeconomic conditions through dedicated committees, scenario-based analysis, and regular reporting. In 2025, we strengthened resilience by integrating inflation and recession risk into underwriting and planning, enhancing investment oversight, and implementing tools for improved exposure monitoring.	Sustainable growth; Portfolio optimisation	Increase
Insurance accumulations: This risk arises from the potential concentration of policies or exposure within our portfolio, particularly in regions susceptible to common perils like natural disasters.	QBE manages accumulation risk to Group risk appetite limits through catastrophe and non-catastrophe models and scenario testing. In 2025, we enhanced model validation, climate-related requirements, and exposure reporting, while optimising reinsurance programs, and implemented improved accumulation monitoring tools.	Sustainable growth; Portfolio optimisation	No change
Market cycle management: This risk arises from the failure to appropriately identify and/or respond to a changing (re)insurance market environment.	QBE manages market cycle risk through enhanced portfolio oversight, quarterly performance reviews, and global product committees that monitor trends and inform underwriting strategy. Inflation and pricing are tracked via divisional working groups and quarterly reporting, while reinsurance market conditions and counterparty strength are overseen by dedicated governance forums to maintain resilience.	Sustainable growth; Portfolio optimisation	Increase
Reserves: The risk of significant earnings volatility due to the inherent uncertainty of estimating/forecasting reserves.	QBE manages reserve risk through actuarial oversight, including Group and Divisional Chief Actuary reviews, audit assurance, and regular monitoring of key risk indicators. Controls include inflation tracking, reinsurance strategies, volatility assessments, and annual control testing, supported by internal audits.	Portfolio optimisation	No change
Workforce transformation: This risk arises from the need to transform the workforce to meet future business needs amid significant changes in how and where work is delivered – driven by AI adoption and evolving operating models.	QBE drives workforce transformation by embedding AI readiness into organisational design, leadership development, and capability-building initiatives. Actions focus on equipping employees and leaders with future-ready skills, strengthening governance for evolving delivery models, and fostering a culture of continuous learning to support long-term resilience and adaptability.	Our people; Bring the enterprise together; Modernise our business	Increase

Strategic priorities:

Portfolio optimisation   Sustainable growth   Modernise our business
Bring the enterprise together   Our people   Our culture

Trends:

Increase   Decrease   No change

Emerging risks

Emerging risks are new or future risks which are difficult to assess but may have a significant impact on QBE's business or the markets we operate in. They are expected to emerge and have a significant impact in 12 months or more. Emerging risks are monitored on an ongoing basis and, for a selection of emerging risks each year, a more detailed overview of the risk and management actions are presented to the ERC and BRCC.

Autonomous machines

The risks resulting from artificial intelligence systems integrated into physical forms, such as robots, that can perceive, reason, and act within the physical world through direct interaction, which is likely to change the risk landscape for various lines of insurance.

Big tech

The shutdown of services from one or more big tech providers in major incidents can disrupt all sectors and their operations owing to the interconnectedness of services. In turn, insurance covers may be triggered and insurers' own operations may also be impacted.

Concussion in sport

Refers to repeated blows to the skull resulting in damage to brain tissues and injuries in sports, potentially leading to litigation and insurance payouts.

Health systems and impacts

This risk covers a range of emerging illnesses impacting wellbeing which are surfacing such as mental health, obesity, e-cigarettes, opioids and potential causes such as social media and distraction, and robotics impacting mental health (of human coworkers). Additionally, this risk considers vulnerabilities in health systems and infrastructure (such as hospitals, aged care facilities, and emergency response networks) which may face significant strain during large-scale health events like pandemics.

Marine industry innovation

The risk arising from rapid technological and operational changes in the marine sector, including the adoption of electric and alternative energy-powered vessels, increasing vessel size and complexity, and the integration of automation and digital systems. These innovations introduce new safety, environmental, regulatory, and liability challenges, with implications for infrastructure readiness, insurance coverage, and risk management practices.

Quantum computing

Quantum computers present a systematic cyber risk as trade secrets, intellectual properties and encrypted passwords could be cracked by the computational speed-ups offered by quantum computing, if/when it becomes reality, and it is difficult to attribute liability for an outcome. Continued investment into this technology may mean quantum computers are developed sooner than initially anticipated.

PFAS

Sometimes referred to as 'forever chemicals', per- and polyfluoroalkyl substances (PFAS) are used extensively across a wide range of products such as household appliances and firefighting foam. As they do not degrade over time, they accumulate in the ground and potentially the body when ingested. QBE continues to monitor this risk and have provided underwriters with an information on latest developments and possible mitigations.

Self-driving vehicles

As a result of new developments in mechatronics, speed learning, and AI, there has been rapid progress in the field of autonomous machines. This evolution is expected to significantly impact the sharing economy by transforming mobility models, reducing reliance on human-operated services, and reshaping asset ownership dynamics. Consequently, this is likely to change the risk landscape for various lines of insurance.

Biometrics security and privacy

Biometric data refers to unique physical or behavioural characteristics used to identify individuals, such as fingerprints, facial recognition, iris scans, voice patterns, or even gait. The risk of misuse or breach of biometric data, including potential violations of privacy laws such as the Biometric Information Privacy Act (BIPA), could lead to litigation, regulatory penalties, and reputational damage.

Microplastics

Microplastics are tiny plastic particles – typically less than 5mm in size – that originate from the breakdown of larger plastics or are manufactured directly, and they pose an emerging liability risk to insurers due to their pervasive environmental presence and potential links to human health impacts, which could trigger claims across general liability, and product liability lines.

Space risk

Manufactured objects cluttering the sky are expected to double every few years as large objects split apart and new collisions create more. There is increasing frequency of collisions with insured satellites and spacecraft, and potential business interruption loss resulting from collision with revenue-generating satellite.

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Sustainability Report

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About this report

This is the consolidated Sustainability Report for QBE Insurance Group Limited (the ultimate parent entity or the Company) and its controlled entities (QBE or the Group) for the year ended 31 December 2025.

This Sustainability Report includes the Group's consolidated climate statements, comprising disclosures relating to the Group's:

Governance processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities;

Strategy for managing climate-related risks and opportunities, including the current and anticipated impacts of those risks and opportunities over the short, medium and long term;

Risk management processes used to identify, assess, prioritise and monitor climate-related risks and opportunities; and

Metrics and targets, including the measurement approach applied and progress against our targets.

Basis of preparation

This Sustainability Report has been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and the *Corporations Act 2001*.

All amounts in this Sustainability Report are presented in US dollars unless otherwise stated.

This report includes information about the climate-related risks and opportunities that could reasonably be expected to affect QBE, as well as the strategies in place to manage the climate resilience of QBE's business.

This is QBE's first Sustainability Report prepared in accordance with AASB S2. QBE continually seeks to understand and address the impacts of climate change on its business, including those arising from physical and transition risks and opportunities. QBE is expected to be resilient to the effects of climate change due to the mitigating actions, policies and practices in place.

QBE also recognises the role it can play in helping customers and communities build long-term resilience to climate-related risks. This year marks a significant milestone in the evolution of QBE's climate strategy. Building on the foundations established through our actions to date, we developed our first Climate Transition Plan. This plan outlines our ambition to support the transition to a net-zero economy by taking action in our underwriting and investment portfolios, and to achieve net-zero emissions across our own operations by 2030.

This report should be read in conjunction with the statements on page 53 which provide important disclosures and disclaimers relating to the information presented.

Governance

Climate governance framework

QBE has a governance framework in place with defined roles and responsibilities relating to the oversight, management and reporting of climate-related risks and opportunities.

Group Board

The Board is responsible for the oversight of climate-related risks and opportunities that have the potential to impact QBE. The Board also oversees the environmental impact of the Group's activities and operations and sets standards on the Group's environmental responsibilities and practices. The Board is assisted in its oversight by committees composed of a majority of independent directors. The Board and Committees' responsibilities in relation to climate-related risks and opportunities are set out in the Board and Committee charters.

Risk & Capital Committee

Oversees the effectiveness of the Group's risk management framework and strategies including the consideration of adequacy of awareness, understanding and management of its risks, including climate risk.

Audit Committee

Oversees the effectiveness of the Group's financial and sustainability reporting, including climate-related disclosures.

People & Remuneration Committee

Oversees the remuneration strategy and outcomes for executives and non-executive directors, including the consideration of sustainability-related non-financial measures within incentive plans.

Group Executive Committee (GEC)

The GEC is responsible for the management and execution of the Group's strategic priorities, including managing climate-related risks and opportunities, and overseeing the execution of QBE's sustainability strategy and commitments.

Environmental and Social (E&S) Subcommittee

Supports executive decision making related to progressing the sustainability strategy and initiatives and targets in the Sustainability Scorecard, including climate-related commitments.

Chair: Group Executive, Corporate Affairs and Sustainability

Executive Risk Committee (ERC)

Oversees the integration of ESG risk into the Group's risk management framework. Responsibilities include the review of key enterprise risks and oversight of management strategies and treatment plans.

Chair: Group Chief Risk Officer

Group Underwriting Committee (GUC)

Supports the GEC in the development, implementation and review of the Group's underwriting and reinsurance strategy, business plan and underwriting governance, including consideration of relevant climate-related risks and opportunities.

Chair: Group Chief Underwriting Officer

Management Committees

Functional representatives across the Group collaborate through management working groups to support the GEC in the delivery of QBE's strategy, initiatives and reporting. Key matters are discussed at the Sustainability Steering Committee.

Sustainability Steering Committee

Supports the execution of QBE's sustainability strategy and reporting, and oversight of ESG (including climate-related) risks. Provides input and makes recommendations to the E&S GEC Subcommittee and ERC on matters including climate strategy and performance, scenario analysis, sustainability reporting, and related policies. Also oversees the design and delivery on matters including climate strategy and performance, scenario analysis, sustainability reporting, and related policies. Also oversees the design and delivery of the Sustainability Reporting Programme, including oversight of disclosures prepared in accordance with Australian Sustainability Reporting Standards.

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Board oversight

The Board receives updates on climate-related matters through periodic reporting to the Board and its Committees throughout the year.

Key matters discussed in 2025

Board

During the year, the Board reviewed and approved QBE's Climate Transition Plan, including QBE's climate ambition and strategies across investments, operations and supply chain, and underwriting. In doing so, the Board considered trade-offs relating to feasibility, timing and potential financial impacts, recognising the need to balance climate objectives with commercial, regulatory and operational considerations, whilst continuing to support QBE's customers. The Board also received quarterly updates on progress against the metrics and targets in the Sustainability Scorecard, and approved the 2030 Sustainability Scorecard which included the targets forming part of the Transition Plan.

Risk & Capital Committee

In 2025, the Risk & Capital Committee considered the risks to QBE associated with climate change, including an outline of the Group's climate scenario analysis and management actions in relation to physical and transition risks.

Audit Committee

Updates were provided during the year on climate reporting developments relevant to the Group and progress on the Group's implementation of AASB S2. Disclosures prepared in accordance with AASB S2 were reviewed by the Audit Committee and recommended to the Board for approval as part of the 2025 Annual Report process.

People & Remuneration Committee

During 2025, the People & Remuneration Committee reviewed and endorsed for Board approval the terms of the 2025 long-term incentive (LTI) plan, including the associated performance conditions. This included the sustainability-related performance measures within this plan. At the end of the financial year, the Committee was provided with an update on progress against performance conditions for the 2024 and 2025 LTI plans, including those linked to sustainability outcomes.

Board skills

The Board has a skills matrix covering the range of competencies and experience of each director, including sustainability. The matrix is informed by an annual self-assessment by the Directors, who each rate their skills, expertise and experience against the competency areas set out in the matrix.

→ **For more information on the Board skills matrix, refer to pages 5 to 7 of the QBE Group Corporate Governance Statement.**

Management responsibilities

The GEC has individual responsibilities in relation to the management of climate-related risks and opportunities as well as the execution of related strategies.

Group Chief Executive Officer (CEO)	Has overall responsibility for overseeing and managing climate-related risks and opportunities, with specific responsibilities delegated to members of the GEC as set out below.
Group Executive, Corporate Affairs and Sustainability	Responsible for developing, maintaining and monitoring the implementation of the Group's sustainability strategy, and for the implementation of mandatory climate reporting requirements in accordance with Australian Sustainability Reporting Standards, as well as for sustainability-related disclosures across the Group's reporting suite. Chairs the E&S Subcommittee.
Group Chief Financial Officer (CFO)	Responsible for the consideration of climate-related risks and opportunities in business planning, investment and capital deployment decisions, as well as reporting on climate-related matters in the Group's Annual Report in compliance with Australian Sustainability Reporting Standards.
Group Chief Risk Officer (CRO)	Responsible for evaluating the effectiveness and adequacy of the identification and management of risks across the Group, including those arising from climate change. Chairs the Executive Risk Committee.
Group Chief Underwriting Officer (CUO)	Responsible for the Group's underwriting and reinsurance strategy and governance, including the identification and consideration of climate-related risks and opportunities and the execution of portfolio optimisation initiatives in response to those risks and opportunities.

GEC and management committees

Responsibilities of the executive subcommittees that support the GEC in the management of climate-related matters are summarised on page 23. The GEC is also supported in its decision-making by the Sustainability Steering Committee which comprises functional representatives from across the Group with responsibility for climate-related matters. Management's oversight of the Group's climate-related matters is supported by the use of controls and procedures, including in relation to the identification of risks and opportunities, monitoring of progress against targets, scenario analysis and the measurement of reported metrics such as greenhouse gas (GHG) emissions. Integration of these processes into QBE's business and enabling functions is supported by regular monitoring and reporting coordinated by the Group Sustainability function to the relevant governance committees.

Executive key management personnel remuneration

Details of the Group's executive remuneration arrangements are included in the Remuneration Report on pages 64 to 86. Conditional rights granted under the 2024 and 2025 LTI plans are subject to financial and non-financial performance targets, including 10% that are subject to a sustainability performance measure. Sustainability performance within the LTI plans is measured based on progress against the initiatives and targets in our Sustainability Scorecard, which comprise metrics attributable to climate as well as other areas of sustainability. This component represents 2.0% of total executive key management personnel remuneration recognised in the current year, of which 1.1% is estimated to be attributable to climate-related initiatives based on the proportion of metrics in the 2023–2025 Sustainability Scorecard that are attributable to climate. These LTI performance measures are applicable to all GEC and key senior employees as disclosed in note 8.4 of the financial statements. Vesting outcomes are determined by the Board at the end of the performance period based on a combination of quantitative and qualitative considerations as described on pages 74 and 75 of the Remuneration Report. In addition to LTI measures, individual performance objectives of the GEC and key senior employees also include climate-related considerations as relevant to their roles and responsibilities, and are considered in determining their annual performance incentive plan outcomes.

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Strategy

Climate-related risks and opportunities

This section provides information about the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including current and anticipated impacts over the short, medium and long term.

Information about the regions in which QBE operates and QBE's business focus areas is provided on page 2 and a diagram outlining the Group's principal activities is provided in note 1.1 of the financial statements on page 94.

Climate-related physical risks

Climate-related physical risks arise from acute, weather-related events (such as more frequent and severe storms, floods, drought or heatwaves) and from chronic, longer-term shifts in climatic patterns (including changes in precipitation and temperature that may lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity).

Increased frequency and severity of weather-related events, resulting in increased claims

Timeframe
Short Medium Long

Impact on QBE's business model and value chain

Climate change is expected to increasingly impact the frequency and severity of weather-related natural catastrophes. These risks are continually assessed through catastrophe modelling and underwriting analysis, which inform the Group's underwriting and reinsurance strategy, as well as the calibration of the catastrophe allowance within the business plan.

QBE considers business activities as vulnerable to climate-related physical risks where they are significantly exposed to catastrophic weather events and contribute materially to the Group's annual catastrophe claims cost within net insurance service expenses and net insurance contract liabilities. Classes most impacted include property and property-related product lines, with varying impacts across perils and regions. In property classes, QBE's peril exposures are most significantly driven by hurricanes, tropical cyclones, convective storms, windstorms and floods across North America, Europe and Australia. As an indicator of relative exposure within the claims profile, the modelled aggregate net annual average loss (AAL) for climate-related perils for 2026 is $654 million and represents approximately 5% of the Group's 2026 plan net claims, noting that modelled outcomes are subject to significant uncertainty as outlined on page 53. Following the exit of underperforming property portfolios and recalibration of retained property lines, QBE has experienced catastrophe losses at or below its established allowances in recent years. Consideration of the consequential impacts of these risks on reinsurance costs and premium pricing is disclosed in the 'Climate resilience' section on page 34.

Other product lines that may be exposed to physical climate risks were not considered to be vulnerable where structural features such as coverage design or regulatory protections exist to limit susceptibility to volatility from these events, or where historical claims experience indicates that such events are not a primary driver of financial performance. This includes North America Crop, where the predominant product structure provides revenue protection to farmers. Claims are primarily triggered by declines in revenue which may result from either lower crop yields or lower commodity prices, and market forces of supply and demand typically act as a stabilising mechanism between these two variables. The program is also subject to federal reinsurance arrangements that significantly limit QBE's net exposure to impacts from catastrophic weather events.

Increased frequency and severity of weather-related events, resulting in increased claims (continued)

Financial effects

Current reporting period

In 2025, net catastrophe claims of $751 million were below the Group's allowance of $1,160 million. Net catastrophe claims included $715 million attributable to climate-related natural events, such as the Californian Wildfires, Hurricane Melissa and a series of storms and floods in Australia, including Cyclone Alfred.

Anticipated impacts

Short-term claims volatility is expected to continue to be influenced by natural variability in weather and catastrophe activity, in addition to the effects of climate change.

In the short term, the potential impacts of physical risks are incorporated into the Group's business planning process, primarily through the catastrophe allowance. The potential effects of physical climate risks are also implicitly considered in other planning assumptions, including those relating to premium rates and reinsurance within net insurance revenue, but are not separately identifiable from other factors.

The Group's net catastrophe allowance for 2026 is set at $1,130 million. Plan net catastrophe claims as a percentage of net insurance revenue is not expected to change materially from 2026 levels over the three-year plan period.

Scenario analysis of the Group's property exposures indicates that under the RCP4.5 pathway:

- the increase in the Group's catastrophe AAL before reinsurance due to climate change across key peril regions is not currently expected to be significant by 2030. This increase is not expected to result in claims costs that materially exceed the Group's catastrophe allowance on an annualised basis and is considered to be within the range of variability already reflected in the Group's pricing, underwriting and reinsurance strategies. This projection does not incorporate the potential effects of planned mitigation activities or changes in business mix, including those arising from portfolio optimisation strategies and growth initiatives which may evolve with market conditions.
- over the long term, the financial effects of physical climate risks are expected to become more significant, with a projected increase in gross AAL on the same basis of around 20% at the Group level by 2090 under the RCP4.5 pathway. These impacts are expected to emerge over time and are subject to significant uncertainty due to the long-term nature of climate modelling and the influence of future mitigation, adaptation and exposure changes, as well as changes in scientific research and external vendor model assumptions which inform our scenario analysis.

Further information on the Group's scenario analysis and assessment of climate resilience is included in the 'Climate resilience' section of this report.

How we respond

- **Pricing and underwriting appetite:** Given that most insurance policies renew annually, QBE can regularly adjust pricing and underwriting appetite in response to emerging risks. The Catastrophe Accumulation Management team provides technical catastrophe pricing for a large number of property policies. QBE aims to regularly refresh its pricing factors using up-to-date catastrophe modelling, reflecting current accumulations, reinsurance costs, and required return on capital.
- **Portfolio optimisation:** QBE continues to refine its portfolio to improve risk-adjusted returns and reduce earnings volatility. This includes targeted reviews of property exposures in higher-risk regions, improved diversification and continual refinement of policy terms, supported by enhanced analytical tools and modelling capabilities.
- **Catastrophe modelling capability:** QBE continues to enhance its understanding of the potential impact of climate change on specific perils and regions through catastrophe modelling and climate scenario analysis. The Catastrophe Modelling Research team continues to strengthen QBE's in-house capability to validate and customise models, including for potential climate-related impacts.
- **Reinsurance:** In the short term, QBE manages the volatility of natural catastrophe claims through a comprehensive Group catastrophe reinsurance program. QBE also continues to explore alternative capital solutions, including the recent launch of a catastrophe bond as disclosed in the 'Climate resilience' section.

Climate-related transition risks

Climate-related transition risks arise from efforts to transition to a lower-carbon economy, and include policy, legal, technological, market and reputational risks. Certain sectors, such as fossil-fuel extraction and transportation, are considered more sensitive to transition-related pressures and are expected to experience higher impacts relative to the broader economy.

Exposure of QBE's underwriting portfolio to sectors adversely affected by the transition to a lower-carbon economy

Timeframe

Short Medium Long

Impact on QBE's business model and value chain

Policy, legal, technology and market changes associated with the transition to a lower-carbon economy can alter cost structures and demand patterns across industries. These shifts may influence the risk profile and volume of insured activities and, in turn, affect premium volumes and claims experience. The Group's Marine, Energy & Aviation product class is most significantly exposed to sectors considered to be at high risk from the transition to a lower-carbon economy, and accounts for $1,758 million or 7% of the Group's gross written premium in the current year. This assessment was informed by business subject matter expertise, supplemented by sectoral analysis to the extent data was available. Judgement was applied in attributing premium to sectors and in determining which exposures were considered to be at higher risk of disruption from the transition to a lower-carbon economy, with further work planned to enhance the reliability and completeness of sectoral data to support future reporting.

Financial effects

Current reporting period

There were no identifiable transition-specific impacts in the current period for either the Marine, Energy & Aviation product segment or the Group's gross written premium more broadly. As outlined on page 9, Group premium movements primarily reflected targeted organic growth and the lower strain from exited lines.

Anticipated impacts

Our analysis of medium to long-term transition risk was focused on lines of business with the most significant exposures to transition-sensitive sectors and informed by the scenario analysis described in the 'Climate resilience' section. Current available data does not support the reliable quantification of transition-specific effects. However, work underway to improve sectoral mapping and data quality is expected to enable more detailed analysis and estimations over time. Outcomes also remain highly contingent on external factors such as policy and technology developments.

Our current analysis indicates that:

- in scenarios where decarbonisation accelerates, customers in carbon-intensive industries, such as oil and gas extraction and certain transport segments are expected to face higher compliance costs, technology investment requirements and, in some cases, stranded asset risk. These pressures could influence premium volumes and claims experience of exposed product lines, particularly for businesses with limited transition readiness, with possible resulting impacts to the Group's insurance operating result and net insurance contract liabilities.
- in a delayed transition pathway, these effects are expected to be deferred but more concentrated post-2030.

While these dynamics could affect underwriting performance over time, QBE's exposures are expected to be mitigated by a considered approach to customer selection and engagement, ongoing demand for coverage, portfolio agility and underwriting discipline.

Exposure of QBE's underwriting portfolio to sectors adversely affected by the transition to a lower-carbon economy (continued)

How we respond

- **Relevance of core products:** QBE core product coverage (such as property damage, third-party liability and business interruption) address fundamental insurable risks that persist across technology shifts and are underpinned by regulatory and contractual demand. They are therefore expected to continue to remain relevant as customers adopt new technologies and operating models.
- **Pricing and underwriting approach:** The predominantly annual nature of our policies enables regular changes in pricing, terms and conditions, and portfolio adjustment in response to changing risk profiles and market conditions.
- **Risk appetite and exclusions:** QBE's Environmental & Social Risk Framework includes underwriting controls on specific high-emitting activities, limiting exposure to the most vulnerable segments under transition scenarios.
- **Leveraging opportunities:** The transition is expected to create demand for insurance solutions that will support new and evolving technologies. QBE is actively seeking to capture these growth opportunities, as discussed in the 'Climate-related opportunities' and 'Transition Plan' sections.

Exposure of QBE's investment assets to sectors adversely affected by the transition to a lower-carbon economy

Timeframe

Short Medium Long

Impact on QBE's business model and value chain

Transition-driven developments and evolving consumer preferences may adversely affect investment performance if they materially disrupt the business models of investees. QBE's analysis of the investment portfolio, disclosed in the 'Climate resilience' section, indicates that the Group's investment assets are not materially exposed to high transition risk, with limited overall exposure to transition-sensitive sectors. The investment classes that may be most impacted are:

- Infrastructure assets, comprising $1,426 million or 4% of total investments at 31 December 2025, which are expected to have the highest relative exposures to transition-sensitive sectors such as transportation and fossil fuel-linked infrastructure; and
- Developed market and emerging market equity investments which are passively invested through broad market index exchange-traded funds and amount to $856 million or less than 3% of total investments.

However, no material impacts are expected given the diversified composition of QBE's portfolio as well as ongoing mitigation measures outlined below, which support the overall resilience of the portfolio.

Financial effects

Current reporting period

There were no specifically identifiable transition-related impacts on the Group's investment assets or investment performance in the current reporting period.

Anticipated impacts

At a total investments level, the anticipated financial effects of transition risk are expected to be limited based on the current portfolio mix, investment strategy and policies.

We do not expect material anticipated financial impacts from transition risk in our infrastructure assets, as these exposures are actively considered and managed by external managers as part of their investment processes. Similarly, while scenario analysis indicates that certain industries and issuers within our passively held developed market and emerging market equity portfolios may experience more significant climate-adjusted value changes under a Net Zero 2050 scenario, the overall impact is mitigated by the diversified nature of these investments.

How we respond

- **Diversified asset allocation:** QBE's investment portfolio is diversified across asset classes and geographies, which limits concentration in transition-sensitive sectors.
- **Policy exclusions:** Direct investments in specific high-emitting activities are restricted under QBE's Environmental & Social Risk Framework.
- **Corporate credit portfolio management:** Consideration of transition risk will be incorporated into in-house corporate credit analysis from 2026.
- **External manager selection and due diligence:** External managers are evaluated to ensure that climate-related risks are appropriately integrated into their investment approach, and transition risk analyses provided by these managers are reviewed to confirm that such risks are identified and managed.
- **Ongoing scenario analysis and monitoring:** Transition risk scenario analysis is conducted across major public asset classes.

Climate-related opportunities

The transition to a lower-carbon economy may present opportunities driven by efforts to mitigate and adapt to climate change. This section outlines the opportunities that QBE has identified as relevant to its business model and climate ambition.

Investments in solutions to mitigate physical/ transition risks of climate change

Timeframe

Short Medium Long

Impact on QBE's business model and value chain

QBE invests in climate solutions as part of its broader investment strategy to support the transition to a lower-carbon economy and deliver on its climate-related commitments. QBE's selection of climate solution investments is subject to the same return and risk appetite criteria applied across its broader investment portfolio.

Financial effects

Current reporting period

The carrying value of the Group's investments at 31 December 2025 included $2,359 million of climate solutions investments which represented 7% of QBE's total assets under management.

Further information on our climate solutions investments and targets can be found in the 'Transition Plan' and 'Metrics and targets' sections of this report.

Anticipated impacts

Effective from 2026, QBE has set a target to invest $200 million in climate solutions annually through to 2030.
The financial effects of these investments will be reflected over time through investment income and the composition of assets under management. At this stage, QBE does not expect the returns generated by these investments to be materially different from those of other equivalent assets from the same issuer, as all investments are selected in line with QBE's investment return and risk appetite criteria.
As the market for climate adaptation and mitigation solutions continues to evolve, the range of investable opportunities may expand or shift. QBE is actively seeking investment opportunities in both public bond markets in-house and private markets through external managers.

How we respond

QBE continues to monitor and evaluate possible climate solution investments as part of its investment strategy.
This includes assessing emerging opportunities in both public and private markets that align with QBE's return objectives and sustainability commitments.

Key **Short-term:** 0 to 3 years **Medium-term:** 3 to 10 years **Long-term:** 10+ years

Growth driven by new products or increased demand for products in response to market and technology shifts driven by the transition to a lower-carbon economy

Timeframe

Short Medium Long

Impact on QBE's business model and value chain

Policy and technology shifts associated with the transition to a lower-carbon economy are expected to increase demand for insurance solutions that enable the deployment and operation of transition technologies (including renewables, battery storage, hydrogen and carbon capture). This creates opportunities to broaden product offerings, adapt and scale existing products, deepen risk-engineering capability and expand underwriting capacity in these segments.

Financial effects

Current reporting period

The climate-related opportunities identified did not have a material effect on the Group's financial position, financial performance or cash flows in the current period.

Anticipated impacts

Work was initiated during 2025 to identify and assess these opportunities, with further details on QBE's approach provided in the 'Risk management' section. QBE has applied the exemption permitted by AASB S2 and has not disclosed information about the anticipated financial effects of these opportunities, as they are considered commercially sensitive.

How we respond

QBE's Transition Plan includes actions to enhance capabilities and scale insurance solutions in response to these opportunities. Further information is provided on page 38.

Capital deployed towards climate-related risks and opportunities

Climate-related risks and opportunities are managed as part of business-as-usual activities and are resourced through existing budgets across the Group. Other than investments in climate solutions, the Group did not identify material direct expenditure attributable solely to the delivery of climate-related initiatives during the reporting period.

Additional information

The identification of risks and opportunities that could reasonably be expected to affect the Group's prospects was informed by QBE's top risks process, scenario analysis and input from subject matter experts and key management across the Group. This assessment considered QBE's value chain, internal documentation such as top risks and scenario analysis outputs, and publicly available information about industry trends, regulatory developments and market expectations, where relevant.

Risks and opportunities were evaluated over the short (0 to 3 years), medium (3 to 10 years) and long term (10+ years), and involved the application of judgement, including to assess:

- the likelihood and magnitude of potential financial impacts, and the relevance of qualitative factors such as reputational implications, regulatory focus and strategic alignment;
- the expectations of primary users in determining whether information about a risk or opportunity could reasonably be expected to influence their decisions, based on consideration of industry developments, investor focus areas, and QBE's public commitments, recognising that such expectations are inherently judgemental and may not be directly observable; and
- the effect of planned or existing mitigation strategies in determining whether disclosure remained appropriate. Where mitigated impacts were not expected to materially affect the Group's prospects, qualitative disclosures were considered where there were indicators that information about QBE's approach to managing those risks or opportunities could be material to primary users' understanding of the Group's prospects.

The outcomes of the assessment were presented to the Sustainability Steering Committee, E&S Subcommittee and the Board Audit Committee.

The time horizons used to classify the impacts of climate-related risks and opportunities reflect alignment with the following:

- Short-term – aligns with QBE's three-year business planning cycle.
- Medium-term – includes the period during which the Group's interim operational and investment targets apply, and broadly aligns with the Group's long tail claims settlement periods.
- Long-term – captures the impacts that may emerge beyond the short- and medium-term horizons described above.

Climate resilience

QBE undertakes scenario analysis to further our understanding of the impacts of climate risks and opportunities and the resilience of the Group's strategy to climate-related changes, developments and uncertainties.

Physical risks

Scenario analysis – underwriting

Scope of assessment	QBE has undertaken physical climate risk modelling of its property exposures across key perils and geographic regions where the Group has material catastrophe exposure. These comprise hurricanes and cyclones in the North Atlantic and Australia; convective storms in the United States and Australia; windstorms in Europe; floods in the United States, Australia and Europe; bushfires in Australia; and wildfires in the United States. The scope of this analysis was determined through a risk-based assessment that prioritised the top peril-region exposures based on their contribution to the Group's AAL. Collectively, the modelled exposures account for over 90% of QBE's non-earthquake catastrophe AAL. The analysis projects gross AAL (before reinsurance) to provide a pre-mitigation view of potential losses, which supports QBE's assessment of climate resilience under a range of climate scenarios.
Scenarios	QBE's physical climate scenario analysis considers Representative Concentration Pathways (RCPs) sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) and Shared Socio-economic Pathways (SSPs) sourced from the IPCC Sixth Assessment Report (AR6). These represent a range of plausible future greenhouse gas concentration trajectories and associated warming outcomes, whereby: • SSP1-1.9 aligns with a pathway that limits warming to around 1.5°C; • RCP4.5 reflects a stabilisation scenario with warming of approximately 2.5–3°C; and • RCP8.5 represents a high-emissions pathway with warming exceeding 4°C by 2100. These scenarios were selected to provide a broad view of potential climate futures and to assess QBE's resilience under both lower and higher warming pathways.
Time horizons	2030, 2050 and 2090
Key assumptions	The analysis assumes constant exposure over time to attribute changes in modelled losses specifically to climate change, meaning no adjustments are made for changes in population, mitigation measures, building standards or portfolio mix. QBE's physical climate scenario analysis is underpinned by a set of key assumptions that reflect both global climate science and region-specific hazard modelling. These assumptions are primarily derived from the IPCC AR5 and AR6, and are operationalised through the use of catastrophe models and commissioned scientific research. At a global level, the analysis uses RCPs and SSPs which incorporate assumptions about the level of global climate policy ambition, macroeconomic trends such as global economic growth, population change and energy demand, global energy consumption and mix of energy sources, as well as the pace of technological innovation. These global assumptions are then translated into regional hazard impacts using peril-specific assumptions developed from vendor catastrophe models and scientific literature. For example: • In Australia, rainfall projections are based on the 2024 Australian Rainfall and Runoff (AR&R) Guidelines, while hailstorm frequency and severity is projected using QBE commissioned research from the University of New South Wales published in 2025 and modelled at fine scale resolution; • In Europe, windstorm and flood projections are derived from downscaled regional climate models, including the EURO-CORDEX (Coordinated Regional Climate Downscaling Experiment for Europe) framework; and • In the United States, wildfire risk is modelled using relationships between Vapor Pressure Deficit (VPD) and burned area, combined with regional vegetation dynamics and fuel availability. These regional assumptions are calibrated to the warming levels defined by the RCPs and SSPs.
Reporting period	The analysis was carried out in 2025 using current period in-force exposure data where available to ensure alignment with the Group's current portfolio composition. The catastrophe models used incorporated vendor updates available to QBE at the time. In some cases, climate adjustments continue to rely on static studies published in prior years, particularly where updated vendor models are not yet available. These studies remain appropriate due to limited observed changes in percentage trends over time and will be replaced as new model versions are released. QBE reviews its scenario analysis annually and updates inputs when material changes in exposure, model availability or scientific understanding occur.

Our resilience to climate-related physical risks

Our scenario analysis indicates that projected increases in AAL across key perils through to 2050 remain within the bounds of normal portfolio variability when annualised at a total Group level. While some perils, such as flood and wildfire in Europe, Australia and the western United States, exhibit greater sensitivity to climate change, their impacts are geographically concentrated and are less significant in aggregate. North American hurricane continues to be the most significant physical climate risk exposure for QBE. By 2090, modelled outcomes diverge more significantly. These projections are based on gross exposure and do not account for the mitigating effects of reinsurance or portfolio management actions.

The Group's underwriting strategy is considered resilient to expected changes in physical risk across short, medium and long-term time horizons. This resilience is supported by a combination of measures that collectively support QBE's ability to adapt to evolving climate conditions and maintain underwriting and capital resilience over time. Further information on how QBE responds to the effects of climate-related physical risks is included on page 27.

Significant areas of uncertainty include the future availability and cost of reinsurance which may affect the Group's ability to transfer risk, and potential market reactions to repricing where affordability constraints could impact demand for insurance in higher-risk regions. To address these uncertainties, QBE continues to explore alternative capital solutions, including the recent launch of a catastrophe bond, to diversify and strengthen its risk transfer capacity. In addition, QBE recognises that responding to uncertainties in insurance affordability involves engagement across both the public and private sectors to enhance the resilience of customers and communities. This collaborative approach is a key component of QBE's engagement strategy, aligned with the ambition set out in QBE's Transition Plan on pages 36 to 41.

Transition risks

QBE has applied a combination of quantitative modelling and qualitative assessment to evaluate the potential impacts of climate transition scenarios across its investment and underwriting portfolios, reflecting the availability of modelling capabilities and the characteristics of exposures within each asset class or underwriting lines of business.

	Investment	Underwriting
Scope of assessment	• External modelling platforms were leveraged to assess the potential transition risk impacts for selected public asset classes, which collectively represent over 80% of the carrying value of the Group's investments and include sovereign and semi-government bonds, corporate bonds, high yield debt, emerging market debt and developed market equities. • A qualitative analysis was performed for QBE's infrastructure assets, using scenario pathways supplemented with sector-level research and insights from external investment managers.	• A qualitative analysis was performed, focused on the Group's Marine, Energy & Aviation portfolio and leveraging the outcomes of sector-level transition impact projections, to assess directional impacts under a range of climate transition pathways.
Scenarios	The following Network for Greening the Financial System (NGFS) transition scenarios were applied: • Net Zero 2050, where immediate and coordinated global policy action limits temperature rise to 1.5°C; • Delayed Transition, reflecting postponed and fragmented mitigation efforts, resulting in temperature rise to 1.7°C; and • Current Policies, a reference scenario based on existing policy settings, resulting in warming of 3°C (used as a baseline in the investment quantitative analysis). These represent a diverse range of plausible transition pathways, including one aligned with the latest international climate agreement, and are considered most relevant for assessing the resilience of QBE's investment and underwriting strategy to varying levels of policy ambition and associated transition risks.	
Time horizons	2050	2030 and 2050

	Investment	Underwriting
Key assumptions	Scenario assumptions, including projected carbon prices, sector and regional emissions pathways, macroeconomic trends and energy system transitions, are primarily sourced from NGFS Phase V. The quantitative analysis performed on external modelling platforms applies these scenario-driven variables to company-specific data in order to translate scenario pathways into issuer-specific impacts. Company-specific data, including financial metrics, business segmentation and GHG emissions, are sourced from public disclosures and market data providers to the extent available. Where company-specific data is incomplete, sector and country proxies and modelling assumptions are applied to estimate financial and emissions exposures under relevant scenario pathways. The qualitative assessment for infrastructure assets is informed by sector exposures and qualitative information provided by external managers.	The assessment leverages sector-level transition impact projections performed in 2022, which use scenario assumptions sourced from NGFS Phase II to quantify changes in sector profitability under each scenario. In evaluating the implications of these sectoral impacts for QBE's underwriting portfolio, the analysis assumes a static portfolio composition, with no adjustments made for potential changes in business mix, customer transition readiness, or variability in company-level outcomes. Future enhancements are planned to enable more detailed analysis of impacts, including improvements in the granularity and consistency of underwriting sectoral data and updating scenario inputs to reflect the latest available climate science and policy developments.
Reporting period	The analysis was carried out in 2025 and reflects the Group's current period investment exposures.	The analysis was carried out in 2025 and considers the Group's current portfolio mix.

Our resilience to climate-related transition risks

QBE's investments and underwriting strategy are expected to be resilient to climate-related transition risks based on the outcomes of scenario analysis and the Group's current portfolio composition. Further information on the Group's expected exposures and impacts is provided on pages 28 to 29.

In relation to investments, the assessment relies on issuer-reported and third-party data which may be subject to limitations relating to the timing and coverage of reported information.

Significant areas of uncertainty considered in our assessment of underwriting resilience include potential affordability constraints in higher-risk segments, and the pace and cost of technological change which increase uncertainty in claims costs. QBE's Transition Plan includes actions that will help mitigate these uncertainties, including strengthening underwriting and risk-engineering capabilities to respond to evolving technologies and loss patterns as part of scaling insurance solutions, phasing in analysis of emissions intensity across selected high-emitting portfolios and implementing an assessment of transition maturity for in-scope oil and gas, oil sands and Arctic drilling customers to inform appetite and engagement. These actions, together with ongoing monitoring through underwriting guidelines and risk assessment frameworks, are expected to support the continued resilience of the underwriting portfolio.

Strategy

Transition Plan

QBE has prepared a Climate Transition Plan that sets out its strategic ambition, implementation approach and key metrics to support the transition to a net-zero economy.

We recognise the important role that QBE can play in facilitating the climate transition, through how we manage our own operations, invest our assets, select the risks and companies that we underwrite, and manage our supply chains. The Transition Plan articulates the actions QBE will take to support the transition whilst managing its climate-related risks and opportunities, and is structured around three areas:

1. **Ambition:** an overview of QBE's strategic ambitions.
2. **Implementation and engagement strategy:** the actions QBE will take to achieve the strategic ambitions and how QBE is engaging within its value chain, industry peers and more broadly to achieve these ambitions.
3. **Metrics and targets:** metrics and targets used to articulate the scope of our ambitions, and drive progress towards these.

Our ambition and strategy

Our climate ambition

To support the transition to a net-zero economy QBE is:

- Taking action in our underwriting business
- Taking action in our investment portfolio
- Targeting net-zero operational emissions by 2030

Our implementation and engagement strategy

We seek to achieve our ambition by:

	Underwriting	Investments	Operations and supply chain
Supporting our customers and investees to transition their businesses	• **Scaling insurance solutions that facilitate the transition,** including products and services that support climate change mitigation.	• **Financing the transition** through investment in climate solutions.	
Integrating climate risks and opportunities into decision-making	• **Continuing to embed our positions on energy sectors** into underwriting appetite, implementing our assessment of in-scope customers'[1] transition maturity. • **Deepening our understanding of higher-emitting portfolios** to better understand our transition risks and identify opportunities to support customers' transition.	• **Continuing to incorporate climate risk and decarbonisation pathways** into investment due diligence for our in-house managed corporate issuers and external managers. • **Continuing to engage** with our highest corporate emitters and external managers. • **Monitoring the carbon intensity** of our public corporate debt investment portfolio. • **Advancing the climate alignment** of our investment portfolio.	• Taking actions to **decarbonise our operations.** • Embedding **emissions reduction measures into our supply chain.**
Advocating for climate resilience	**Advocating for policies that support climate resilience.**		

Metrics and targets[2]

Underwriting	Investments	Operations and supply chain
• By 2026, develop an implementation plan to scale 'insuring the transition' products and services.	• Invest $200 million in climate solutions annually through to 2030. • Limit the Scope 1 & 2 weighted average carbon intensity (WACI) of the public corporate debt portfolio to 20% below the WACI of our market benchmark[3].	• Net zero Scope 1, 2 (market-based), and selected Scope 3 GHG emissions by 2030. • Gross Scope 1, 2 (market-based), and selected Scope 3 GHG emissions of 16,900 tCO_2e by 2030. • 70% of QBE's global strategic suppliers to have publicly defined emissions reduction targets by 2030.

1 In-scope oil and gas, oil sands and Arctic drilling customers as outlined in QBE's Environmental and Social Risk Framework.
2 All years referenced in ambitions and targets refer to 31 December of the stated year.
3 The benchmark is a reference portfolio determined based on relevant corporate bond indices that are representative of the currency mix and maturities of QBE's liability profile, weighted by the market value of the asset components.

Defining our ambition

	Underwriting	Investments	Operations
Ambition intent	We frame our ambition around taking meaningful actions, rather than achieving a fixed emissions target. As a re/insurer and asset owner, we focus our influence on positive action by directing capital and insurance to support our customers and communities to navigate the transition to a net-zero economy. Our ability to make progress depends on sustained action across the economy, including from governments, and on the availability of reliable data from customers and investees.		We define our ambition as a 2030 GHG emissions target that is specific, measurable, and time-bound. It is based on emissions reduction initiatives we consider feasible given our current operational footprint and profile.
Scope	The scope of 'taking action' is set out in the content of our Transition Plan.		Scope 1, Scope 2, and selected Scope 3 (specifically Categories 3 and 6) emissions.
Applying our Transition Plan in the United States	Actions taken in the United States, and other relevant jurisdictions, will be done in compliance with applicable laws and regulations. All actions and underwriting decisions for customers in the United States will be based on an ordinary insurance business purpose, which may include the application of sound actuarial risk and underwriting principles. This will guide our approach to collecting data from customers, suppliers and investees and making decisions.		

Implementation roadmap

The diagram below illustrates our forward-looking interim roadmap for implementing the Group's Transition Plan.

2025–2026

2025

Developed QBE's Climate Transition Plan

2026

Underwriting:

- ● Commence assessment of transition maturity of in-scope customers (phased approach)
- ◆ Develop implementation plan to scale 'insuring the transition' products and services

2027–2030

2027

Underwriting:

- ● Operationalise implementation plan for 'insuring the transition' products and services

By 2030

Operations and supply chain:

- ◆ Achieve net-zero operational ambition
- ◆ 70% of QBE's global strategic suppliers to have publicly defined emissions reduction targets

- ● Implement data uplift and phased analysis of emissions intensity of higher-emitting portfolios

Investments:

- ● Baseline our current portfolio alignment based on the Net Zero Investment Framework (NZIF) methodology
- ● Assess possibility of introducing an alignment target
- ● Assess possibility of broadening scope of climate solutions to include other transition and resilience activities and catalytic investment opportunities

- ◆ Invest $200 million in climate solutions annually through to 2030
- ◆ Limit the Scope 1 and 2 WACI of the public corporate debt portfolio to 20% below the WACI of our market benchmark

Advocacy and engagement

- ● Develop and execute an advocacy strategy in response to QBE's assessment of climate-related risks and opportunities

We acknowledge that key factors that will guide our approach to net zero often lie outside our direct influence. Achieving our climate ambition is dependent on factors across our value chain including our investees, insurance customers and suppliers, as well as market and industry factors such as supportive policy frameworks, regulatory environment and technology advancements. Accordingly, the Transition Plan will be reviewed and refined over time to reflect developments in data, methodologies, public policy settings and market conditions.

Key: ● Intended actions ◆ Targets

Our implementation and engagement strategy

Taking action in our underwriting business

As part of ongoing efforts to support the transition, QBE has taken a number of actions to date, including implementing energy sector related positions within our Environmental & Social Risk Framework, establishing the Sustainable Energies Unit in our International Division, and engaging with priority customers[1]. We also enhanced our modelling and understanding of physical risks and undertook initial estimation of our insurance-associated emissions for selected portfolios. In developing our Transition Plan, we have taken the opportunity to reassess our ambition. Supporting the global transition remains a priority for QBE, and we are focusing on actions that can drive tangible, real-world impact, including scaling our offering for transition products and services, and deepening our understanding of our higher-emitting portfolios to better understand and manage QBE's transition risk and support customers' transition. Our refreshed ambition is to support the transition to a net-zero economy by taking action in our underwriting business, with the scope of these actions defined as follows:

Key actions	Dependencies and assumptions
Scaling insurance solutions that facilitate the transition, including products and services that support climate change mitigation The energy sector is going through significant transformation, driven primarily by investment in transition technologies. QBE recognises the opportunity to support this change through enhancing existing capabilities, complementing the Sustainable Energies Unit. During 2026, we will work to establish an implementation plan for scaling this opportunity with initial efforts focusing on renewable power generation given its broad relevance across QBE's portfolio. We will also explore opportunities to accelerate and expand our role in the growth of new technologies and extend our global reach through: • growing existing underwriting; • deploying new products and services; and • enhancing underwriting and risk-engineering expertise across our global teams. Details of the implementation plan will be finalised in 2026, and incorporated into future updates of the Transition Plan.	• The growth potential for insurance solutions that support the climate transition depends on the availability, effectiveness, and future scale of transition technologies. Assumptions about future growth are informed by external market projections and energy transition scenarios. • The commercial and economic viability of insuring transition technologies remains subject to uncertainty due to the emerging nature of these markets. QBE continues to conduct analysis of forecast loss ratios for these products to enhance understanding of their risk profile and inform future underwriting decisions.

1 Priority customers comprise commercial customers with gross written premium of at least $250,000, and are operating in higher-emitting sectors such as fossil fuel extraction, transportation, and agriculture across Australasia, Canada, and Europe.

Key actions	Dependencies and assumptions
Continuing to embed our positions on energy sectors into underwriting appetite, implementing our assessment of in-scope customers' transition maturity Since 2019, QBE has embedded its thermal coal position into underwriting, and since 2022, has applied its Environmental & Social Risk Framework to manage key environmental and social risks across its underwriting and investment activities. QBE's positions include exclusions and enhanced due diligence requirements for fossil fuel sectors including thermal coal, oil, gas, oil sands and Arctic drilling. These positions are reviewed biennially, with refreshed positions to take effect from 1 January 2026. In 2026, QBE will commence the roll-out of the customer transition maturity assessment process for in-scope customers[1]. Our assessment will consider customers' emissions performance and where relevant, additional factors such as decarbonisation goals. QBE expects that the transition maturity assessment will evolve over time in line with emerging best practice and learnings from our implementation. QBE will engage with customers assessed as low transition maturity and/or their brokers. QBE will reassess these customers on an annual basis. If after three years, the customer continues to be assessed as low maturity, then QBE will consider if there are justifications for the customer's position and decide whether to decline or to continue to provide insurance services to that customer. The assessment will be rolled out in phases, starting with the top 50 in-scope customers by gross written premium. **Refer to QBE's Environmental and Social Risk Framework for information on QBE's positions**	• Assessments of customer transition maturity rely on the availability of credible, public information. Where information gaps exist, QBE intends to engage with customers to obtain necessary data, where permitted. • The customer assessment does not extend to certain business segments, such as portfolio services facilities and QBE Re, where QBE does not have a direct relationship with the end customer. However, QBE will seek to align its underwriting practices with the intent of its sensitive sector positions, and relevant end-customer information will be collected where available and feasible.
Deepening our understanding of higher-emitting portfolios to better understand our transition risks and identify opportunities to support customers' transition To better understand transition risks within our underwriting portfolio and inform actions to support customers in their transition, QBE is prioritising the analysis of the current and forecast GHG emissions intensity of selected high-emitting portfolios, including analysis of the levers available to the sector to accelerate decarbonisation. This will be implemented through a phased approach, with portfolio prioritisation based on the materiality of emissions, feasibility of measurement based on the availability of data and methodologies, and the level of QBE's influence.	Levers available to QBE will depend on: • the pace and scale of transition technology deployment, and overcoming barriers such as cost, infrastructure limitations, and policy gaps; • enabling government measures, including renewable deployment, carbon pricing, transport electrification and related infrastructure investment, energy-efficiency and building standards, and funding for new technologies; and • customers developing and implementing credible transition plans aligned with industry and regulatory expectations.

Customer engagement activities in 2025

Since 2023, QBE has set a target to engage annually with at least 50 priority customers[2], which we continued to achieve in 2025. Our engagement activities during the year involved:

- monitoring our priority customers cohort, and updating it where customers no longer had an in-force policy with QBE;
- reviewing public disclosures or information provided by the customer and/or their brokers against recognised climate disclosure frameworks to inform our engagement approach;
- engaging with priority customers at renewal, in collaboration with brokers, to understand their transition objectives and progress, leveraging insights from information collected above; and
- monitoring customer emissions and disclosure developments from a selected base year or from the point of initial engagement to assess progress over time.

Information collected through these engagements is not used to determine individual customer premiums. Engagement with customers and intermediaries provides us with insights into sector-wide decarbonisation efforts and may inform consideration of solutions to support customers in their transition.

1 In-scope customers for the purposes of the transition maturity assessment are:
(i) oil and gas customers who generate >60% revenue from oil and gas extraction. This threshold will be reduced to >30% from 1 January 2040; and
(ii) customers who generate >30% revenue from oil sands and Arctic drilling.

2 Priority customers comprise commercial customers with gross written premium of at least $250,000, and are operating in higher-emitting sectors such as fossil fuel extraction, transportation, and agriculture across Australasia, Canada, and Europe.

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Taking action in our investment portfolio

In 2021, we established interim targets for 2025, progress on which is disclosed in the 'Metrics and targets' section. This year, we have revised the scope of our ambition and updated associated targets, which will take effect from 2026. Our investment decisions are guided by a strategy that aims to deliver strong outcomes for shareholders, customers, and employees, appropriately balancing risk and return. Supporting the transition towards net zero is about achieving real-world decarbonisation. Accordingly, we do not invest or divest solely to reduce portfolio emissions, and instead, integrate climate transition factors into our investment selection and engagement approach. The Transition Plan outlines the following actions which will form part of the Group's investment strategy:

Key actions	Dependencies and assumptions
Financing the transition through investment in climate solutions QBE has set a target to allocate at least $200 million to climate solutions investments annually from 2026 through to 2030. Investment decisions will be guided by defined climate solutions criteria[1] and will continue to adhere to the same return and risk appetite standards applied across the broader investment portfolio.	• Achievement of the target assumes a sufficient and ongoing supply of eligible climate solution investments that meet the defined criteria, with availability dependent on the continued development and scaling of climate mitigation and adaptation technologies, as well as broader market trends and increasing demand from other institutional investors.
Continuing to incorporate climate risk and decarbonisation pathways into investment due diligence for our in-house managed corporate issuers and external managers Our credit assessments of in-house managed corporate issuers and due diligence of external managers include consideration of emissions intensity, climate risks, and alignment with net-zero pathways. As climate data and methodologies continue to advance, we will progressively embed new datasets and scenario insights into our assessments. **Continuing to engage with our highest corporate emitters and external managers** QBE will engage annually with the top 20 corporate issuers by Scope 1 and 2 carbon intensity based on enterprise value including cash (EVIC) in our in-house managed investment grade corporate credit and high yield portfolios, as well as external managers as part of the annual due diligence process. The engagement aims to gather insights on emissions, climate risks, net-zero alignment and planned improvements. Outcomes will be used to inform portfolio level asset allocation. QBE will not make individual investment and divestment decisions solely on the basis of transition maturity.	• QBE's assessments rely on the provision of accurate and complete climate-related data from corporate issuers, external managers, and third-party data providers. • Engagement will be subject to applicable laws and regulations in relevant jurisdictions.
Monitoring the carbon intensity of our public corporate debt portfolio QBE has set a target to limit the Scope 1 and 2 WACI of its public corporate debt portfolio to 20% below the WACI of our market benchmark. This updated target reflects our intent to maintain low carbon emissions intensity in our portfolio, expanding the scope to encompass the public corporate debt investments including high yield debt and emerging market debt. QBE's investment selection process incorporates carbon intensity data and excludes issuers in thermal coal and oil and gas sectors, in accordance with QBE's Environmental & Social Risk Framework.	• Achievement of the target assumes the continued availability of sufficient investments in issuers with low Scope 1 and 2 carbon intensity that meet the criteria in QBE's Environmental & Social Risk Framework. • QBE's investment strategy and target asset allocation are expected to remain broadly consistent. Changes to portfolio composition may result in an increase in the public corporate debt portfolio WACI, but will be considered in the context of maintaining and advancing climate alignment under the NZIF framework.
Advancing the climate alignment of our portfolio In 2026, we will baseline the net-zero alignment of our investment portfolio and consider whether to formalise an alignment target. Assessing our portfolio alignment helps to inform our engagement and portfolio allocation strategies, allowing us to better direct our capital to investees that are aligning, aligned or achieving net zero.	• Baselining the climate alignment of QBE's portfolio relies on the provision of accurate, credible and complete information from external managers and third-party data providers.

1 Climate solution investments refer to green bonds, eligible components of sustainability and corporate bonds and other assets that meet the Sustainable Finance criteria under the Australian Sustainable Finance Institute (ASFI) taxonomy or equivalent frameworks in relevant jurisdictions.

Achieving net zero in our operations by 2030

In 2021, QBE set an ambition to achieve net zero across our Scope 1 and 2 operational emissions by 2030, expanding this in 2022 to include selected Scope 3 emissions. Interim targets for 2025 were set, with progress disclosed in the 'Metrics and targets' section. As industry standards have evolved, so has our understanding of our emissions profile and the levers available to reduce them. In response, the boundary of QBE's operational net-zero ambition was revised to include Scope 1, Scope 2, and selected Scope 3 emissions related to fuel- and energy-related activities (Category 3) and business travel (Category 6)[1]. In 2025, we undertook an assessment of potential decarbonisation initiatives, enabling us to forecast our operational emissions to 2030, update our strategy to achieve our ambition, and set a gross emissions target of 16,900 tCO_2e by 2030.

Key actions	Dependencies and assumptions
Taking actions to decarbonise our operations Planned decarbonisation initiatives focus on: • phasing out gas heating and progressing energy-efficiency upgrades in owned and leased offices, as well as maintaining renewable electricity sourcing for all operations where certified options are available and extending coverage to additional markets as instruments become accessible; • transitioning fleet vehicles to more fuel-efficient alternatives, including hybrid options where appropriate; and • limiting air travel emissions by providing guidance, promoting virtual collaboration and monitoring progress. Priority is placed on reducing in-scope emissions. Carbon removal certificates will be sourced to neutralise emissions that remain after implementing reduction measures. The cost of emissions reduction initiatives, carbon avoidance and removal certificates and renewable electricity certificates will be funded through QBE's internal carbon price mechanism.	• Energy-efficiency upgrades and electrification are contingent on cooperation from landlords to implement building improvements within agreed lease periods and available grid capacity. • Fleet transition feasibility is dependent on the availability of suitable vehicles in relevant markets and the development of adequate charging and refuelling infrastructure. • Renewable electricity sourcing relies on the ongoing availability of high-quality, certified renewable energy contracts and certificates in all regions where QBE operates. • The gross emissions target does not account for potential changes in business scale, geographic footprint, or operational mix. Significant shifts in these factors may require review and adjustment of the target. • Achievement of net zero assumes access to credible and cost-effective carbon removal certificates, with the expectation that integrity standards and regulatory frameworks will continue to evolve.
Embedding emissions reduction measures into our supply chain QBE has introduced a target for 70% of global strategic suppliers[2] to have publicly defined emissions reduction targets by the end of 2030. To count toward this measure, a supplier's target must be publicly available and sufficiently specific in scope and timeframe. To progress this action, we will: • engage strategic suppliers through tailored outreach and capability-building resources to understand plans to adopt and publicly disclose emissions reduction targets; • embed sustainability considerations into sourcing and supplier management processes; and • pursue collaboration and knowledge sharing with suppliers that have established commitments.	• The target assumes that a sufficient proportion of current strategic suppliers are willing and able to set and publicly disclose credible emissions reduction targets by 2030, which may be influenced by their resources, commercial priorities, and regulatory environments. • The effectiveness of supplier engagement initiatives is supported by the availability of relevant data to monitor and verify supplier commitments. • Stability of QBE's strategic supplier base will support continuity in engagement and measurement, while significant changes in supplier composition or business needs may affect the pace of engagement and coverage. • Engagement will be subject to applicable laws and regulations in relevant jurisdictions.

Refer to the 'Metrics and targets' section for further information on initiatives progressed in 2025 across our operations and supply chain.

Advocating to build climate resilience

Our own analysis of QBE's climate resilience has deepened our understanding of the complex challenges climate change poses to communities and customers. Building greater resilience to both the physical and transition risk impacts of climate change requires a collaborative effort across a broad network, including governments, regulators, communities, the financial sector, and other key stakeholders. Through our industry memberships, we advocate for stronger community resilience measures, more effective climate-related policy settings and industry guidance on approach to manage and transparently report on climate-related risks and opportunities. We also engage with trade associations and industry bodies to progress initiatives that support climate resilience.

1 The revised target excludes Scope 3 emissions related to capital goods (Category 2) reflecting QBE's limited ability to influence emissions associated with producing these assets, and externally hosted data centres which have been reclassified to Category 1 (previously disclosed in Category 3) to align with relevant guidance following a review informed by AASB S2 considerations. The target also excludes mobile combustion emissions from employee personal use of QBE's leased vehicles and associated upstream fuel and energy emissions given QBE's limited influence over these sources.

2 Strategic suppliers are those identified through QBE's procurement segmentation and tiering approach, assessed using criteria covering importance to business operations and risk profile.

Metrics and targets

Operations and supply chain

The Group has set targets across its operations and supply chain, and the table below sets out those applicable in 2025, including those introduced or amended as part of the Group's Transition Plan.

MEASURE	TARGET		UNIT	BASELINE YEAR	2025	STATUS
Energy and renewable electricity						
Energy use[8]	25% reduction by 2025[5]		GJ	2019	**177,568 (↓30%)**	Achieved
Renewable electricity use	100% by 2025[5,6]		MWh	2018	**16,347 (100%)**	Achieved
Greenhouse gas (GHG) emissions						
Scope 1 and 2 (market-based)[8]	Gross[1]	30% reduction by 2025[5]	tCO_2e	2018	**8,728 (↓73%)**	Achieved
Scope 1, 2 (market-based) and selected Scope 3[3,8]	Net[2]	Net zero by 2030	tCO_2e		**17,985**	In progress
	Gross[1]	16,900 tCO_2e by 2030	tCO_2e	N/A[7]	**17,985**	In progress
Scope 1, 2 (market-based) and Scope 3 (defined inventory)[4]	Maintain carbon neutrality for a defined inventory of emissions[5]		tCO_2e	N/A	**–**	Achieved

Approach to target-setting and monitoring

The Group's refreshed operational targets were determined through a structured process that considers the current emissions profile and the feasibility of emissions reduction initiatives across regions. Divisional management was engaged to assess the practicality of proposed initiatives, and targets were set based on their expected impact. The process also considered the materiality of emission sources to prioritise actions where reductions would be most meaningful.

These targets have not been validated by an external third party. However, they are reviewed and endorsed internally by the Sustainability Steering Committee and the GEC E&S Subcommittee, and approved by the Board. Progress is monitored quarterly and reported to the GEC and the Board, with regular engagement between the Group Sustainability function and initiative owners to assess performance and identify corrective actions where required.

During the year, the Group also completed foundational work to set its supply chain target which is disclosed in the Transition Plan, including confirming the scope of strategic suppliers, assessing feasibility, and finalising approvals through established sustainability governance processes described above. This target takes effect from 1 January 2026.

1 The target is expressed on a gross basis, prior to the application of carbon credits.
2 The target, expressed on a net basis, reflects the intended use of carbon removals, as described on page 44, to offset residual emissions after the implementation of emissions reduction initiatives.
3 Selected Scope 3 emissions comprise those relating to fuel- and energy-related activities (Category 3) and business travel (Category 6) as defined on page 41.
4 The defined inventory of Scope 3 emissions included in the Group's carbon neutrality commitment covers a broader range of emission sources than those included in the net-zero target. Further information is provided on page 45.
5 These targets have not been renewed beyond 2025.
6 Based on RE100 Climate Group's materiality threshold guidance, as described on the next page.
7 Baseline years were previously set at 2019 for Scope 1 and 2 emissions and 2022 for in-scope Scope 3 categories. Baseline year references have been removed for the net-zero target and have not been set for the associated gross target. This reflects a shift in how progress will be assessed, with a focus on reviewing total emissions against expectations based on planned initiatives rather than measuring reductions from a historical baseline.
8 These targets exclude mobile combustion emissions from employee personal use of QBE's leased vehicles and where applicable, associated upstream fuel and energy emissions. The energy use target also excludes purchased heating and cooling (electricity) centrally provided by landlords.

Energy and renewable electricity

Energy use

QBE achieved its energy use target in 2025, supported by the continued optimisation of the property portfolio, including transition to more energy-efficient buildings in North America and the sale of office premises and relocation to smaller sites.

Although no formal targets have been set beyond 2025, QBE will continue to identify and implement opportunities for reducing energy consumption across its buildings and fleet vehicles, with energy use to be monitored as part of QBE's GHG emissions targets from 2026.

Renewable electricity use

Since 2021, QBE has met its renewable electricity commitment, with 100% of electricity use across its offices (excluding Bermuda and Pacific Islands) sourced from certified renewable sources. This was achieved through a combination of green energy contracts and unbundled energy attribute certificates.

Following the expiry of the renewable electricity commitment on 31 December 2025, QBE intends to continue sourcing renewable electricity in all countries where certified options are available. This will include green energy contracts, unbundled energy attribute certificates, and on-site generation where feasible.

Additional information

Energy use

Our reported energy use comprises electricity (from both renewable and non-renewable sources), natural gas and fuel consumed by company-operated vehicles across our global operations where QBE has operational control. Energy consumption data is primarily derived from actual billing records where available. Where direct data is unavailable, such as in landlord-managed sites or certain locations, estimates are applied which includes the use of region-specific proxies.

Renewable electricity use

QBE has committed to sourcing 100% of its electricity from certified renewable sources for all operations where such electricity is available, with the target expiring in 2025. Countries with small electricity loads (< 100 MWh/year individually and up to a total of 500 MWh/year in aggregate) or where it is not feasible to source renewable electricity via credible sourcing options are excluded from the target boundary in line with the RE100 Climate Group materiality threshold guidance. The target is met through a combination of contracts with electricity suppliers and purchasing unbundled energy attribute certificates.

GHG emissions

Scope 1 and 2

In 2025, QBE continued to decarbonise its operations through property portfolio optimisation, fleet efficiency and renewable electricity sourcing. Specifically:

- **Property portfolio:** In addition to the exit and relocation of office premises in North America noted in the 'Energy and renewable electricity use' section above, we engaged with our landlords to progress the phase-out of gas heating. During 2025, a major leased office in the UK completed a transition to a fully electric HVAC system.
- **Fleet emissions:** We considered and evaluated appropriate fleet efficiency strategies in North America to transition to hybrid and lower-emission vehicles, supporting efforts to limit growth-related emissions.
- **Renewable electricity:** As outlined in the previous section, QBE continues to source certified renewable electricity across our offices, with limited exclusions where it is not yet feasible to source certified options.

Scope 3

In 2025, QBE continued to advance initiatives to reduce emissions from activities within the Scope 3 categories included in our net-zero boundary as follows:

- For business travel, travel planning principles continued to be applied, including prioritisation of virtual collaboration and strategic selection of meeting locations to minimise long-haul flights.
- For energy-related activities, upstream emissions associated with purchased electricity and natural gas reflect the energy efficiency initiatives and continued sourcing of certified renewable electricity described in the Scope 1 and 2 section.

Carbon credits

In 2025, QBE purchased and retired the following avoidance-based carbon offsets to maintain carbon neutrality across the defined inventory of operational emissions:

	South East Arnhem Land Fire Abatement Project (SEALFA)	Bundled Wind Power Project by Giriraj Enterprises	Satara Wind Power Project in Maharashtra, India	44MW Wind Bundle in Maharashtra by Enercon (India) Limited	Berges Wind Power Project by Innores Elektrik Uretim A.S.	Crow Lake Wind Emissions Reduction Project
Business entity selling the offset	Qantas Airways Limited (Qantas), an authorised representative (CAR 000261363) of TEM Financial Services Pty Ltd (ABN 58 142 268 479, AFSL 430036)					
Offset registry/ program	Australian National Registry of Emissions Units – Clean Energy Regulator	Verra			Gold Standard	Verra
Project identification number	ERF101624	VCS1669	VCS1519	VCS489	GS5229	VCS756
Country of generation	Australia	India			Turkey	United States of America
Offset project type	KACCU Indigenous Savanna Fire Management	Energy industries (renewable/non-renewable sources) (Wind)			Wind	Energy industries (renewable/ non-renewable sources) (Wind)
Methodology	Australian Emissions Reduction Fund – Savanna fire management method	ACM0002 Grid-connected electricity generation				

All avoidance-based carbon offsets are registered with third-party internationally recognised verification standards, including Gold Standard, Verra's Verified Carbon Standard (VCS), and Australian Carbon Credit Units (ACCUs). As part of QBE's broader decarbonisation strategy, QBE plans to procure carbon removals to cover emissions within the scope of QBE's 2030 net-zero operational target. Both nature-based and technology-based solutions will be considered, with a focus on projects that demonstrate durable carbon storage and climate benefits.

Internal carbon price

To support the achievement of QBE's operational emissions targets, an internal carbon price of $65 per metric tonne of carbon dioxide equivalent has been applied to GHG emissions within the scope of QBE's net-zero target and carbon neutrality commitment. This price reflects the estimated cost of emissions management, including investment in emissions reduction initiatives, procurement of renewable electricity, and the future purchase of carbon removal certificates. The internal carbon price is applied to divisions based on actual operational GHG emissions and is intended to incentivise decarbonisation while funding Group-wide environmental initiatives. The pricing mechanism is reviewed periodically and is informed by projected costs associated with maintaining carbon neutrality and achieving net-zero commitments.

Additional information

The Group's refreshed operational emissions targets are not derived using a sectoral decarbonisation approach, or informed by the latest international agreement on climate change. QBE's GHG emissions targets are calculated using the market-based method for Scope 2 emissions. This approach reflects emissions associated with contractual instruments, such as GreenPower agreements and energy attribute certificates, that convey specific GHG emission attribution rates from suppliers.

Additional reported emissions in 2025 include fugitive emissions within Scope 1 and emissions from centrally provided electricity in landlord-managed buildings within Scope 2. Baseline emissions used to measure reduction targets have not been restated to reflect these inclusions.

Absolute GHG emissions

The table below reflects QBE's defined inventory of operational GHG emissions for the reporting period. This inventory includes Scope 1, Scope 2 and a defined scope of Scope 3 emission sources that are relevant to QBE's global operations and for which reasonable and supportable information is available.

	2025 tCO_2e
Scope 1 and 2 (location-based)	
Scope 1	**9,820**
Scope 2 (location-based)	**8,450**
Total Scope 1 and 2 – gross emissions (before offsets and renewable energy attribute certificates)	**18,270**
Scope 3 (defined inventory) [1]	
Category 1 – Purchased goods and services	**1,076**
Category 2 – Capital goods	**2,566**
Category 3 – Fuel- and energy-related activities	**2,369**
Category 5 – Waste generated in operations	**255**
Category 6 – Business travel	**7,266**
Category 7 – Employee commuting	**5,579**
Category 11 – Use of sold products	**1,085**
Category 13 – Downstream leased assets	**214**
Total Scope 3 (defined inventory)	**20,410**
Total gross operational Scope 1, 2 and 3 (defined inventory)	**38,680**
Scope 2 (market-based)	**418**
Total Scope 1, Scope 2 (market-based) and Scope 3 (defined inventory)	**30,648**
Carbon offsets	**(30,648)**
Net GHG emissions (carbon neutral)	**–**

1 Further detail on the Scope 3 sources included in the defined inventory for each category is provided in the 'Additional information' section below.

Additional information

Reporting boundary and methodology

QBE measures its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) as required by AASB S2. The operational control approach has been adopted to define the organisational boundary. Under this approach, QBE reports 100% of emissions from operations over which it has the authority to introduce and implement operating policies. This approach provides the most accurate reflection of the emissions QBE can directly influence through its policies and procedures, and results in the inclusion of all entities in the consolidated accounting group disclosed in note 7.3 Controlled entities of the financial statements with the exception of Challenger Private Debt Q Fund over which QBE does not have operational control. Associates and unconsolidated investees are also excluded from the Group's Scope 1 and 2 emissions boundary on this basis.

Scope 1 and 2

Scope 1 and 2 emissions are measured using the indirect method, whereby emissions are estimated by applying relevant emission factors to activity data. Emission factors are sourced from national and international authorities including the National Greenhouse and Energy Reporting (NGER) Scheme in Australia, the Department for Environment, Food and Rural Affairs (DEFRA) in the United Kingdom, the Environmental Protection Agency (EPA) in the United States, the Ministry for the Environment in New Zealand, and the International Energy Agency (IEA). In countries where high-quality, locally published emission factors are not available, proxy factors from DEFRA or other internationally recognised sources have been applied. These proxies are selected based on their methodological robustness, frequency of updates, and relevance to the emission source. The use of proxies is limited to regions where emissions are not material to QBE's overall footprint and where local data is not reasonably obtainable.

Primary sources such as utility invoices and fuel card records are prioritised to measure activity data where available. Where unavailable, estimation techniques have been applied based on reasonable and supportable information available at the reporting date. These estimates are applied consistently across reporting periods and are reviewed periodically to reflect changes in operations, data availability, or regulatory guidance.

Reported Scope 1 emissions include:

- **Mobile combustion:** Fuel used in vehicles that are owned or controlled by QBE, excluding novated leases. In some regions where quantity of fuel consumed is not available, emissions are calculated based on estimations or records of distance travelled.
- **Stationary combustion:** Natural gas used for heating in owned or leased buildings where QBE controls the heating systems.
- **Fugitive emissions:** Refrigerant leakage from use of HVAC systems in buildings owned by QBE and supplementary systems installed in leased buildings.

Reported Scope 2 (location-based) emissions include:

- **Purchased electricity:** Electricity used in QBE-operated buildings, whether owned or leased.
- **Purchased heating (gas)**: Gas fuelled heating provided centrally by landlords in leased buildings. QBE's share of natural gas consumption is estimated using landlord-provided data where available, or otherwise based on average consumption rates from comparable sites or industry benchmarks.
- **Purchased heating and cooling (electricity):** Heating and cooling provided centrally by landlords generated by electricity. For Australian offices, base building electricity consumption is sourced from government-certified building energy data where available, and adjusted for HVAC end-use share using percentages sourced from industry benchmarks such as the Australian Commercial Building Baseline Study (CBBS). For offices in other regions, landlord-provided data is used where available, with HVAC share estimated using the industry benchmarks applied for Australia. Where direct data is unavailable, electricity use is estimated based on floor area and consumption rates from comparable buildings.

Reported Scope 2 (market-based) emissions have been measured after accounting for electricity consumed under green electricity contracts with electricity providers and unbundled energy attribute certificates surrendered by QBE during the reporting period.

Scope 3

Scope 3 GHG emissions have been measured using an indirect estimation approach, whereby emissions are calculated by applying relevant emission factors to activity data. Primary data has been used where reliable internal records are available, such as supplier invoices, travel management systems and internal asset registers. Secondary data and extrapolations have been applied where primary data is unavailable or incomplete.

In limited cases, such as lifecycle emissions for IT equipment, supplier-specific emission factors have been used where available and considered to more faithfully represent the underlying activity. In all other cases, emission factors have been sourced from third-party data providers that aggregate and maintain emissions datasets for corporate reporting purposes. These sources have been used to supplement internal data where supplier-specific factors are not readily available. Where available, jurisdiction-specific emission factors have been applied. In other cases, DEFRA factors have been applied consistently across all regions as a proxy. The majority of emission factors sourced through these providers are derived from national and international authorities, including government-published emissions databases and international energy agencies.

The Scope 3 sources included in the defined inventory are:

- **Category 1: Purchased goods and services** – limited to emissions associated with office paper purchased (including office printing, envelopes, product brochures and product disclosure statements), and electricity usage from externally hosted data centres contracted by QBE.
- **Category 2: Capital goods** – limited to purchased IT equipment including computers, laptops, monitors and printers. For regions outside Australia, emissions are estimated by applying the ratio of Australian capital goods emissions per full-time equivalent (FTE) employee to the number of FTE employees in those regions.
- **Category 3: Fuel- and energy-related activities** – upstream emissions from company vehicle fuel use, purchased electricity, natural gas and heating and cooling. Upstream fuel and energy factors are sourced from the same international authorities as those used for Scope 1 and Scope 2 emissions.
- **Category 5: Waste generated in operations** – estimated emissions from water consumption and waste generated by QBE-operated offices, including general waste, food waste and recycled waste.
- **Category 6: Business travel** – emissions from employee business travel by air, car hire, and rail. DEFRA emission factors excluding well-to-tank (WTT) are applied to calculate business travel emissions. Rail travel (captured only for the United Kingdom and Europe) and air travel emissions are based on passenger kilometre data from QBE's travel management providers. Emissions from car hire and taxi travel are estimated using third-party reports and expense records, with distances derived from average costs per kilometre where actual distance travelled is not available.
- **Category 7: Employee commuting** – emissions from employee commuting to and from the office, as well as energy usage associated with working from home. Employee commuting emissions are estimated using data collected through QBE's annual employee survey, which captures average commuting distance, mode of transport, and office attendance patterns. The calculation covers FTEs including permanent workers, fixed-term workers, casuals, temporary workers and contractors, and applies DEFRA emission factors excluding WTT. Emissions associated with working from home are also estimated using survey data on remote work frequency and energy use, adjusted for solar and green power uptake and including a 10% adjustment factor to account for background electricity and natural gas consumption not related to remote work. Average electricity and gas consumption rates are sourced from recognised industry and government publications such as the Australian Government, the Energy Institute and Our World in Data.
- **Category 11: Use of sold products** – limited to emissions from policyholder travel associated with the insurance claims process, measured using the same methodology applied to business travel (Category 6).
- **Category 13: Downstream leased assets** – emissions from energy usage in buildings sublet by QBE.

In line with the transitional provisions in AASB S2 which permit the deferral of full Scope 3 disclosures until the second year of application, QBE will expand its Scope 3 disclosures from full year 2026 to include all sources within its value chain that are material and relevant to the Group's operations.

Supply chain

Strategic supplier engagement

In 2025, the Group progressed a number of initiatives to support the advancement of climate action across our supply chain, including:

- engaging all strategic suppliers through tailored interactions, such as one-to-one discussions and focused sessions to exchange insights on sustainability objectives and identify practical emissions reduction opportunities;
- implementing QBE's refreshed Supplier Code of Responsible Conduct within sourcing processes and contractual frameworks; and
- building capability of our claims suppliers in the United Kingdom through the QBE Collaborative Action for Reducing Emissions of Suppliers (CARES) programme which was launched in partnership with Heart of the City and QBE's claims legal panel to provide practical guidance to small and medium-sized enterprises on developing net-zero plans and sustainability-related actions.

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Investments

QBE has established climate-related targets for its investment portfolio to support the transition to a lower-carbon economy. The table below sets out the targets applicable for 2025, which will be superseded from 2026 by the updated targets set out in the Group's Transition Plan.

MEASURE	TARGET	TYPE	BASELINE YEAR	2025	STATUS
Engagement	All external managers across our investment portfolio	N/A	N/A	**Achieved**	**Achieved**
	20 highest emitters in the investment grade corporate credit portfolio	N/A	N/A	**Achieved**	**Achieved**
Financing the transition	Increase our climate solutions investments to 5% of assets under management by 2025	Absolute	N/A	**7%**	**Achieved**
Carbon intensity	25% reduction in Scope 1 and 2 emissions of our developed market equity portfolio by 2030	Intensity	2019	**36% reduction**	**Achieved**
	Maintain a low carbon risk rating[1] in the Scope 1 and Scope 2 weighted average carbon intensity of our investment grade corporate credit portfolio	Intensity	N/A	**17 tCO_2e/$M sales**	**Achieved**

Approach to target-setting and monitoring

In 2025, QBE refreshed its investment targets as part of the Transition Plan, following the completion of interim 2025 targets and an updated assessment of market conditions, data availability and feasibility. While QBE exited the Net-Zero Asset Owner Alliance (NZAOA) in March 2025, its Target-Setting Protocol continued to serve as a reference point in shaping our approach to target-setting and climate strategy.

The updated investment targets reflect consideration of portfolio composition and market factors, complemented by peer benchmarking and reference to relevant external frameworks. In setting specific targets, QBE adopted recognised metrics and data sources, aligning measurement to the Partnership for Carbon Accounting Financials (PCAF) where practicable. While these targets have not been reviewed by an external third party, they have been internally endorsed and approved through governance processes consistent with those applied to our operational and supply chain targets, as disclosed in the previous section.

Engagement

Engagement

QBE identified the 20 highest emitters in its investment grade corporate credit portfolio based on Scope 1 and 2 carbon intensity, and conducted targeted engagement with these issuers during the year. Engagement materials were tailored using each issuer's public disclosures, with discussions focused on emissions-reduction targets, interim milestones and transition plans.

During 2025, QBE engaged with all external investment managers as part of the annual due diligence review process, which involves the collection and review of information and supporting documentation to understand initiatives and progress over the last 12 months to integrate climate-related risks and opportunities into investment research, portfolio construction and firm-level governance. This year, QBE requested private fund managers to self-assess their funds categorisation under the NZIF to establish a baseline across our private fund investments. This assessment will inform engagement priorities for 2026 and enable ongoing tracking of progress toward greater alignment with net-zero pathways over time.

1 Defined as being in the range of 15 to <70tCO_2e/$M sales.

Financing the transition

Investment in climate solutions

QBE met its climate solutions target of at least 5% of assets under management in 2024 and 2025. At 31 December 2025, climate solutions represented 7% of the Group's assets under management.

From 2026, QBE will transition to a new target to invest $200 million in climate solutions annually through to 2030, representing a commitment of $1 billion over five years. This change from a percentage-based to an absolute dollar target was introduced as part of QBE's Transition Plan.

Carbon intensity

Emissions reduction in our developed market equity portfolio

We have met our carbon intensity target of 25% reduction in our developed market equity portfolio at 57 tCO_2e/$M, which represents a 36% reduction against our 2019 baseline of 90 tCO_2e/$M.

Weighted average carbon intensity risk rating

The WACI of QBE's investment grade corporate credit portfolio was 17 tCO_2e/$M sales at the balance date, which is within our target range of 15 to <70 tCO_2e/$M sales. From 2026, this will be replaced by the updated WACI target disclosed in the 'Transition Plan' section.

Additional information

Climate solutions

For the purposes of the 2025 target, QBE defines climate solutions as investments in economic activities that contribute to climate change mitigation (including transition-enabling activities) and/or adaptation. These include eligible components of green, sustainability and corporate bonds, as well as investments in infrastructure asset funds that finance projects such as renewable energy generation. Investments that fund pollution prevention and control projects are excluded from this definition. Effective from 2026, the scope of climate solutions within our target defined in the 'Transition Plan' section of this report will be broadened to recognise a wider range of assets that support climate change mitigation and adaptation and align QBE's approach with evolving market standards.

The measurement of amounts attributable to climate solutions involves estimates and assumptions that rely on information reported by issuers and asset managers, and in some cases, inputs from external data providers which have not been independently verified by QBE.

Carbon intensity

QBE's carbon intensity target for its developed market equity portfolio is measured using a weighted average carbon intensity approach, which expresses the portfolio's exposure to carbon emissions by calculating the investee companies' Scope 1 and Scope 2 GHG emissions per unit of EVIC, weighted by the market value of each holding in the portfolio. EVIC is defined as the sum of the market capitalisation of ordinary and preference shares, total debt, and minority interests.

Carbon risk in the investment grade corporate credit portfolio is assessed using MSCI Carbon Risk Ratings, which categorise investments based on the underlying investee companies' Scope 1 and 2 GHG emissions intensity per million dollars of revenue. The portfolio's carbon intensity is measured using a WACI approach, which calculates each investee's Scope 1 and 2 GHG emissions per dollar of revenue, weighted by the market value of the investment within the portfolio.

Emissions data and EVIC values used in the calculations are sourced from a third-party data provider using the most recent available data as at the reporting date.

Risk management

Climate-related risks

Identifying and assessing climate-related risks

Climate change continues to be identified as one of the top risks for QBE and is managed as a sub-class of strategic risk within QBE's Risk Management Strategy. Climate-related risks are identified and assessed through the following processes:

Scenario analysis

Climate scenario analysis is used to assess the potential impacts of identified climate-related risks on QBE's underwriting and investment portfolios under a range of future climate pathways. The scope of scenario analysis is informed by QBE's assessment of risk exposures and concentrations. The outcomes of scenario analysis provide insights into the magnitude of potential impacts, which are then incorporated into QBE's risk assessment processes.

Further information on scenario analysis is provided on pages 33 to 35

Input into

Top risk process

QBE conducts a regular review of top risks, incorporating top-down horizon scanning, review of regulatory developments and bottom-up business input to identify top and emerging risks. As part of this process, climate risk has been identified as a top risk. Risks are assessed for their potential impact and likelihood, and the assessment considers both quantitative and qualitative impacts, in line with the Risk and Control Self-Assessment (RCSA) Standard.

Input into

Input into

Financial materiality assessment

In 2025, climate-related risks were assessed to identify the risks that could reasonably be expected to affect the Group's prospects.

Further information on key inputs and judgements is provided on page 32

Managing and monitoring climate-related risks

Climate risk is monitored and managed in line with our Enterprise Risk Management Framework, in our Risk Management Strategy. Monitoring of climate-related risks is supported by the following:

- Climate indicators are monitored through the Group ESG Risk Dashboard. The dashboard is presented to management on a regular basis to support awareness and understanding of climate risk.
- QBE has implemented a suite of policies to support climate risk management, including the Group Environment Policy, Environmental & Social Risk Framework, and Supplier Code of Responsible Conduct. These policies apply to our operations, our underwriting and investment portfolios and third-party relationships.
- Climate and other ESG-related topics are included in QBE's Key Reputational Issues List, requiring additional review prior to external disclosure. A greenwashing checklist and training module are available to guide employees in managing reputational and regulatory risks.
- An introductory ESG training module, which covers climate risk, was required to be undertaken by all Risk and Compliance staff globally this year to uplift capability around the identification, monitoring and management of climate and other ESG-related risks. Function-specific training is available to underwriting teams to support their understanding of climate change and QBE's approach to risk management in business-as-usual activities.

Climate risk is managed and monitored in line with the three lines model, with first line ownership of the risks across underwriting, investments, supply chain and operations. QBE's independent Risk and Compliance team provide second line review and challenge of management actions in place relating to climate risk management, including in relation to the Sustainability Scorecard and Environmental & Social Risk Framework, to enable effective implementation and monitoring. Second line also supports the review of risks and controls relating to QBE's internal and external climate risk management and obligations. The Group's internal audit function provides independent assurance over the effectiveness of climate risk management, including the adequacy of controls and governance processes.

Climate-related opportunities

Identifying and assessing climate-related opportunities

QBE continuously sources and evaluates climate-related opportunities, including:

- monitoring and evaluating possible climate solution investments as part of the Group's investment strategy;
- monitoring and evaluating climate and insurtech solutions to support customer resilience and enhance QBE's underwriting, claims and risk-engineering capabilities via QBE Ventures; and
- identifying and evaluating underwriting opportunities that support the transition to a lower-carbon economy, which has been a particular focus in the current year as part of the development of the Group's Transition Plan.

In 2025, QBE established a dedicated workstream to systematically assess and develop a strategy for climate-related opportunities within our underwriting portfolio, following the approach outlined below.

Phase 1

Identify and evaluate potential climate-related opportunities based on consideration of emerging market trends, QBE's existing capabilities and footprint, market size and growth potential, feasibility and scalability.

Phase 2

Develop strategic options and implementation requirements for advancing priority climate-related opportunities, informed by scenario analysis and quantitative modelling.

Phase 3

Develop implementation plan to deliver targeted interventions for priority climate-related opportunities, outlining key actions, milestones and governance for future execution. This phase is planned to be delivered in 2026.

Further information on QBE's planned actions resulting from this assessment can be found in the 'Transition Plan' section of this report on pages 36 to 41.

Directors' declaration

FOR THE YEAR ENDED 31 DECEMBER 2025

In the directors' opinion, all reasonable steps have been taken to ensure that the substantive provisions of the Sustainability Report set out on pages 22 to 51 are in accordance with the *Corporations Act 2001*, including complying with:

(i) sustainability reporting standards issued by the Australian Accounting Standards Board as required by s296C of the *Corporations Act 2001*; and

(ii) other mandatory disclosures required by s296D of the *Corporations Act 2001*.

Signed in Sydney on this 20th day of February 2026 in accordance with a resolution of the directors.

Michael Wilkins AO	**Andrew Horton**
Director	Director

Important disclosures and disclaimers

This Sustainability Report contains information about QBE's activities current as at 20 February 2026. This report should be read in conjunction with all qualifications and guidance included in this Sustainability Report and our Annual Report and all information which QBE has lodged with the Australian Securities Exchange (ASX). Copies of those lodgements are available from either the ASX website at www.asx.com.au or QBE's website at www.qbe.com. The information is supplied in summary form and is therefore not necessarily complete. Please refer to the Annual Report for a complete description of all relevant disclosures and disclaimers applicable to this report.

Forward-looking statements

This report contains forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "potential", "intend", "should", "could", "would", "will", "may", "target", "plan", "continue", "ambition", "aim", "goal" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future emissions, earnings and financial position and performance are also forward-looking statements. Additionally, statements of the Group's current strategy, objectives, commitments, intentions, beliefs or expectations, and timelines for achieving climate-related objectives, may be forward-looking statements. The ambition to support the transition to a net-zero economy by taking action in our underwriting and investment portfolios, and to achieve net-zero emissions in our own operations by 2030, and the actions and targets set out in the Transition Plan, as described in this report, are all forward-looking statements.

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. This may cause actual results, performance, conditions, circumstances or the ability to meet climate-related objectives, targets, ambitions and commitments to differ materially from those either expressed or implied in such statements. Forward-looking statements may also be made by QBE's management, directors, officer or employees (verbally or in writing) in connection with this Sustainability Report. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers set out in this Sustainability Report.

Forward-looking statements only speak as of the date of this report and QBE assumes no obligation to update such information. We make no representation, warranty, assurance or guarantee as to future performance or that actual outcomes will not differ materially from those expressed or implied by the forward-looking statements in this Sustainability Report. You are cautioned not to place undue reliance on forward-looking statements.

Guidance on climate-related statements

This report includes forward-looking statements and other representations regarding climate, including but not limited to climate-related risks and opportunities, goals, targets, commitments and ambitions, transition plans, investment strategies, emissions reduction pathways, forecasts and estimated projections. Climate-related statements are subject to known and unknown risks, and there are significant uncertainties, limitations, risks, challenges, and assumptions in the data, metrics and modelling on which these statements rely. They may be dependent on many factors that are not fully within our control, including but not limited to:

- Limitations in knowledge: the inherent limitations in the current scientific understanding of climate change and its impacts.
- Our customers and broader economic factors: progress of individuals, businesses and economies to transition toward net-zero greenhouse gas emissions and variation in our customers' and investees' climate-related approaches and outcomes.
- Government action: policies, regulations, regulatory action and reporting standards continue to evolve in different ways globally, which may impact the pace of change and availability of data, and limit our ability to take action in some markets such as in the United States.
- Customer and other data and methodologies: availability and reliability of data about our customers, investees, and suppliers. Some material contained in this Sustainability Report may include information including, without limitation, methodologies, modelling, scenarios, reports, benchmarks, tools and data, derived from broker submissions, publicly available or government or industry sources that have not been independently verified.
- Data, metrics, methodologies and modelling: availability and rapid evolution of climate-related data, metrics, models and methodologies. These have inherent limitations and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles, including those for measuring and calculating emissions. Data quality and complexity in calculations may affect the outputs of climate-related modelling. Climate-related data are subject to a higher degree of uncertainty and use a greater number and level of judgements, assumptions and estimates.
- Lack of consistency, comparability, timeliness: there are challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. There is also a lack of common definitions and standards for climate-related data. In addition, estimating emissions requires the collection and analysis of large sets of new data and there can be significant challenges and obstacles with both the availability and quality of such data.
- Climate-related scenario analysis: Climate-related scenario analysis is subject to inherent limitations. Scenarios do not constitute definitive outcomes and it is difficult to predict which (or which elements), if any, of the scenarios discussed in this Sustainability Report might eventuate.
- Technological developments: availability, scalability, and cost-effectiveness of low-carbon technologies and innovations.
- Stakeholder expectations: evolving investor, customer, regulatory and community priorities that may influence strategic decisions.
- Geopolitical risks: conflicts, trade restrictions, and other global disruptions that may affect resource availability, energy security and investment flows.

These factors, individually or collectively, may also cause actual results, performance, circumstances, conditions and the ability to meet climate-related objectives, targets, ambitions and commitments to vary materially from those expressed or implied by climate-related statements. In particular, they may inhibit or delay the achievement of our stated climate-related objectives, actions, targets, ambitions and commitments and there can be no assurance that these will be met.

The climate-related statements in this Sustainability Report reflect our current best estimates, assumptions and judgements as at the date of this report, and QBE assumes no obligation to update such information. The uncertainty in climate-related information and factors beyond our control may lead QBE to change its views, actions, objectives, targets, ambitions or commitments in the future. While we have prepared the information in this Sustainability Report based on our current knowledge and understanding and in good faith, QBE reserves the right to change our views, actions, objectives, targets, ambitions or commitments in the future.

Independent auditor's review report on specified sustainability disclosures

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

pwc

Review conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of QBE Insurance Group Limited (the Company) and its controlled entities (together the Group) for the year ended 31 December 2025 as required by Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standard Board:

Sustainability Disclosures	Reporting requirement of AASB S2 *Climate-related Disclosures (including related general disclosures required by Appendix D)*	Location in Sustainability Report
Governance	Paragraph 6	Governance disclosures presented on pages 23 to 25
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The following climate-related physical risk: • Increased frequency and severity of weather-related events, resulting in increased claims (pages 26 to 27) The following climate-related transition risks: • Exposure of QBE's underwriting portfolio to sectors adversely affected by the transition to a lower-carbon economy (pages 28 to 29) • Exposure of QBE's investment assets to sectors adversely affected by the transition to a lower-carbon economy (page 29) The following climate-related opportunities: • Investments in solutions to mitigate physical/transition risks of climate change (page 30) • Growth driven by new products or increased demand for products in response to market and technology shifts driven by the transition to a lower-carbon economy (page 31) The additional information presented on page 32
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	The following emissions disclosures presented on page 45: • Scope 1 emissions: 9,820 tCO_2e • Scope 2 (location-based) emissions: 8,450 tCO_2e • Scope 2 (market-based emissions): 418 tCO_2e The additional information presented on page 46

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures and public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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GPO BOX 2650 Sydney NSW 2001
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Independent auditor's review report on specified sustainability disclosures

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2025, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the financial report including the remuneration report included in the annual report. We have issued a separate limited assurance conclusion on selected sustainability information presented in the Annual Report and QBE's 2025 Impact Data Book.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The Directors of the Company are responsible for:

- the preparation of the specified Sustainability Disclosures in accordance with the *Corporations Act 2001* (including AASB S2); and
- designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the *Corporations Act 2001* that is free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control; and
- design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;
- made enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;
- inspected and assessed, on a sample basis, charters, policies, minutes of meetings of those charged with governance of climate-related matters, and other underlying evidence supporting the specified Sustainability Disclosures on governance;
- performed enquiries of management regarding the approach taken by the Group to:
  - identify climate-related risks and opportunities; and
  - identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- enquired of management and examined underlying evidence to assess the completeness and accuracy of operations within the organisational boundary for the Group and greenhouse gas emissions sources of those operations;
- made enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data used to prepare them; and
- performed testing over the calculations of the Scope 1 and 2 emissions, including testing the activity data utilised within the calculations.

PricewaterhouseCoopers

PricewaterhouseCoopers

S Hadfield

Scott Hadfield
Partner

Sydney
20 February 2026

Board of Directors

Michael (Mike) Wilkins AO
BCom, MBA, FCA, FAICD

Independent Chair

Mike became a non-executive director of QBE in November 2016 and was appointed Chair in March 2020. He is Chair of the Governance & Nomination Committee and a member of the Audit, People & Remuneration and Risk & Capital Committees. Mike has more than 30 years' experience in financial services. He was the Managing Director and CEO of Insurance Australia Group Limited until November 2015 and previously served as Managing Director and CEO of Promina Group Limited and Managing Director of Tyndall Australia Limited. He is currently Chair of Medibank Private Limited and a non-executive director of Scentre Group Limited. He previously served as a non-executive director of AMP Limited, Alinta Limited, Maple-Brown Abbott Limited, The Geneva Association and the Australian Business and Community Network. Mike was the founding member of the Australian Business Roundtable for Disaster Resilience & Safer Communities from 2013 until his retirement in 2015.

Andrew Horton
BA Natural Sciences, ACA

Group Chief Executive Officer

Andrew joined QBE as Group Chief Executive Officer in September 2021. He was previously the CEO, and before that the Finance Director, of Beazley Group, a specialist insurer based in the United Kingdom with operations in Europe, the United States and Asia. Prior to this, he held various senior finance roles in ING, NatWest and Lloyds Bank. Andrew has more than 30 years' experience across insurance and banking, and has extensive experience across international markets.

Yasmin Allen AM
BCom, FAICD

Independent Director

Yasmin became a non-executive director of QBE in July 2022. She is a member of the Audit and People & Remuneration Committees. Yasmin has more than 20 years' experience as a company director and chair serving companies across a wide range of sectors, including natural resources and financial services. She is currently a non-executive director of Santos Limited. She chairs Tiimely, a digital platform company, the Harrison Riedel Foundation, a charity supporting young mental health, and the Federal Government Digital Skills Organisation. Yasmin is a member of the Federal Government Takeovers Panel and has been acting President since 2019 and is a member of Chief Executive Women. She has served as a non-executive director for a number of companies including Cochlear Limited, ASX Limited, Insurance Australia Group Limited and was the former Chair of Macquarie Group's Global Infrastructure Funds. She was previously a senior investment banking executive specialising in equity markets in Australia and the United Kingdom.

Stephen (Steve) Ferguson
BCom, CA, GAICD

Independent Director

Steve became a non-executive director of QBE in November 2023. He is Chair of the Audit Committee and a member of the Risk & Capital Committee. Steve is an accomplished financial services executive and business leader with over 30 years' experience including serving as a Financial Services Leadership partner at Ernst & Young (EY) for more than 15 years, where he was also the signing Audit Partner for numerous top 50 ASX Listed companies. More recently, Steve has held Board level positions across the commercial, government and not-for-profit sectors for the past six years. Steve is currently serving as the Deputy Chair and non-executive director of Bank Australia Limited and non-executive director of GenRe Australia Limited, GenRe Life Australia Limited, BackTrack Youth Works Limited and Parkinson's Australia Limited. He is also an external member of the UNSW Sydney Audit Committee and Safety and Risk Committee.

Penny James
BSC (Hons), ACA

Independent Director

Penny became a non-executive director of QBE in January 2024. She is a member of the Risk & Capital, People & Remuneration and Governance & Nomination Committees. Penny has over 30 years' experience in the financial services industry having held leadership roles in general insurance, life assurance, wealth management and asset management businesses. Her previous positions included Chief Executive Officer of Direct Line Insurance Group plc (having previously held the role of Chief Financial Officer), the Group Chief Risk Officer of Prudential plc and the Group Chief Financial Officer of Omega Insurance Holdings plc. Penny has been a board member of the Association of British Insurers and the Chair of the Financial Conduct Authority Practitioner Panel. She is currently co-chair of the FTSE Women Leaders Review and is also a non-executive director of St. James plc, Mitie Group plc and Vitality UK. Penny was previously a director of Admiral plc and Hargreaves Lansdown plc.

Tan Le BCom (Hons), LLB (Hons)

Independent Director

Tan became a non-executive director of QBE in September 2020. She is Chair of the People & Remuneration Committee and a member of the Governance & Nomination Committee. Tan is the founder and CEO of EMOTIV, a leading neuroinformatics company dedicated to advancing the understanding of the human brain by transforming complex brain activity into scalable, real-world business and scientific insights. She was previously co-founder and President of SASme, a wireless technology company. Tan currently serves on the World Economic Forum (WEF) Global Future Council on Neurotechnology and previously served on the WEF Board of Stewards on Shaping the Future of Information & Entertainment.

Kathryn (Kathy) Lisson BSc (Hons)

Independent Director

Kathy became a non-executive director of QBE in September 2016. She is Deputy Chair of the People & Remuneration Committee and a member of the Risk & Capital Committee. Kathy has over 30 years' experience across insurance and banking in technology, operations and management. She was previously Chief Operating Officer for two insurance companies (QBE Europe (a QBE regulated entity) and Brit Insurance) and Operational Transformation Director at Barclays Bank, which included delivering global solutions in digital technology, cyber security and IT risk. Kathy also held executive positions at Bank of Montreal, including as President of its Mortgage Corporation and EVP Technology Strategy and Delivery. Kathy was a senior partner at Ernst & Young and Price Waterhouse in Canada, leading their insurance and banking advisory practices. Kathy has also held several other non-executive director roles in the United Kingdom and in Canada.

Neil Maidment MA, FCII

Independent Director

Neil became a non-executive director of QBE in February 2025. He is Chair of the Risk & Capital Committee and a member of the Audit Committee. Neil brings deep expertise in insurance from both executive and company director roles. He held various executive roles at Beazley Plc for almost 30 years, including Chief Underwriting Officer and Head of Reinsurance Operations. More recently, he was a member of the Council of Lloyd's of London where he chaired the Risk Committee and Capacity Transfer Panel. He was also a non-executive director of Ecclesiastical Insurance Office plc and Benefact Group plc.

Rolf Tolle Dipl. Pol

Retired Independent Director

Rolf served as an independent non-executive director of QBE from March 2016 until his retirement on 9 May 2025. Rolf was Chair of the Risk & Capital Committee and a member of the People & Remuneration and Governance & Nomination Committees.

Peter Wilson BEco

Former Independent Director

Peter served as an independent non-executive director of QBE from September 2023 until his resignation on 31 December 2025. Peter was a member of the Audit, Risk & Capital and Governance & Nomination Committees.

Group Executive Committee

Andrew Horton
BA Natural Sciences, ACA

Group Chief Executive Officer

Andrew joined QBE as Group Chief Executive Officer in September 2021. He was previously the CEO, and before that the Finance Director of Beazley Group, a specialist insurer based in the United Kingdom with operations in Europe, the United States and Asia. Prior to this, he held various senior finance roles at ING, NatWest and Lloyds Bank. Andrew has more than 30 years' experience across insurance and banking, and has extensive experience across international markets.

Chris Killourhy
BSc, FIA

Group Chief Financial Officer

Chris joined QBE in 2015 and was appointed Group Chief Financial Officer in October 2025. Chris commenced in the role in January 2026, and has held a range of senior roles across the Group's global operations, including Chief Actuary for QBE Capital, Chief Actuary for Australia Pacific, Chief Financial Officer for Australia Pacific, Chief Financial Officer for International, and most recently, Managing Director of QBE Re. Prior to joining QBE, he held leadership roles in international insurance and consulting, and worked at the Bermuda Monetary Authority overseeing reinsurer capital models.

Vivienne (Viv) Bower
BA Organisational Communication, GAICD

Group Executive, Corporate Affairs and Sustainability

Viv joined QBE in 2017 and was appointed Group Executive, Corporate Affairs and Sustainability in January 2019 and since 2017 has been the Chair for the QBE Global Foundation. She previously held senior investor relations and corporate affairs roles, including Group Head of Corporate Affairs and Investor Relations at Lendlease, Head of Group Internal Communications at Westpac and Group General Manager of Communications at Multiplex Group.

Peter Burton
BSc (Hons) Physics, CEng, CPhys

Group Chief Underwriting Officer

Peter joined QBE in 2008 and was appointed Group Chief Underwriting Officer in August 2023. His previous roles at QBE include Executive Director of International Markets for our European Operations (with a portfolio covering London, Singapore, Dubai, Canada and the US) and prior to that Director, Natural Resources. Early in his time at QBE, Peter established the QBE Lloyd's Asian Operations. Peter has more than 27 years' experience in the insurance industry. Prior to joining QBE, he worked for Marsh in their engineering and energy broking functions. Prior to joining the insurance industry, Peter worked in technical and engineering consultancy roles in the UK and internationally.

Ian Fantozzi
MSc, Computation BA, Economics

Group Executive, Technology and Operations

Ian Fantozzi joined QBE in January 2025 as Group Executive, Technology and Operations. Prior to joining QBE, Ian held several positions at Beazley including CEO Beazley Digital, Group Chief Operating Officer and leadership roles in underwriting and claims operations. Ian has more than 25 years' experience in the financial services and insurance sector, specialising in digital transformation and operational efficiencies.

Jason Harris
BSc (Hons) Geology

Chief Executive Officer, International

Jason joined QBE as Chief Executive Officer, International in October 2020. Prior to joining QBE, Jason held a number of global and international leadership roles at XL Group including as Chief Executive, Global Property and Casualty and as Chief Executive, International Property and Casualty. He previously worked at AIG/Chartis in several senior roles including Executive Director, Commercial Lines. He is an underwriter by background and started his career in offshore energy. He has worked in insurance for over 25 years.

Sue Houghton
BA History, ACA
Chief Executive Officer, Australia Pacific

Sue joined QBE as Chief Executive Officer, Australia Pacific in August 2021. She was previously Managing Director, Insurance for the Westpac Group. Sue has more than 20 years' experience in the financial services sector, having held senior leadership and management roles at Wesfarmers Insurance, Insurance Australia Group and Arthur J Gallagher. She is a member of the Champions of Change Coalition and is a director and past President of the Insurance Council of Australia.

Amanda Hughes
BCom, MBA, CA, GAICD, CPHR
Group Chief People Officer

Amanda joined QBE in June 2020 as Group Head of Culture, Performance and Reward and was appointed Group Chief People Officer in November 2021. Prior to joining QBE, she was the Director of People and Culture at AMP and she previously held senior HR roles at Lendlease and Macquarie Group. Amanda began her career as a chartered accountant and has worked in Sydney, London and Auckland.

Fiona Larnach
BScDipEd, MFin, FCPA, MAICD
Group Chief Risk Officer

Fiona joined QBE in March 2021 as Group Chief Risk Officer. Prior to joining QBE, she was the Chief Risk Officer for Barclays based in London. Fiona has also held senior roles at major financial services companies in Australia and the United Kingdom, including the Commonwealth Bank of Australia and as a partner at Ernst & Young. She has also worked in senior executive roles at Westpac, AMP, GE Mortgage Insurance and Citibank.

Julie Minor
B Business Administration, Finance
Group Head of Distribution

Julie joined QBE in June 2024 as Group Head of Distribution. Prior to joining QBE, she was with Marsh for over 20 years and held several leadership roles and led numerous key customer relationships. She was most recently the Southeast Zone Global Risk Management Leader and a member of the North America Global Risk Management Leadership team. Her previous roles at Marsh include Southeast Zone Corporate Segment Leader and Southeast Zone Global Risk Management Client Executive, Senior Vice President.

Carolyn Scobie
BA, LLB, MA, AGIA, GAICD
Group General Counsel and Company Secretary

Carolyn joined QBE in 2016 as Group General Counsel and Company Secretary. Prior to joining QBE, she was Group General Counsel at Goodman Group for 17 years, where she ran a multi-disciplinary legal team. Carolyn has extensive experience in corporate governance, corporate law, compliance, regulatory matters, litigation and managing the complexity of multiple jurisdictions.

Julie Wood
B Science, Economics, Sociology
Chief Executive Officer, North America

Julie joined QBE as Group Head of Distribution in January 2023 and was appointed to the role of Chief Executive Officer, North America in September 2023. She was previously at Marsh as their Southeast Partnership & Zonal Leader and a member of their US Executive Committee. Previously, she held the position of Zonal Casualty Leader at Marsh in Atlanta. Julie also held several senior executive roles at Zurich for 15 years.

Inder Singh
BCom
Departing Group Chief Financial Officer

Inder Singh joined QBE in 2015 and was appointed Group Chief Financial Officer in April 2018. Inder will be departing QBE in late February 2026.

Corporate Governance

QBE is committed to the highest standards of corporate governance which is demonstrated through a framework of systems, accountabilities, policies and processes that allow us to effectively execute our strategic priorities and deliver on our vision and purpose.

QBE Group's Corporate Governance Statement can be found at qbe.com/investor-relations/corporate-governance

Key focus areas for the Board in 2025

Key areas of governance that the Board has focused on include:

- continued oversight of and constructive challenge around delivery and execution of QBE's Strategic Priorities;
- overseeing the continuing sustainable growth and modernization of our business, including the consistent uplift of performance standards and execution, as highlighted below;
- overseeing the developing focus on the Customer as a strategic priority and the elevation of our customer experience, as highlighted below;
- supporting the development of those key capabilities within our people and systems that are needed to execute QBE's strategy;
- overseeing the continued adoption and innovative use of AI technologies within QBE whilst embedding an outcomes-led approach to accelerating sustainable growth, enterprise modernization and people skills;
- oversight of the implementation of QBE's refreshed branding strategy, *At the heart of it,* and the encouragement of a consistent look and approach across all QBE's communication channels;
- overseeing the effective governance and execution of our major transformation initiatives including the performance of QBE's central transformation function to drive delivery;
- reviewing the practical implementation of enhanced operational risk management and resilience within the enterprise driven by incoming prudential requirements;
- Board succession matters and the continued assessment of the range of skills, capabilities and experience needed by a non-executive director serving on the QBE Group Board;
- assessing QBE's shared services model and evolving enterprise approach to ensuring the right capabilities and skills support business objectives and drive value; and
- oversight of the outcomes of the comprehensive review of the performance, quality and effectiveness of PwC, QBE's external auditor, resulting in the Board Audit Committee determining that it continues to be satisfied with the quality and effectiveness of the external auditor.

Performance and execution

- continuing the focus on building a performance-driven culture and execution excellence including encouraging faster and more effective decision-making throughout the organization; and
- simplifying ways of working and removing complexity and inconsistency from enterprise processes.

Customer

- encouraging the enterprise focus on Customer as a strategic priority including the enhancement of distribution relationships;
- building a consistent global Customer strategy focused on the differentiated value we deliver in each of the segments we serve; and
- developing a focused approach to distribution strategy that seeks to enhance our relevance and brand while enabling our people to leverage relationships, data and insights across regions.

Non-executive director (NED) tenure [1]

Number of NEDs	
<3 years	4
3–6 years	2
6–9 years	2

Workforce diversity [1]

Women on Group Board

44.4%

target of 40% by 2025 (achieved)

Women in leadership (Levels 0–3)

41.9%

target of greater than 40% by 2025 (achieved)

1 As at 31 December 2025.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2025

Your directors present their report on QBE Insurance Group Limited and the entities it controlled at, or during, the year ended 31 December 2025.

Directors

Michael Wilkins AO (Chair)
Andrew Horton
Yasmin Allen AM
Stephen Ferguson
Penny James
Tan Le
Kathryn Lisson
Neil Maidment (from 21 February 2025)
Rolf Tolle (until 9 May 2025)
Peter Wilson (until 31 December 2025)

Operating and financial review

Information on the Group's results, operations, business strategy, prospects and financial position is set out in the operating and financial review on pages 6 to 21 of this Annual Report.

Dividends

The directors are announcing a final dividend of 78 Australian cents per share (2024 63 Australian cents per share). The final dividend will be 30% franked (2024 20%). The 2025 full year dividend payout is A$1,642 million compared with A$1,312 million for 2024. Further details of dividends paid during the year are set out in note 5.4 to the financial statements.

Activities

The principal activities of QBE during the year were underwriting general insurance and reinsurance risks, management of Lloyd's syndicates and investment management.

Presentation currency

The Group has presented the Financial Report in US dollars because a significant proportion of its underwriting activity is denominated in US dollars. The US dollar is also the currency that is widely understood by the global insurance industry, international investors and analysts.

Group indemnities

Rule 78 of the Company's Constitution provides that the Company indemnifies past and present directors, secretaries or other officers against any liability incurred by that person as a director, secretary or other officer of the Company or its subsidiaries. The indemnity does not apply to any liability (excluding legal costs):

- owed to the Company or a related body corporate (e.g. breach of directors' duties);
- for a pecuniary penalty under section 1317G or a compensation order under sections 1317H or 1317HA of the *Corporations Act 2001* (Cth) (or a similar provision of the corresponding legislation in another jurisdiction); or
- that is owed to someone other than the Company or a related body corporate and which did not arise out of conduct in good faith.

The indemnity extends to legal costs other than where:

- in civil proceedings, one or more of the above exclusions apply;
- in criminal proceedings, the person is found guilty;
- the person is liable in proceedings brought by the Australian Securities and Investments Commission (ASIC), a corresponding regulator in another jurisdiction or a liquidator (unless as part of the investigation before proceedings are commenced); or
- the court does not grant relief after an application under the *Corporations Act 2001* or corresponding legislation in another jurisdiction.

In addition, a deed exists between the Company and each director which includes an indemnity in similar terms to rule 78 of the Company's Constitution.

Directors' and officers' insurance

QBE pays a premium each year in respect of a contract insuring directors, secretaries, senior managers and employees of the Group together with any natural person who is either a trustee or a member of a policy committee for a superannuation plan established for the benefit of the Group's employees against liabilities past, present or future. The officers of the Group covered by the insurance contract include the directors listed on pages 56 and 57 of this Annual Report, the Group General Counsel and Company Secretary, Carolyn Scobie, and Group Company Secretary, Peter Smiles.

In accordance with normal commercial practice, disclosure of the amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

No such insurance cover has been provided for the benefit of any external auditor of the Group.

Significant changes

There were no significant changes in the Group's state of affairs during the financial year other than as disclosed in this Annual Report.

Likely developments and expected results of operations

Likely developments in the Group's operations in future financial years and the expected results of those operations have been included in the operating and financial review on pages 6 to 21 of this Annual Report.

Events after the balance date

Other than the declaration of the final dividend, no matter or circumstance has arisen since 31 December 2025 that, in the opinion of the directors, has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial periods.

Material business risks

As a global insurance and reinsurance business, QBE is subject to a substantial variety of business risks. The directors believe that effective management of these risks is critical to delivering value for QBE's stakeholders. It is QBE's policy to adopt a rigorous approach to managing risk throughout the Group. Risk management is a continuous process and an integral part of QBE's governance structure, QBE's broader business processes and, most importantly, QBE's culture.

Some of the material business risks that QBE faces include strategic, insurance, credit, market, liquidity, operational, compliance and Group risks. Explanations of these risks and their mitigations are set out in detail in note 4 to the financial statements which we recommend you read. Further details of how QBE manages risk are set out in the risk management section on pages 16 to 21, climate-related risks and opportunities section on pages 22 to 55 and the risk management section of the corporate governance statement on the website.

Meetings of directors

	FULL MEETINGS OF DIRECTORS		MEETINGS OF INDEPENDENT DIRECTORS		MEETINGS OF COMMITTEES: AUDIT		GOVERNANCE & NOMINATION		PEOPLE & REMUNERATION		RISK & CAPITAL		SUB-COMMITTEES [1]	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A
Yasmin Allen	8	8	6	5	5	5	–	–	4	4	–	–	2	2
Stephen Ferguson	8	8	6	6	5	5	–	–	–	–	5	5	6	6
Andrew Horton	8	8	–	–	–	–	–	–	–	–	–	–	4	4
Penny James	8	8	6	6	–	–	4	4	4	4	5	5	–	–
Tan Le	8	8	6	6	–	–	6	6	4	4	–	–	–	–
Kathryn Lisson	8	8	6	6	–	–	–	–	4	4	5	5	–	–
Neil Maidment [2]	7	7	5	5	4	4	–	–	–	–	4	4	1	1
Rolf Tolle [2]	3	3	2	2	–	–	2	2	1	1	1	1	–	–
Michael Wilkins	8	8	6	6	5	5	6	6	4	4	5	5	6	6
Peter Wilson	8	8	6	6	5	5	4	4	–	–	5	5	–	–

H Number of meetings held while a Board or Committee member.

A Number of meetings attended while a Board or Committee member.

1 Ad hoc committees of the Board were convened during the year in relation to the financial results and other reporting matters.

2 Rolf Tolle retired from the Board effective 9 May 2025. Neil Maidment was appointed to the Board effective 21 February 2025.

Further meetings occurred during the year, including meetings of the Chair, Group Chief Executive Officer, and meetings of the directors with management. Often directors attend meetings of committees of which they are not currently members.

Directorships of listed companies held by the members of the Board

From 1 January 2023 to 20 February 2026, the following directors also served as directors of the following listed entities:

DIRECTOR	POSITION	DATE APPOINTED	DATE CEASED
Michael Wilkins			
Medibank Private Limited	Director	25 May 2017	–
Scentre Group Limited	Director	8 April 2020	–
Yasmin Allen			
Cochlear Limited	Director	2 August 2010	31 March 2024
Santos Limited	Director	22 October 2014	–
ASX Limited	Director	9 February 2015	25 September 2024

Qualifications and experience of directors

The qualifications and experience of each director are set out on pages 56 and 57 of this Annual Report.

Qualifications and experience of company secretaries

Carolyn Scobie, BA, LLB, MA, AGIA, GAICD
Carolyn joined QBE in 2016 as Group General Counsel and Company Secretary. Prior to joining QBE, Carolyn was Group General Counsel at Goodman Group for 17 years, where she ran a multi-disciplinary legal team. Carolyn has extensive experience in corporate governance, corporate law, compliance, regulatory matters, litigation and managing the complexity of multiple jurisdictions.

Peter Smiles, LLB, MBA, FGIA, FCIS, GAICD
Peter is Group Company Secretary of QBE Insurance Group Limited and a company secretary of various QBE subsidiaries in Australia. He has over 30 years of insurance experience, which includes 25 years as a corporate lawyer. In addition to his current company secretarial duties, he acts as a corporate lawyer advising Group head office departments.

Directors' interests and benefits

Ordinary share capital

Directors' relevant interests, including those of their personal related parties, in the ordinary share capital of the Company at the date of this report are as follows:

DIRECTOR	NUMBER OF SHARES HELD
Yasmin Allen	**34,083**
Stephen Ferguson	**4,101**
Andrew Horton	**470,817**
Penny James	**4,795**
Tan Le	**18,642**
Kathryn Lisson	**59,029**
Neil Maidment	**11,267**
Michael Wilkins	**106,967**

Options and conditional rights

At the date of this report, Andrew Horton has 1,155,676 conditional rights to ordinary shares of the Company. No executives or directors hold options at the date of this report. Details of the schemes under which options and conditional rights are granted are provided in the Remuneration Report and in note 8.4 to the financial statements.

The names of all persons who currently hold options granted under the Employee Share and Option Plan and conditional rights to ordinary shares of the Company are entered in the registers kept by the Company pursuant to section 168 of the *Corporations Act 2001*.

Environmental regulation

Climate-related disclosures, including information about climate-related risks and opportunities and operational greenhouse gas (GHG) emissions, are provided on pages 22 to 55 of this Annual Report.

Remuneration Report

Watch the Chair of the People & Remuneration Committee's message

External recognition in 2025

→ **Ranked 4th globally for Women's Equality**

Equileap's Women's Equality in the Workplace Top 100 Ranking – 2025 Developed Markets Edition

→ **Platinum Employer for LGBTQ+ Workplace Inclusion**

Australian Workplace Equality Index

→ **ESG: Diversity, Equity & Inclusion Initiative of the Year Award**

The British Insurance Awards

→ **Excellence in Diversity, Equity & Inclusion Award**

Insurance Business Australia

→ **Progress Award (Enabling Accessible Workplaces)**

Insurance Insider Honours

→ **Diversity, Equity & Inclusion Award**

Modern Claims Awards

To our shareholders,

On behalf of the Board, I am pleased to present QBE's Remuneration Report for 2025.

Our people remain at the heart of our success – highly engaged and committed to delivering strong results while advancing our strategic priorities. In 2025, we made significant progress on several strategic people initiatives, creating a solid foundation for sustained performance and future growth.

At a glance

We delivered key outcomes against our People strategic priority this year:

- The completion of a multi-year enterprise-wide people program providing new and enhanced capabilities to our global workforce. This was an important milestone in improving the overall career and learning experiences for our employees around the world, making it easier for people leaders to plan, grow and develop their teams. This included the launch of the new Career Hub which supports our people to connect to learning, career and development opportunities, short-term projects (gigs) and mentoring.
- A strategic focus on AI in the workforce included the cascading of AI tools and training to all employees across the business. Learning labs, AI champions and influencer communities were introduced to help drive this forward.
- The 2025 Future Festival, QBE's global month-long learning and development program, was centred around delivering resources and inspirational events to empower all employees to build future-ready skills and capabilities needed to thrive in a dynamic environment. In addition, we expanded the number of global senior leadership development and pilot programs for key talent. These initiatives are strengthening our leaders' capabilities to lead QBE through a complex and rapidly changing world.
- Continued focus on leadership development, successfully filling numerous senior leadership roles from internal talent pools. This includes the incoming Group Chief Financial Officer, Chris Killourhy, who is an internal promotion.
- Internal campaigns continue to encourage the use of our shared language, our organisation-wide short-hand for reinforcing our QBE DNA. These simple phrases help our people speak up, challenge constructively and create a psychologically safe culture. Terms include 'Let's fix, not fault' and 'When in doubt, call it out'.

We also continue our focus on Inclusion of Diversity and now have 41.9% women in leadership roles. Our ongoing commitment to accessibility and inclusion has been recognised with numerous awards, as well as many of our global people practices receiving recognition, as highlighted by the awards on the left.

Performance during 2025

QBE has continued to deliver strong results. Throughout 2025, we maintained strong momentum by driving targeted organic growth across key focus areas while reducing exposure of our non-core portfolios. Our underwriting result highlighted ongoing resilience in an increasingly complex operating backdrop, with our teams adapting proactively to new and emerging risks in an era of rapid technological change. The Group achieved a combined operating ratio (COR) of 91.9%, with catastrophe costs remaining comfortably below our allowance for the third year running – a testament to our prudent risk management and our ongoing focus on portfolio optimisation.

Our investment strategy continued to deliver strong returns and outperformed plan. This strength has underpinned our Group adjusted return on equity (ROE), which delivered 19.8% in 2025, reinforcing the effectiveness of our strategy. These outcomes highlight that QBE's commitment to sustainable growth, disciplined risk management and active capital management is delivering positive results for our business and shareholders.

For details on our financial performance, refer to pages 8 to 15.

Key management personnel (KMP) remuneration

Inflation-related fixed remuneration increases were provided to executive KMP during 2025, with similar increases applied from January 2026 for non-executive directors' board and committee fees.

The annual performance incentive (API) outcomes for the executive KMP range from 72% to 93% of their maximum opportunity. These are levels that the Board believes represent an outcome that fairly reflects both QBE's and their own individual performance. For details, refer to pages 69 to 71.

The Group Chief Executive Officer (Group CEO) received 125% of the target API opportunity (83% of the maximum opportunity), with 50% deferred as conditional rights that will vest over the next five years.

The 2022 Long-term Incentive (LTI) vested in full in early 2025 when measured against Group ROE and relative total shareholder return (TSR) performance measures. This arose from the delivery of strong performance over the three-year performance period. The 2023 LTI which is due to vest in late February 2026 has partially met the performance criteria. Further details will be provided in next year's Remuneration Report.

QBE's remuneration framework is designed to align executive incentives with the delivery of consistent long-term performance over the entire business cycle. The performance measures and targets are thoroughly considered each year, adapting as needed based on a range of factors; this does not always result in changes. The QBE Board remains confident in its approach which balances both financial and non-financial results over both the short and long term and importantly, continues to deliver value to our shareholders.

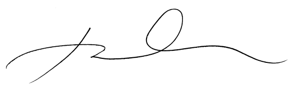
For more information on 2025 performance and executive KMP remuneration, refer to pages 69 to 71.

Looking forward

We remain well positioned for the future and our remuneration framework effectively supports our people in the achievement of our strategic priorities.

Throughout 2026 we will be driving a high-performance culture and have identified three key shifts to support our future needs. These have been translated into three simple asks of our people, focused on high-impact behaviours: Learn Something, Try Something, Improve Something. Our people will focus on these during the year as they look to deliver our strategic priorities and meet the needs and expectations of our customers and shareholders.

Thank you for your continued support in 2025. As always, we welcome shareholder feedback.



Tan Le
Chair, People & Remuneration Committee

Contents

This Remuneration Report sets out QBE's remuneration framework and provides detail of remuneration outcomes for KMP for 2025 and how this aligns with QBE's performance. Accounting standards define KMP as those executives and non-executive directors with the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The 2025 Remuneration Report has been prepared and audited in accordance with the disclosure requirements of the *Corporations Act 2001*.

Our remuneration at a glance

Remuneration framework

Our remuneration strategy is designed to attract, retain and motivate QBE's executives by providing market-competitive remuneration, aligned with the creation of sustained shareholder value and robust risk management practices. The key elements of our remuneration framework are set out below.

Our purpose and vision

Our purpose: Enabling a more resilient future

Our vision: To be the most consistent and innovative risk partner

Our strategic priorities

- Portfolio optimisation
- Sustainable growth
- Bring the enterprise together
- Pace and efficiency
- Our people
- Customer

For more information on our 2025 strategic priorities, refer to pages 6 and 7.
Our Modernisation priority has been reframed as Pace and efficiency.

Our remuneration framework supports our strategy

- Simple and clear
- Adaptable to changes in our strategy and external environment
- Measures that are correlated with performance
- Encourages our executives to think and act like business owners

Our remuneration principles

- Simple and clear
- Linked to strategy
- Motivating
- Aligned to shareholders
- Globally consistent and locally competitive

Remuneration structure

- Fixed remuneration
- API, delivered through API cash and API deferred equity
- LTI, delivered through LTI deferred equity

For more information on each component within our remuneration structure, refer to pages 72 to 75.

Aligning remuneration to culture and managing risk

The remuneration structure is designed to align remuneration with long-term prudent risk-taking and is underpinned by our QBE DNA. The way executives comply with the requirements of our Group Code of Ethics and Conduct (the Code) and manage their risk is a key consideration for the Board in determining their incentive outcomes. We measure not only what was achieved, but how it was achieved. Additionally, the inclusion of non-financial metrics, together with extended deferral for certain regulated roles, further supports QBE's effective risk management practices in our incentive plans.

For more information on the alignment between remuneration and managing risk, refer to pages 77 and 78.

Remuneration key features

A summary of the terms of the Group CEO's incentive arrangements in 2025 is presented below:

Annual Performance Incentive (API)

Incentive opportunity
150% (target), 225% (maximum)

Financial performance measures (70%)
Both Group COR and Group ROE are used as financial measures in the API business scorecard.

Non-financial performance measures (30%)
Risk, people and strategic priorities are the non-financial measures used in the API business scorecard.

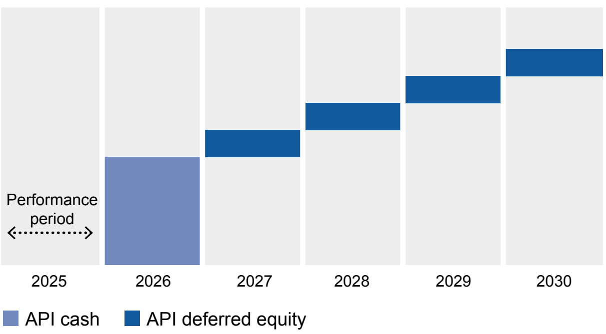
In addition, individual performance objectives focus both on what has been achieved and how it was achieved during the year.

For more information on the API performance measures, refer to page 73.

Performance period
One year

Delivered through
A mix of API cash (50%) and API deferred equity (50%)

API equity deferral period
Two to five years from the start of the performance period. Extended deferral may be applied, if necessary, to meet regulatory requirements.



Long-term Incentive (LTI)

Incentive opportunity
200% (maximum face-value)

Financial performance measures (80%)
Measured against both average Group ROE and relative TSR with a global insurance peer group.

Non-financial performance measures (20%)
Sustainability performance is measured against our Sustainability Scorecard initiatives and targets, aligned to the three focus areas of our sustainability strategy. Customer performance is measured by how successfully we deliver improved customer experiences.

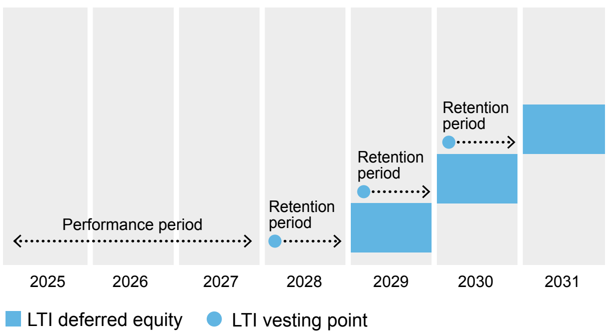
A pre-vest assessment on the qualitative measures will be considered by the Board to determine the vesting outcomes.

For more information on the LTI performance measures, refer to pages 74 and 75.

Performance period
Three years

Delivered through
LTI deferred equity (100%)

LTI equity deferral period
Three to five years from the start of the performance period, with an extended retention period of one year for each tranche to meet regulatory requirements.



Malus and clawback provisions and executive minimum shareholding requirements (MSR) apply.

Five-year history of incentive outcomes for the Group CEO

Outcomes for the short- and long-term plans in the previous five years are set out below:

	2021	2022	2023	2024	2025
Short-term incentive achievements as % of target	115.2	98.1	91.9	121.2	**125.1**
LTI vested (% of grant)[1]	–	–	–	–	**100.0**

1 The '–' indicates no LTI award was eligible for vesting in the relevant year as the Group CEO commenced employment with QBE in September 2021. The 2022 LTI vested in full in February 2025; for further details, refer to page 68.

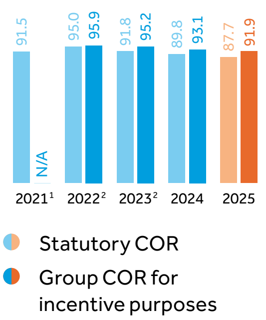
1 Overview
2 Operating and financial review
3 Sustainability Report
4 Governance
5 Directors' Report
6 Financial Report
7 Additional information

Key performance trends

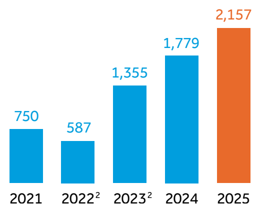
Our focus on delivering our strategic priorities is driving strong results and positioning us for long-term success.

Financial performance

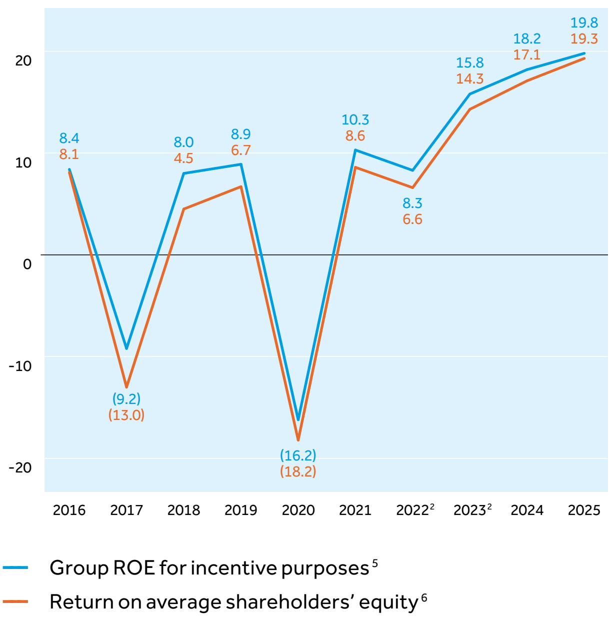
Group COR (%)



Net Profit after tax (US$M)



Return on Equity (%)



Shareholder returns

YEAR	2021	2022	2023	2024	2025
Share price (A$/share)[3]	11.35	13.43	14.81	19.20	19.89
Annual TSR (%)[4]	34.2	21.5	13.5	35.3	8.2
Dividend Per Share (A¢)	30	39	62	87	109

LTI performance and vesting outcomes

QBE is committed to delivering sustained strong long-term performance throughout the business cycle. Where performance levels are below the expected achievement levels, low or zero vesting may occur. This is reflected in the table below which outlines the LTI vesting outcomes over the last 10 years. As an example, partial vesting outcomes shown as vesting in 2023 related to the 2020 LTI (17.3% achievement).

VESTING YEAR	2016	2017	2018	2019	2020[7]	2021[7]	2022	2023	2024	2025
LTI vesting outcomes	0%	0%	0%	0%	–	–	0%	17.3%	91.4%	100.0%

The LTI vesting outcomes are explained in more detail in the relevant years' Remuneration Reports.

2022 LTI vesting outcome

The 2022 LTI vested at 100%, as shown in the table above, delivered in three tranches, over 2025, 2026 and 2027. The relative TSR component (30% weighting) achieved maximum performance at the 75th percentile of the global insurance peer group and resulted in full vesting. The average Group ROE (70% weighting) of 14.8%[8] exceeded the range of 8.9% to 13.9% (set with reference to the average risk-free rate of 3.1% plus the threshold and maximum range of 5.75% and 10.75% respectively).

Tracking of unvested LTI awards

2023 LTI award – vesting Q1 2026/27/28 – Average Group ROE and relative TSR performance – Partially met[9]
2024 LTI award – vesting Q1 2027/28/29 – Average Group ROE, relative TSR, Sustainability and Customer performance – On track
2025 LTI award – vesting Q1 2028/29/30 – Average Group ROE, relative TSR, Sustainability and Customer performance – On track

1 For incentive purposes, the 2021 Group COR was replaced by a blended Group COR. For details, please refer to the 2021 Remuneration Report.
2 2022 and 2023 results were restated to reflect the application of AASB 17 *Insurance Contracts*. Remuneration outcomes were not revised as a result of the change in accounting standards.
3 The share price at 31 December each year.
4 The annual TSR measures the total return to shareholders from share price movements and dividends, expressed as a percentage of the closing share price at 31 December each year. This was previously reflected as the average of the closing share price each trading day in the month of December each year.
5 Prior to 2024, Group cash ROE was used for incentive purposes.
6 Return on average shareholders' equity is profit after income tax expressed as a percentage of average shareholders' equity.
7 The '–' indicates no LTI award was eligible for vesting as the Executive Incentive Plan (EIP) had replaced the LTI in the relevant year; refer to page 76.
8 Average Group ROE comprised 10.5% for 2022, 15.8% for 2023 (restated from 16.0% to reflect an updated transitional adjustment relating to discounting on initial application of AASB 17 *Insurance Contracts*) and 18.2% in 2024.
9 Further details on the vesting outcomes for the 2023 LTI award will be provided in the 2026 Remuneration Report.

2025 executive KMP API business scorecard

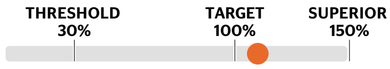
Our focus on both financial and non-financial measures during the 2025 performance year resulted in an above target outcome on the API business scorecard.

Financial

weighting: 70%

Group COR

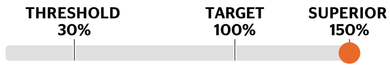
OUTCOME:



The Group COR for incentive purposes was 91.9%, exceeding the 92.5% target and improving from last year's 93.1%, aided by lower catastrophe costs and favourable prior year reserve development. The North America division delivered a number of strategic initiatives including a significant improvement in the Crop COR and a more optimised non-core portfolio. The International division recorded another year of strong premium growth and maintained excellent underwriting performance underpinned by solid results across insurance and reinsurance segments. The Australia Pacific division delivered an excellent COR with meaningful improvement from the prior year.

Group ROE

OUTCOME:



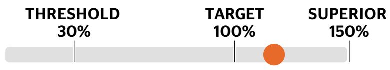
We recorded Group ROE of 19.8%, exceeding the target of 16.0% and a significant improvement on the prior year. The strong underwriting result was complemented by catastrophe costs which tracked well below allowance alongside strong investment returns attributable to robust interest rates and exceptional returns in the risk asset portfolio. For details on our financial performance, refer to pages 8 to 15.

Non-financial

weighting: 30%

Risk

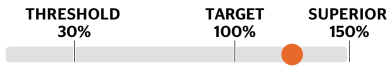
OUTCOME:



Our 2025 Risk Maturity Assessment resulted in a strong outcome of 'embedded' in relation to QBE's risk management framework. Significant progress in a number of areas, including 'Risk governance, monitoring and reporting' and 'Strategic planning, appetite and capital management' was demonstrated, in addition to 'Tone from the Top' remaining strong. Improved integration of risk into upfront planning and strategic decision making, informed by insights from key risk culture items in the Voice Survey, has contributed positively to this result.

People

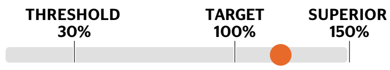
OUTCOME:



Our Workforce Digital Enablement program, successfully completed in 2025, has delivered a significant uplift in the digital experience across talent and learning and accelerated our strategic workforce planning capability. Expanded leadership development across senior leadership and key talent groups and the introduction of QBE skills for the future enhanced our people's ongoing development and career growth. Our AI workforce strategy delivered the AI Learning Lab, the rollout of AI tools to all employees and the creation of an AI influencer community. These initiatives have helped us to build a more engaged, skilled and resilient workforce evidenced by measurable improvements in employee engagement, wellbeing and belonging, while continuing to meet our women in leadership targets.

Strategic priorities

OUTCOME:



We delivered strong progress against each of our strategic priorities in 2025. We embedded our focus on portfolio optimisation balancing profitability, growth, consistency and resilience which contributed to another solid year of performance. We grew priority businesses and secured new partnerships to support growth and broaden our capabilities in underwriting, delivering growth of 7%. We have delivered key milestones in our modernisation agenda which will allow us to be faster and simpler to do business with, demonstrated by the successful migration of core insurance systems to a cloud-based platform in Australia Pacific, transformation of outwards reinsurance processes in International, optimisation of the UK and Europe operating model, and the implementation of AI solutions across claims and underwriting. We continued to deliver against our customer strategy to enhance our service experience and relationships, articulating the value we deliver across segments and introducing new feedback mechanisms. This is all supported by our new global brand proposition and transformation capabilities and governance, which have further strengthened enterprise alignment.

Executive KMP API business scorecard weighted outcome: **above target**

The Board considered quantitative and qualitative factors in determining the final outcome of the executive KMP API business scorecard.

Executive KMP performance snapshots

The snapshots below provide an overview of realised remuneration during 2025 for executive KMP.

QBE discloses realised remuneration outcomes in the financial period under review for executive KMP in role at 31 December 2025. The realised 2025 remuneration figures below include fixed remuneration, the accrued API cash award for the 2025 financial year, the value of any conditional rights granted in prior years that vested during 2025 (including deferred cash), and executive shareholdings against the MSR.

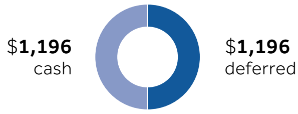
Andrew Horton Group CEO

Term as KMP in 2025: Full year | **Country of residence:** Australia | **MSR[2]:** 9.1 x

2025 realised remuneration (US$000)

$6,040 Total

2025 API Outcome (US$000)



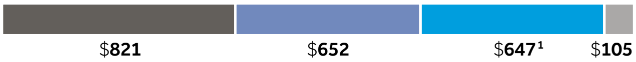
125% of target | 83% of maximum

Peter Burton Group Chief Underwriting Officer

Term as KMP in 2025: Full year | **Country of residence:** United Kingdom | **MSR[2]:** 1.6 x

2025 realised remuneration (US$000)

$2,225 Total



2025 API Outcome (US$000)

112% of target | 75% of maximum

Jason Harris CEO, International

Term as KMP in 2025: Full year | **Country of residence:** United Kingdom | **MSR[2]:** 3.8 x

2025 realised remuneration (US$000)

$3,356 Total

2025 API Outcome (US$000)

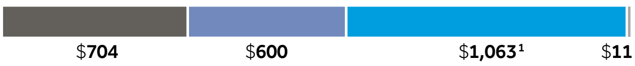
139% of target | 93% of maximum

Sue Houghton CEO, Australia Pacific

Term as KMP in 2025: Full year | **Country of residence:** Australia | **MSR[2]:** 5.9 x

2025 realised remuneration (US$000)

$2,378 Total



2025 API Outcome (US$000)

118% of target | 78% of maximum

Key: Fixed remuneration | API cash | API deferred equity | Value of vested rights/deferred cash awards | Other

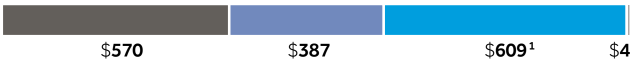
1 The value of vested conditional rights awards has been calculated using the share price on the vesting date. These figures are different from those shown in the statutory table on page 80. For example, the statutory table includes an apportioned accounting value for all unvested conditional rights held during the year, which remain subject to performance and service conditions and consequently may or may not ultimately vest.

Amanda Hughes Group Chief People Officer (CPO)

Term as KMP in 2025: Full year
Country of residence: Australia
MSR[2]: 3.9 x

2025 realised remuneration (US$000)

$1,570 Total



2025 API Outcome (US$000)

113% of target   75% of maximum

Fiona Larnach Group Chief Risk Officer (CRO)

Term as KMP in 2025: Full year
Country of residence: Australia
MSR[2]: 4.9 x

2025 realised remuneration (US$000)

$1,895 Total

2025 API Outcome (US$000)

108% of target   72% of maximum

Inder Singh[3] Group Chief Financial Officer

Term as KMP in 2025: Full year
Country of residence: Australia
MSR[2]: N/A

2025 realised remuneration (US$000)

$2,478 Total

2025 API Outcome (US$000)

Not Eligible

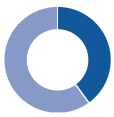
Julie Wood CEO, North America

Term as KMP in 2025: Full year
Country of residence: United States
MSR[2]: 1.7 x

2025 realised remuneration (US$000)

$2,145 Total

2025 API Outcome (US$000)



118% of target   79% of maximum

Key: Fixed remuneration · API cash · API deferred equity · Value of vested rights/deferred cash awards · Other

2 The total value of shareholdings against the MSR as a proportion of fixed remuneration. For more information on the MSR, refer to page 79.
3 The realised remuneration for Inder Singh reflects the position at 31 December 2025 following his resignation. Unvested incentive awards were forfeited in accordance with the leaver treatment as set out on page 76.

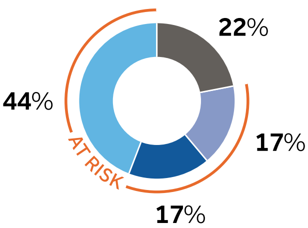
1. Executive KMP remuneration in detail

To deliver our strategic priorities, we must ensure that our executive remuneration framework reflects QBE's desire to attract and retain the best people. Having the right talent across the Group enables us to create shareholder value, while prudently managing risk and maintaining strong corporate governance.

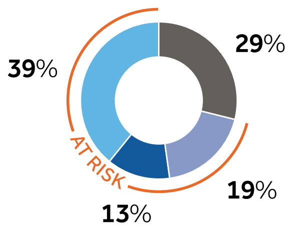
Group CEO and other executive KMP pay mix

The graphs below set out the typical remuneration structure and delivery for the Group CEO and other executive KMP for on-target performance at 31 December 2025. A significant portion of incentives is paid in equity which focuses executives on creating shareholder value, managing risk and being accountable for the long-term success of QBE.

Group CEO



Other executive KMP



The other executive KMP pay mix shows the average across each individual's pay mix reflecting the accountabilities, responsibilities and regulatory requirements of the roles.

Key: Fixed remuneration · API cash · API deferred equity · LTI maximum face-value

Executive KMP remuneration structure

QBE's executive KMP remuneration structure for 2025 comprised a mix of fixed and at-risk remuneration through API and LTI plan arrangements. Each of these components is discussed in further detail on the following pages.

Fixed remuneration

Fixed remuneration comprises cash salary, superannuation/pension and packaged benefits, additional annual benefits and associated taxes. Additional annual benefits may include health insurance, life assurance, personal accident insurance, expatriate benefits, occasional partner travel to accompany the executive on business and applicable taxes.

Fixed remuneration is delivered in accordance with terms and conditions of employment.

Determining fixed remuneration levels

Fixed remuneration considers the diversity, complexity and expertise required of individual roles. Remuneration quantum is set in the context of QBE's broader reward strategy and internal relativities.

To assess the competitiveness of fixed remuneration, the People & Remuneration Committee considers market data and recognised published surveys. The peer group of companies used for remuneration benchmarking purposes is set out in the table below:

PEER GROUP	DESCRIPTION	APPLICATION
Australian Securities Exchange (ASX) peer group	Consists of financial services companies in the ASX 50, including commercial banks and insurers.	Australian-based executive roles.
Global insurance peer group	Consists of large, global insurance companies aligned with the peer group used for the LTI plan.	Overseas-based executive roles that have a global reach.

1 Overview
2 Operating and financial review
3 Sustainability Report
4 Governance
5 Directors' Report
6 Financial Report
7 Additional information

Annual performance incentive plan

The API is an annual, performance-based incentive, measured over a 12-month period. The plan provides an incentive outcome with a clear link between business performance, risk management and individual performance and behaviours, and allows discretion by the Board to be applied to incentive outcomes where warranted. The executive KMP API business scorecard on page 69 reflects QBE's financial and non-financial performance across several measures aligned to the Group business strategy and risk management. The Board considers both quantitative and qualitative factors in determining the available funding and outcomes. The API award is delivered as 60% cash and 40% deferred as conditional rights to QBE shares (50%:50% in the case of the Group CEO). The conditional rights vest in equal tranches over a further four years, on the first, second, third and fourth anniversaries of the award, subject to service conditions being met. The Board has discretion to apply additional deferral arrangements, if required, to meet regulatory requirements.

API outcomes may be adjusted by other items (such as material acquisitions or divestments) not included in the business plan and as deemed appropriate by the People & Remuneration Committee.

Performance measures and rationale

The performance measures and a summary of both the achievements and the position against targets is set out in the executive KMP API business scorecard on page 69. Performance above threshold leads to outcomes ranging from 30% up to 150% of target. The measures and their rationale for use are provided below:

Financial

MEASURE/ WEIGHTING %	DEFINITION	RATIONALE
Group COR 45.5	Comprises net claims expense, net commission and expenses and other income as a percentage of net insurance revenue. The measure excludes the impact of risk-free rates because it is consistent with the way we report and the basis on which the market assesses the underwriting performance for QBE.	A key measure reflecting the underwriting performance of our insurance operations.
Group ROE 24.5	The adjusted return on average shareholders' equity is the net profit after tax adjusted to include coupon on Additional Tier 1 capital notes, expressed as a percentage of adjusted average shareholders' equity. The adjusted closing and average shareholders' equity excludes the carrying value of Additional Tier 1 capital notes and in the current period, the fair value through other comprehensive income (FVOCI) reserve. This is measured on the same basis used to determine shareholder dividends, refer to page 13.	Measures how effectively we are managing shareholders' investment in QBE.

Non-financial

MEASURE/ WEIGHTING %	DEFINITION	RATIONALE
Risk 10.0	Risk outcomes are assessed using the Risk Maturity Assessment, a framework QBE uses to gauge the risk management capability of senior executives. These assessments cover how our risk management practices are maturing, and how we determine areas of strength and identify areas that may require further investment.	Assessing our effectiveness in managing risk from a qualitative and quantitative perspective ensures we focus on embedding proactive risk management practices across the business and make risk-aware decisions aligned with customer, shareholder and regulatory expectations.
People 10.0	Investment in our people and the strengthening of alignment and collaboration across the enterprise are priorities that enable culture in order to drive performance. A blend of quantitative measures and qualitative outputs provides a comprehensive view of the effectiveness of our people initiatives across the enterprise.	Enabling a more sustainable and future-fit workforce will assist us to deliver a more resilient future for our customers, communities and people.
Strategic priorities 10.0	The determination of our progress against our strategic priorities: portfolio optimisation, sustainable growth, bring the enterprise together, modernise our business (now referred to as pace and efficiency), and customer.	How we are actively managing the business to deliver achievements in each of our strategic priority areas is key to delivering our vision.

Individual performance objectives

Aligned with strategic priorities, the individual performance of the executive KMP is assessed both on what was achieved and how it was achieved at the end of the year. The 'What/How' outcomes effectively form a non-financial overlay over each executive KMP's entire API opportunity. This embeds the QBE DNA behaviours in remuneration outcomes.

API conditional rights allocation

The API deferral is awarded as conditional rights. To calculate the number of conditional rights to be granted, the award value to be deferred is divided by the volume weighted average price of QBE shares over the five trading days prior to the grant date. Notional dividends accrue on conditional rights during the vesting and extended retention periods. Malus and clawback provisions apply.

Executive KMP API outcomes for the 2025 performance year are detailed on pages 70 and 71.

1. Executive KMP remuneration in detail

Long-term incentive plan

The LTI plan consists of an award of conditional rights to QBE shares. Conditional rights are awarded at no cost to the executive KMP.

Performance measures and rationale

The LTI plan is designed to reward sustained strong long-term performance throughout the business cycle. While LTI performance measures are reviewed by the People & Remuneration Committee and the Board each year, QBE does not typically look to modify the measurement approach on an annual basis. Vesting is subject to two financial and two non-financial performance measures and assessed over a three-year performance period, with service conditions throughout the vesting period.

LTI outcomes may be adjusted by other items (such as material acquisitions or divestments) not included in the business plan and as deemed appropriate by the People & Remuneration Committee.

The measures and their rationale for use are provided below:

Financial

MEASURE/ WEIGHTING %	DEFINITION	RATIONALE
Group ROE 50.0	The three-year arithmetic average of the annual Group ROE over the performance period assessed against targets set in the context of the three-year business plan. The Group ROE target is set with reference to the prevailing risk-free rate plus a set margin.	The primary financial measure of success for QBE and is most tangible for long-term decision making.
Relative TSR 30.0	TSR is the change in percentage value of an entity's share price plus the value of reinvested dividends and any capital returns measured over the three-year performance period. The TSR of QBE is measured against a global insurance peer group: Allianz SE, American International Group, Inc., AXA SA, Beazley plc, Chubb Limited, CNA Financial Corporation, Hiscox Limited, Insurance Australia Group Limited, QBE Insurance Group Limited, Suncorp Group Limited, The Hartford Financial Services Group, Inc., The Travelers Companies, Inc., Zurich Insurance Group AG.	The use of a relative TSR measure enables stronger pay for performance, aligned with shareholders.

Non-financial

MEASURE/ WEIGHTING %	DEFINITION	RATIONALE
Sustainability 10.0	Progress against the initiatives and targets in our Sustainability Scorecard, which comprise metrics attributable to climate as well as other areas of sustainability. For more details on climate and executive remuneration, refer to page 25.	Our Sustainability Scorecard initiatives and targets have been informed by our materiality assessment and engagement with our business and stakeholders. Delivering on our Sustainability Scorecard helps us to live our purpose of enabling a more resilient future.
Customer 10.0	Delivery against a suite of customer-focused initiatives which provide differentiated value to our customers over the long term. The size, scale and geographical impact of the initiatives drive clear focus on our performance and our key customer relationships, and use both quantitative and qualitative success measures.	Delivering an enhanced customer experience makes it easier for our customers to do business with us. This will be achieved through better understanding our customers' needs and priorities and driving improvements in accuracy and speed of service.

LTI conditional rights allocation

To calculate the number of conditional rights granted, the award value is divided by the volume weighted average price of QBE shares over the five trading days prior to the grant date. Notional dividends accrue on conditional rights during the vesting and any extended retention periods. Malus and clawback provisions apply.

Vesting schedules

For the 2025 LTI, the financial and non-financial vesting schedules are outlined below:

Financial performance measures

GROUP ROE PERFORMANCE	% OF LTI CONDITIONAL RIGHTS SUBJECT TO THE GROUP ROE COMPONENT WHICH MAY VEST
Below risk-free rate + 5.75%	0%
At risk-free rate + 5.75%	30%
Between risk-free rate + 5.75% and risk-free rate + 10.75%	Straight-line vesting between 30% and 100%
At or above risk-free rate + 10.75%	100%

TSR PERFORMANCE RELATIVE TO THE PEER GROUP	% OF LTI CONDITIONAL RIGHTS SUBJECT TO THE TSR COMPONENT WHICH MAY VEST
Less than 50th percentile	0%
At the 50th percentile	50%
Between 50th and 75th percentile	50% plus 2% for each percentile above the 50th percentile
75th percentile or greater	100%

Non-financial performance measures

Sustainability

Our sustainability strategy is articulated through our three Focus Areas and our Sustainability Scorecard targets help us to determine progress for this LTI. At the end of the three-year performance period at least 60% of the Sustainability Scorecard initiatives and targets are required to be complete or on track (for longer-term commitments) in order to achieve the threshold, with 100% required to be on track in order to achieve maximum. In 2025, our 2023–25 Sustainability Scorecard came to an end and we developed our new 2030 Sustainability Scorecard. The targets outlined within our 2030 Sustainability Scorecard, set out on page 21 in our Impact Report, also consider material sustainability topics as outlined on our website. The Board will consider the achievements against the initiatives and targets of both Sustainability Scorecards when assessing the outcome at the end of the performance period.

Customer

The successful delivery of enhanced customer experiences through focused initiatives and modernisation of key business processes will determine the extent to which vesting is achieved. These, alongside a range of customer measures including broker feedback, are utilised as inputs into the Board's determination of outcomes.

SUSTAINABILITY AND CUSTOMER INITIATIVES AND TARGETS ACHIEVED	% OF LTI CONDITIONAL RIGHTS SUBJECT TO THE SUSTAINABILITY AND CUSTOMER COMPONENTS WHICH MAY VEST	PRE-VEST ASSESSMENT
Below the threshold	0%	In addition to the quantitative calculation, an assessment of qualitative measures will occur to determine if the measures: • were successful in driving the right behaviours; • delivered results against the plan; and • were effective in driving the long-term objectives.
At the threshold	30%	
Between threshold and maximum	Straight-line vesting between 30% and 100%	
At the maximum or greater	100%	

The above quantitative outputs and pre-vest assessment will be taken into account by the Board, together with a consideration of any unforeseen circumstances, to determine an appropriate level of vesting for the non-financial measures.

Vesting periods

Following assessment of the performance measures at the end of the three-year performance period, LTI conditional rights will typically vest in three tranches (on or about the vesting date) unless a longer deferral is required under regulatory requirements. The vesting details for the 2025 LTI are set out in the table below:

TRANCHE	VESTING DATE	VESTING PERIOD	PROPORTION OF ELIGIBLE 2025 LTI CONDITIONAL RIGHTS TO VEST[1]
1	28 February 2028	End of the three-year performance period	33%
2	28 February 2029	First anniversary of the end of the performance period	33%
3	28 February 2030	Second anniversary of the end of the performance period	34%

1 Each tranche of the 2025 LTI conditional rights offered to the Group CEO will be held for an extended retention period of one year to meet regulatory requirements. The proportion of eligible 2025 LTI conditional rights offered to the Group CEO are 32% in both Tranche 1 and Tranche 2, and 36% in Tranche 3.

1. Executive KMP remuneration in detail

Other equity schemes

The information below summarises QBE's other equity plans mentioned in the Remuneration Report.

QShare

Our employee share purchase and matching plan, QShare, was launched in 2023 to bring our enterprise together, encourage retention and build share ownership. This plan is globally consistent and allows employees to purchase QBE shares up to an agreed threshold using after-tax salary. The QBE shares are matched with conditional rights which may vest in the future, subject to ongoing service and retention of the underlying purchased QBE shares.

Executive Incentive Plan – until 31 December 2018 (legacy plan)

The Executive Incentive Plan (EIP) was a performance-based incentive delivered in the form of an annual cash payment and deferred award in the form of conditional rights to fully paid ordinary QBE shares. The EIP was replaced by the Short-term Incentive (STI) and LTI plans for executive KMP from 2019. The EIP awards granted to Peter Burton prior to his appointment as executive KMP included cash-settled share-based payment awards which are subject to the same vesting conditions as the equivalent conditional rights described above. The benefit received at vesting is indexed to the movement in the A$ value of QBE's shares, including dividends paid, in the period between grant and vest dates. For more details, refer to note 8.4.1 on page 158 and the relevant prior Remuneration Reports.

Short-Term Incentive – until 31 December 2021 (legacy plan)

The STI plan was a performance-based incentive delivered in the form of an annual cash payment and deferred award in the form of conditional rights to fully paid ordinary QBE shares. Performance was measured over a 12-month period. The STI was replaced by the API from 2022. For more details on performance measures and vesting arrangements, refer to note 8.4.1 on page 158 and the relevant prior Remuneration Reports.

Loans to executive KMP

There were no loans provided to executive KMP during the year ended 31 December 2025.

Treatment of incentives on termination

Voluntary termination

All unvested incentives are forfeited.

Involuntary termination

On termination with cause or for poor performance:
All unvested incentives are forfeited.

On termination without cause:
For the API, the executive remains eligible to be considered for an award on a pro-rata basis, with any award to be determined following the end of the performance year and subject to the standard deferral arrangements.

'Good leaver' provisions (for example retirement, redundancy, ill health, injury, or mutually agreed separation (in some cases)) apply such that unvested deferred EIP and API conditional rights remain in the plan, subject to the original vesting dates, with malus and clawback provisions. In cases of good leavers as described above, unvested LTI conditional rights may be reduced to a pro-rata amount to reflect the proportion of the performance period in service and may continue to be held subject to the same performance and vesting conditions.

Legacy equity awards generally remain in the plan subject to the original performance and vesting conditions; however, the People & Remuneration Committee has discretion to vest these awards in accordance with the original terms and plan rules.

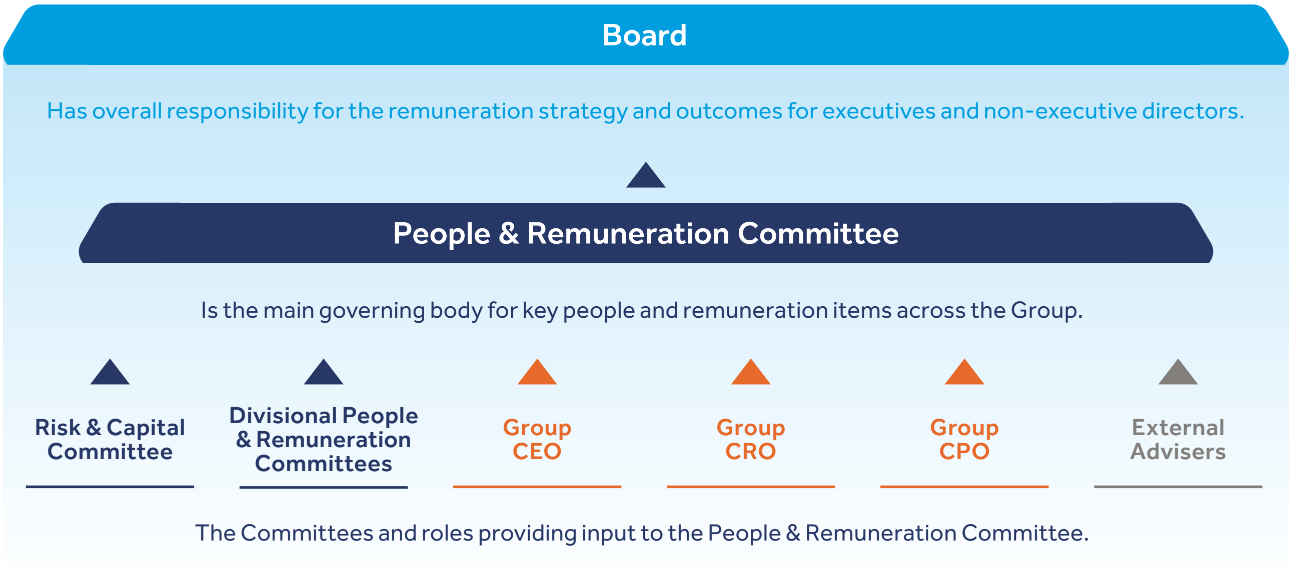
Employment agreements

The table below summarises the material terms for the current executive KMP which are subject to applicable laws. The terms and conditions of employment of each executive KMP reflect market conditions at the time of their contract negotiation on appointment and thereafter.

CONTRACTUAL TERM	GROUP CEO	OTHER EXECUTIVE KMP
Duration	Permanent full-time employment contract until notice given by either party	
Notice period (by executive KMP or QBE)	12 months QBE may elect to make a payment in lieu of notice	Six months QBE may elect to make a payment in lieu of notice
Post-employment restraints	12 months non-compete and non-solicitation	Six to 12 months non-compete and non-solicitation

2. Remuneration governance

QBE has a robust remuneration governance framework overseen by the Board as illustrated below. This ensures that the remuneration arrangements are appropriately designed and managed and that the agreed frameworks and policies are applied and monitored across QBE.



Further details on the role and scope of the People & Remuneration Committee are set out in the QBE People & Remuneration Committee Charter, available from www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution.

Managing risk

Our ongoing focus and investment in risk management makes QBE a stronger and more resilient company. All employees are required to understand and comply with a range of Group-wide policies and practices to ensure risks are well managed, strong governance structures are in place and high ethical standards are maintained. QBE's remuneration governance framework incorporates risk oversight principles so that executives cannot unduly influence a decision that could materially impact their own variable pay outcomes. A comprehensive delegated authority for the Group CEO, approved by the Board, is an integral part of QBE's risk management process.

All Board members are invited to attend the People & Remuneration Committee meetings throughout the year, strengthening remuneration governance across QBE. The People & Remuneration Committee collaborates closely with the Board Risk & Capital Committee, with at least one joint meeting during the year. The Group CRO provides the joint committee meetings with information regarding risk maturity outcomes to further inform the remuneration decisions and to align with the Group's Risk Management Strategy (RMS). The RMS enables QBE to achieve its strategic agenda and business objectives through effectively managing risk aligned with the QBE DNA and the Code.

The performance-based components of remuneration established in QBE's incentive plans are designed to encourage behaviours that support the Group to achieve long-term financial soundness. QBE's incentive plans:

- deliver a target remuneration mix balancing fixed and variable remuneration, short- and long-term time horizons, cash and equity;
- incorporate individual performance objectives through the API that measure proactive risk management, including an assessment of risk maturity and the setting of a clear and consistent tone about the importance of managing risk;
- incorporate robust minimum corporate standards for all employees supporting the QBE risk culture;
- balance performance outcomes based on delivery against a range of financial and non-financial measures which are set in the context of business plans that have been appropriately stress-tested by the Group CRO;
- allow for multiple risk adjustments: in-year, malus for unvested awards and clawback of cash and vested equity (refer to page 78);
- provide the Board with discretion to take other factors into account when determining the appropriate incentive outcome; and
- enable the build-up of meaningful shareholding with API deferred equity and LTI underpinned by the MSR (refer to page 79).

As part of the 2025 year-end process, the Group CRO provided input to the Board regarding each senior executive's approach to risk management, recognising positive and negative behaviours and contribution to risk culture and risk management. This process resulted in upward and downward adjustments applied through performance ratings, incentive payouts and consequences (that can include executives leaving the organisation).

For further information on the application of consequence management during 2025, refer to page 78.

2. Remuneration governance

Group Code of Ethics and Conduct

The Code provides clear guidance to employees, contractors, directors and others representing QBE on how we should conduct ourselves, reinforcing our culture and highlighting the responsibilities we have to the organisation, each other, and to our customers, partners, communities and governments. Through following the Code and our QBE DNA behaviours, we demonstrate the expected standards of professionalism and ethical behaviour in our actions and interactions. Where the Code is not followed, consequences (including remuneration adjustments) may be applied.

A copy of QBE's Group Code of Ethics and Conduct is available from www.qbe.com/investor-relations/corporate-governance/global-policies.

Consequence management

The QBE Consequence Management Policy includes principles and guidance to ensure consequences for misconduct or poor risk outcomes are fair, consistent and aligned with local legislative, regulatory and Code requirements.

Malus and clawback

Malus and clawback provisions reflect QBE's regulatory obligations to incorporate terms allowing for the adjustment of incentive awards, of both current and former employees, to protect QBE's financial soundness and ability to respond to unforeseen significant issues.

Malus provisions allow the People & Remuneration Committee discretion to reduce the amount of an unvested award (including to zero) in certain circumstances during the retention period. Clawback provisions allow, to the extent permissible by applicable law, all variable remuneration (cash and deferred remuneration) to remain subject to clawback for a period of two years from the date of payment or vesting (as the case may be) of the relevant component of variable remuneration. The Board can determine whether to apply clawback to paid or vested variable remuneration and, if so, the appropriate value over which clawback will be applied.

Triggering circumstances for both provisions include:

- misconduct;
- failures in financial or non-financial risk management;
- breaches of accountability, fitness, propriety or compliance obligations;
- errors or misstatements of criteria on which the variable remuneration was determined; and/or
- adverse outcomes for customers, beneficiaries, or counterparties.

The key distinction between the two provisions is the threshold of severity:

- malus is triggered by significant errors or failures; and
- clawback is triggered by material errors or failures, which are typically more onerous.

2025 consequence management

In 2025, QBE's consequence management processes handled 195 instances of substantiated misconduct all of which faced appropriate consequences in accordance with QBE's Global Consequence Management Policy. Instances of misconduct ranged from minor interpersonal conflicts to serious breaches of policy. Actions taken as a result of these matters included a range of measures such as additional coaching and training, formal warnings, reduction in variable remuneration and in some cases, termination of employment. In 2025, there were 41 individuals whose employment was terminated by QBE as a result of these matters.

At QBE, we encourage people to speak up and offer a variety of channels so that concerns can be raised in the way individuals feel most comfortable. All available reporting channels are actively utilised.

Adjustments to incentive plans

The API and LTI rules provide suitable discretion for the People & Remuneration Committee to adjust any formulaic outcomes to ensure awards under these plans appropriately reflect performance. The People & Remuneration Committee may defer the vesting of any award after the end of any performance period to one or more participants in circumstances where there is a dispute of any nature between a participant and QBE, or in cases where a participant's actions or inactions may be relevant to an ongoing internal or external investigation.

Further, the People & Remuneration Committee may reduce any unvested award to zero, if considered appropriate, in the instances of misconduct, misstatement or to protect the financial soundness of QBE.

Securities Trading Policy

Subject to compliance with insider trading laws, trading in QBE ordinary shares is generally permitted outside of designated closed periods. QBE's Securities Trading Policy states that non-executive directors and other designated employees must notify any intended share transaction to nominated people within the Group. The policy prohibits the hedging of QBE securities at all times. The purpose of this prohibition is to ensure that there is an alignment between the interests of non-executive directors, executives and shareholders.

→ **A copy of QBE's Securities Trading Policy for dealing in securities is available from www.qbe.com/media/qbe/group/corporate-governance/global-policies/qbe-securities-trading-policy.pdf.**

Minimum shareholding requirement

The MSR ensures executives build their shareholding to have significant exposure to QBE's share price. Under the MSR, a minimum of three times fixed remuneration for the Group CEO (one-and-a-half times for other executive KMP) is to be maintained as long as the executive KMP remains at QBE. New executive KMP are required to build their shareholdings over a five-year period after becoming executive KMP.

The value of shareholdings as a multiple of fixed remuneration as at 31 December 2025 for each executive KMP is shown on pages 70 and 71. Shareholdings, for the purpose of the MSR, also include unvested conditional rights, except where the vesting of those conditional rights remains subject to a performance condition.

Use of external advisers

Remuneration advisers provide guidance on remuneration for executives, facilitate discussion, and review remuneration and at-risk remuneration benchmarking within industry peer groups. They also provide guidance on current trends in executive remuneration practices. Any advice provided by remuneration advisers is used as a guide and is not a substitute for consideration of all the issues by each non-executive director on the People & Remuneration Committee.

Ernst & Young (EY) currently acts as the independent remuneration adviser to the People & Remuneration Committee.

During 2025, management requested and utilised reports on market practice from various reputable sources. No recommendations in relation to the remuneration of KMP were provided as part of these engagements.

Treatment of conditional rights on a change in control of QBE

In accordance with the rules of each of QBE's incentive plans, a change in control is defined as either a scheme of arrangement that has been approved by QBE's shareholders and become effective or a bidder has at least 50% of the issued and to be issued QBE shares under an unconditional takeover offer made in accordance with the *Corporations Act 2001*.

Should a change in organisational control occur, the People & Remuneration Committee has discretion to determine how unvested conditional rights should be treated, having regard to factors such as the length of time elapsed in the performance period, the level of performance to date and the circumstances of the change of control.

3. Executive KMP remuneration tables

3.1 Statutory remuneration disclosures

The following table provides details of the remuneration of QBE's executive KMP as determined by reference to applicable Australian Accounting Standards for the year ended 31 December 2025. Remuneration has been converted to US dollars using the average rate of exchange for the relevant year, details of which can be found on page 96.

		SHORT-TERM EMPLOYMENT BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM EMPLOYEE BENEFITS			
	YEAR	BASE SALARY US$000	OTHER [1] US$000	API CASH [2] US$000	SUPERANNUATION US$000	LEAVE ACCRUALS [3] US$000	SHARE-BASED PAYMENTS [4,5,6] US$000	TERMINATION BENEFITS US$000	TOTAL US$000
Andrew Horton	**2025**	**1,273**	**158**	**1,196**	**2**	**(13)**	**3,058**	**–**	**5,674**
	2024	1,268	131	1,154	2	13	2,731	–	5,299
Peter Burton	**2025**	**808**	**105**	**652**	**13**	**–**	**877**	**–**	**2,455**
	2024	767	93	583	13	–	702	–	2,158
Jason Harris	**2025**	**947**	**11**	**949**	**–**	**–**	**1,535**	**–**	**3,442**
	2024	892	11	843	–	–	1,237	–	2,983
Sue Houghton	**2025**	**685**	**11**	**600**	**19**	**1**	**1,153**	**–**	**2,469**
	2024	684	27	534	19	6	987	–	2,257
Amanda Hughes	**2025**	**551**	**4**	**387**	**19**	**4**	**684**	**–**	**1,649**
	2024	547	4	396	19	(5)	584	–	1,545
Fiona Larnach	**2025**	**620**	**3**	**309**	**19**	**(5)**	**712**	**–**	**1,658**
	2024	616	1	317	19	–	633	–	1,586
Inder Singh	**2025**	**903**	**8**	**–**	**19**	**1**	**(1,774)**	**–**	**(843)**
	2024	898	8	791	19	(5)	1,298	–	3,009
Julie Wood	**2025**	**920**	**22**	**780**	**28**	**–**	**1,204**	**–**	**2,954**
	2024	900	65	720	25	–	852	–	2,562
Total	**2025**	**6,707**	**322**	**4,873**	**119**	**(12)**	**7,449**	**–**	**19,458**
	2024	6,572	340	5,338	116	9	9,024	–	21,399

1 Other includes, where relevant, provision of health insurance, partner travel, staff insurance discount benefits received during the year, taxation support services, life assurance, personal accident insurance and applicable taxes. It also includes tax accruals in respect of employment benefits and other one-off expenses.

2 API cash is payable in March 2026 for the 2025 performance year.

3 Includes the movement in annual leave and long service leave provisions during the relevant year measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Refer to note 8.5 to the financial statements on page 160.

4 Includes conditional rights and legacy cash-settled awards. The fair value of conditional rights at grant date is determined using appropriate models including Monte Carlo simulations and the Black-Scholes model, depending on the vesting conditions. The fair value of each conditional right is recognised evenly over the service period ending at vesting date. Where an award will no longer vest, the related accounting charge for any non-market component is reversed in full and the reversal is included in the table above. This may include conditional rights granted as compensation for incentives forfeited on ceasing previous employment to join QBE. Details of conditional rights are provided on pages 81 to 83.

5 For Peter Burton, the share-based payments expense includes amounts related to legacy cash-settled share-based awards for grants made prior to his appointment as executive KMP under the 2020 to 2021 EIP totalling $40,000. A description of the EIP is provided on page 76.

6 For Inder Singh, share-based payments reflect the reversal of previously recognised expenses for awards forfeited following his resignation announced on 28 August 2025. Inder remained executive KMP through to 31 December 2025.

3.2 Executive KMP shareholdings

The table below provides details of movements during the year in the number of ordinary shares in QBE held by executive KMP, including their personally-related parties.

2025	INTEREST IN SHARES AT 1 JANUARY 2025 NUMBER	DIVIDENDS REINVESTED NUMBER	CONDITIONAL RIGHTS VESTED NUMBER	SHARES PURCHASED (SOLD) NUMBER [1]	INTEREST IN SHARES AT 31 DECEMBER 2025 NUMBER
Andrew Horton	341,075	–	245,532	(115,790)	**470,817**
Peter Burton	213	202	34,717	(30,020)	**5,112**
Jason Harris	47,533	3,816	104,712	(99,237)	**56,824**
Sue Houghton	128,780	6,865	76,627	(49,880)	**162,392**
Amanda Hughes	43,815	–	43,829	(21,880)	**65,764**
Fiona Larnach	55,755	4,803	68,035	(14,880)	**113,713**
Inder Singh	6,518	–	111,741	(117,940)	**319**
Julie Wood	14,216	1,381	28,432	(11,411)	**32,618**

1 The shares listed as sold may either partially or fully relate to sales to meet withholding tax obligations on the vesting of conditional rights. Shares purchased include executive KMP participation in QShare.

3.3 Conditional rights movements

Equity awards at QBE are granted in the form of conditional rights. A conditional right is a promise by QBE to acquire or issue one fully paid ordinary QBE Insurance Group Limited share where certain conditions are met. The table below details conditional rights provided under the terms of both current and legacy plans, details of which can be found on pages 73 and 76, and contractual arrangements.

LTI conditional rights are subject to future performance hurdles. Conditional rights under the API for the 2025 performance year will typically be granted in the first quarter of 2026.

2025	BALANCE AT 1 JANUARY 2025 NUMBER	GRANTED NUMBER	VALUE AT GRANT DATE US$000 [1]	VESTED AND EXERCISED NUMBER	VALUE AT VESTING DATE US$000	FORFEITED/ LAPSED NUMBER	NOTIONAL DIVIDENDS ATTACHING IN THE YEAR NUMBER	BALANCE AT 31 DECEMBER 2025 NUMBER
Andrew Horton	1,084,669	267,584	3,459	(245,532)	3,411	–	48,955	**1,155,676**
Peter Burton	210,069	87,773	1,123	(34,717)	482	–	11,623	**274,748**
Jason Harris	529,730	145,184	1,849	(104,712)	1,449	–	25,202	**595,404**
Sue Houghton	419,915	102,880	1,303	(76,627)	1,063	–	19,723	**465,891**
Amanda Hughes	240,126	60,409	771	(43,829)	609	–	11,340	**268,046**
Fiona Larnach	304,787	61,763	782	(68,035)	944	–	13,183	**311,698**
Inder Singh	566,963	138,489	1,760	(111,741)	1,548	(619,960)	26,249	**–**
Julie Wood	266,791	139,827	1,774	(28,432)	395	–	16,735	**394,921**

1 The value at grant date is calculated in accordance with AASB 2 *Share-based Payment*.

3. Executive KMP remuneration tables

3.4 Valuation of conditional rights outstanding at 31 December 2025

The table below details the conditional rights issued affecting remuneration of executives in the previous, current or future reporting periods:

							FAIR VALUE PER CONDITIONAL RIGHT A$ [4,5]		
2025	GRANT	GRANT DATE	PERFORMANCE PERIOD START DATE	VESTING/ EXERCISE DATE [1]	CONDITIONAL RIGHTS AT 31 DECEMBER 2025 NUMBER [2]	MAXIMUM VALUE OF AWARD TO VEST A$000 [3]	OTHER [6]	TSR	TIME
Andrew Horton	2022 LTI	5 May 2022	1 Jan 2022	2026-2027	232,305	2,540	12.13	8.14	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	49,516	744	–	–	15.02
	2023 LTI	12 May 2023	1 Jan 2023	2026-2028	282,525	3,906	15.26	10.48	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	62,229	1,050	–	–	16.88
	2024 LTI	10 May 2024	1 Jan 2024	2028-2030	249,681	3,855	17.37	10.93	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2030	85,339	1,831	–	–	21.45
	2025 LTI [7]	9 May 2025	1 Jan 2025	2029-2031	194,081	3,771	21.72	14.09	–
Peter Burton	2021 EIP	28 Feb 2022	1 Jan 2021	26 Feb 2026	6,465	77	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	18,313	192	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	16,090	242	–	–	15.02
	2023 LTI [8]	2023	1 Jan 2023	2026-2028	43,441	588	14.92	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	23,585	398	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	74,987	1,124	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	30,176	647	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	61,343	1,170	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	166	2	–	–	14.08
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	135	2	–	–	18.36
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	47	1	–	–	17.67
Jason Harris	2021 LTI	26 Feb 2021	1 Jan 2021	25 Feb 2026	44,703	316	9.30	5.21	–
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	77,789	817	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	20,339	305	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	137,093	1,866	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	31,871	538	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	131,798	1,975	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	43,671	937	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	107,792	2,055	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	166	2	–	–	14.08
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	135	2	–	–	18.36
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	47	1	–	–	17.67
Sue Houghton	2021 LTI	3 Aug 2021	1 Jan 2021	25 Feb 2026	33,109	283	10.89	6.61	–
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	64,533	678	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	18,686	281	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	117,722	1,602	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	20,301	343	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	103,916	1,557	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	26,333	565	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	80,972	1,544	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	154	2	–	–	14.10
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	121	2	–	–	18.29
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	44	1	–	–	17.84
Amanda Hughes	2021 EIP	28 Feb 2022	1 Jan 2021	26 Feb 2026	7,306	87	–	–	11.94
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	51,621	542	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	11,662	175	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	62,780	854	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	15,658	264	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	55,745	835	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	19,508	418	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	43,447	828	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	154	2	–	–	14.10
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	121	2	–	–	18.29
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	44	1	–	–	17.84

2025	GRANT	GRANT DATE	PERFORMANCE PERIOD START DATE	VESTING/ EXERCISE DATE[1]	CONDITIONAL RIGHTS AT 31 DECEMBER 2025 NUMBER[2]	MAXIMUM VALUE OF AWARD TO VEST A$000[3]	FAIR VALUE PER CONDITIONAL RIGHT A$[4,5]		
							OTHER[6]	TSR	TIME
Fiona Larnach	2021 LTI	26 Feb 2021	1 Jan 2021	25 Feb 2026	34,872	246	9.30	5.21	–
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	58,078	610	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	9,717	146	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	70,631	961	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	11,211	189	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	62,500	937	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	15,604	335	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	48,766	930	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	154	2	–	–	14.10
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	121	2	–	–	18.29
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	44	1	–	–	17.84
Inder Singh[9]	2021 LTI	26 Feb 2021	1 Jan 2021	25 Feb 2026	50,371	356	9.30	5.21	–
	2022 LTI	28 Feb 2022	1 Jan 2022	2026-2027	83,891	881	11.94	7.15	–
	2022 API	27 Feb 2023	1 Jan 2022	2026-2027	22,572	339	–	–	15.02
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	153,032	2,083	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	29,964	506	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	135,321	2,028	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	39,011	837	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	105,479	2,011	21.45	13.50	–
	2023 QShare	2023-2024	1 Jul 2023	30 Jun 2026	154	2	–	–	14.10
	2024 QShare	2024-2025	1 Jul 2024	30 Jun 2027	121	2	–	–	18.29
	2025 QShare	2025	1 Jul 2025	30 Jun 2028	44	1	–	–	17.84
Julie Wood	Special	30 Jan 2023	30 Jan 2023	1 Mar 2026	23,688	323	–	–	13.65
	2023 LTI	27 Feb 2023	1 Jan 2023	2026-2028	72,090	981	15.02	10.32	–
	2023 API	26 Feb 2024	1 Jan 2023	2026-2028	20,100	339	–	–	16.88
	2024 LTI	26 Feb 2024	1 Jan 2024	2027-2029	133,025	1,994	16.88	10.57	–
	2024 API	3 Mar 2025	1 Jan 2024	2026-2029	37,470	804	–	–	21.45
	2025 LTI	3 Mar 2025	1 Jan 2025	2028-2030	108,548	2,069	21.45	13.50	–

1 The expiry date for awards is equivalent to the later of the relevant vesting or exercise date.

2 The number of conditional rights presented includes both the original grant of conditional rights and notional dividends.

For the 2021 LTI award, the number of conditional rights shown reflects the extent to which the performance conditions were met, where 82.7% of the Group cash ROE tranche vested and both relative TSR tranches vested in full, resulting in a weighted average vesting outcome of 91.4% in 2024.

For the 2022 and 2023 LTI awards, the number of conditional rights reflects a proportion of 70% Group cash ROE and 30% relative TSR performance conditions. The 2022 LTI award vested in full, refer to page 68. Further details on the vesting outcomes of the 2023 LTI award will be provided in the 2026 Remuneration Report.

For the 2024 and 2025 LTI awards, the number of conditional rights reflect the same proportions of performance conditions as shown on page 74.

3 The maximum value to vest represents the fair value at grant date for all unvested conditional rights. The minimum amount executive KMP may receive will be zero if awards do not vest for any reason.

4 The fair value of conditional rights at grant date is determined using appropriate models including Monte Carlo simulations and the Black-Scholes model, depending on the vesting conditions. The fair value of each conditional right is recognised evenly over the service period ending at vesting date.

For the 2021 LTI award granted on 26 February 2021, the relative TSR fair value reflects the weighted average fair value of the ASX 50 peer group of A$5.33 and global peer group of A$5.09.

For the 2021 LTI award granted on 3 August 2021, the relative TSR fair value reflects the weighted average fair value of the ASX 50 peer group of A$6.77 and the global peer group of A$6.44.

5 The fair value of the 2023, 2024 and 2025 QShare matching conditional rights for each executive KMP is determined using the weighted average of number of awards granted in each year and varies based on the number of shares purchased by the executive KMP. The grant dates and relevant fair values for the QShare matching conditional rights are set out in the table below:

2023 Plan	**Fair value**	**A$13.30**	**A$12.57**	**A$14.29**	**A$15.60**	**A$14.61**
	Grant date	11 Aug 2023	11 Dec 2023	19 Feb 2024	13 May 2024	12 Aug 2024
2024 Plan	**Fair value**	**A$13.87**	**A$17.35**	**A$18.34**	**A$19.59**	**A$20.77**
	Grant date	12 Aug 2024	28 Nov 2024	24 Feb 2025	12 May 2025	11 Aug 2025
2025 Plan	**Fair value**	**A$19.83**	**A$17.01**			
	Grant date	11 Aug 2025	28 Nov 2025			

6 For the 2021 LTI, 2022 LTI and 2023 LTI awards, the fair value represents the Group cash ROE performance condition.

For the 2024 LTI and 2025 LTI awards, the fair value reflects the three performance conditions of Group ROE, Sustainability and Customer.

7 Shareholders approved the grant of 2025 LTI for Andrew Horton at the Annual General Meeting on 9 May 2025. Refer to the QBE 2025 Annual General Meeting Notice of Meeting for details.

8 The 2023 LTI was comprised of two awards with grant dates of 27 February 2023 and 4 September 2023. The Group cash ROE fair value represents the weighted average of the two awards at A$15.02 and A$14.82 respectively. The relative TSR fair value comprises the weighted average of A$10.32 and A$10.31 at the two grant dates respectively.

9 The table reflects the number and value of conditional rights immediately before all the awards were forfeited due to resignation.

4. Non-executive director remuneration

The following section contains information on the approach to non-executive director remuneration, their fees, other benefits and shareholdings.

Remuneration philosophy

Non-executive director remuneration reflects QBE's desire to attract, motivate and retain experienced independent directors and to ensure their active participation in the Group's affairs for the purpose of corporate governance, regulatory compliance and other matters.

QBE aims to provide a level of remuneration for non-executive directors comparable with that of its peers, which include international financial institutions noting the global footprint of QBE. The Board reviews surveys published by independent remuneration consultants and other public information to ensure that fee levels are appropriate. The remuneration arrangements of non-executive directors are distinct and separate from those of the executive KMP.

Fee structure and components

The aggregate amount approved by shareholders at the Annual General Meeting on 5 May 2022 was A$4,750,000 per annum. The total amount paid to non-executive directors in 2025 was well below the approved amount at A$3,436,048 (2024 A$3,587,111).

Under the current fee framework, non-executive directors receive a base fee expressed in Australian dollars. In addition, a non-executive director (other than the Chair) may receive further fees for chairing or membership of a Board Committee.

During 2025, we conducted a review of non-executive director fees to assess if they remained competitive in the markets and regulatory environments in which we operate. A slight increase has been applied with effect from 1 January 2026. The prior adjustment to Board fees was effective from 1 January 2024. Committee fees have not been revised in over a decade.

The non-executive director fee structure is shown in the table below:

BOARD/COMMITTEE	ROLE	2026 A$	2025 A$
Board	Chair	703,000	**683,000**
	Member	221,000	**215,000**
Committee	Chair	51,500	**50,000**
	Member	28,000	**27,000**

Other benefits

Non-executive directors do not receive any performance-based remuneration such as cash incentives or equity awards. Under QBE's Constitution, non-executive directors are entitled to be reimbursed for all travel and related expenses properly incurred in connection with the business of QBE. All non-executive directors are eligible to receive an annual cash travel allowance of A$42,750 (A$64,000 for the Chair), in addition to fees, for the time involved in travelling to Board meetings and other Board commitments. This has remained unchanged since 2015.

Superannuation

QBE pays superannuation to Australian-based non-executive directors in accordance with Australian superannuation guarantee (SG) legislation. Overseas-based non-executive directors receive the cash equivalent amount in addition to their fees. From 1 July 2025, the SG contribution increased by 0.5% to 12%. This change is reflected in table 4.1.

Since 1 January 2020, Australian-based directors may elect to opt out of superannuation contributions as long as they are still receiving contributions from at least one employer. In such cases, a superannuation allowance is paid in lieu of actual contributions.

4.1 Remuneration details for non-executive directors

The table below details the nature and amount of each component of the remuneration of QBE's non-executive directors. Remuneration has been converted to US dollars using the average rate of exchange for the relevant year, details of which can be found on page 96.

		SHORT-TERM EMPLOYMENT BENEFITS		POST-EMPLOYMENT BENEFITS		
NON-EXECUTIVE DIRECTOR	YEAR	FEES [1] US$000	OTHER US$000	SUPERANNUATION – SG [2] US$000	SUPERANNUATION – OTHER [2] US$000	TOTAL US$000
Michael Wilkins	**2025**	**482**	**–**	**19**	**37**	**538**
	2024	493	–	19	37	549
Yasmin Allen	**2025**	**201**	**–**	**19**	**4**	**224**
	2024	206	–	10	13	229
Stephen Ferguson	**2025**	**216**	**–**	**19**	**6**	**241**
	2024	215	–	19	5	239
Penny James	**2025**	**225**	**5**	**–**	**–**	**230**
	2024	229	6	–	–	235
Tan Le	**2025**	**221**	**4**	**–**	**–**	**225**
	2024	226	3	–	–	229
Kathryn Lisson	**2025**	**225**	**5**	**–**	**–**	**230**
	2024	229	3	–	–	232
Neil Maidment [3]	**2025**	**203**	**7**	**–**	**–**	**210**
	2024	–	–	–	–	–
Rolf Tolle [4]	**2025**	**87**	**–**	**–**	**–**	**87**
	2024	246	3	–	–	249
Peter Wilson [5]	**2025**	**225**	**4**	**–**	**–**	**229**
	2024	229	6	–	–	235
Total	**2025**	**2,085**	**25**	**57**	**47**	**2,214**
	2024 [6]	2,073	21	48	55	2,197

1 Fees include travel allowances and additional fees in lieu of superannuation in Australia. Penny James, Tan Le, Kathryn Lisson, Neil Maidment (from 21 February 2025), Rolf Tolle (up to the retirement date of 9 May 2025) and Peter Wilson received additional fees in lieu of superannuation in Australia in accordance with page 84.
Fees also include amounts sacrificed in relation to the Director Share Acquisition Plan (DSAP). During 2025, Michael Wilkins, Stephen Ferguson, Penny James, Tan Le, Kathryn Lisson, Neil Maidment, Rolf Tolle and Peter Wilson elected to sacrifice a portion of their director pre-tax base fees to acquire QBE shares to meet their MSR over the required period. The amounts are included in the fees approved by shareholders and form part of the A$3,436,048 on page 84.
Where applicable, the increase in their shareholdings in 2025 reflected in table 4.2 was mainly as a result of their participation in the DSAP.

2 Michael Wilkins, Yasmin Allen and Stephen Ferguson are Australian residents. Superannuation in excess of the statutory minimum may be taken as additional cash fees or in the form of superannuation contributions at the option of the director.

3 Neil Maidment commenced in the role on 21 February 2025.

4 Rolf Tolle retired on 9 May 2025.

5 Peter Wilson resigned with effect from 31 December 2025.

6 The total disclosed in the 2024 Remuneration Report of $2,368,000 included the remuneration of two former non-executive directors of $171,000, up to their retirement date on 10 May 2024.

Minimum shareholding requirement

A non-executive director MSR was introduced for the Board in 2014. Under this requirement, non-executive directors have five years to build a minimum shareholding equal to 100% of annual base fees.

To assist current and new non-executive directors in meeting the MSR, the DSAP was established with effect from 1 June 2014. The DSAP allows non-executive directors to sacrifice a portion of their director pre-tax base fees to acquire QBE shares. Shares acquired in this way are not subject to performance targets, as they are acquired in place of cash payments. Non-executive directors' shareholdings are shown overleaf.

All non-executive directors have met the MSR as at 31 December 2025, or are within the five-year period to achieve the MSR.

4. Non-executive director remuneration

4.2 Non-executive director shareholdings

The table below details movements during the year in the number of ordinary shares in QBE held by the non-executive directors, including their personally-related parties:

2025	POSITION	TERM AS KMP	INTEREST IN SHARES AT 1 JANUARY 2025 NUMBER [1]	CHANGES DURING THE YEAR NUMBER	INTEREST IN SHARES AT 31 DECEMBER 2025 NUMBER [2]
Michael Wilkins	Chair	Full year	100,580	6,387	106,967
Yasmin Allen	Director	Full year	18,333	15,750	34,083
Stephen Ferguson	Director	Full year	1,945	2,156	4,101
Penny James	Director	Full year	2,030	2,765	4,795
Tan Le	Director	Full year	15,913	2,729	18,642
Kathryn Lisson	Director	Full year	56,264	2,765	59,029
Neil Maidment	Director	Part year from 21 February 2025	10,000	1,267	11,267
Rolf Tolle	Director	Part year to 9 May 2025	84,874	3,017	87,891
Peter Wilson	Director	Full year	3,177	2,765	5,942

1 The interest in shares for Neil Maidment represents the balance at the commencement date of 21 February 2025.

2 The interest in shares for Rolf Tolle represents the balance at the date of retirement on 9 May 2025; and for Peter Wilson, the effective date of resignation of 31 December 2025.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2025

Auditor

PricewaterhouseCoopers, Chartered Accountants, continues in office in accordance with section 327B of the *Corporations Act 2001*.

Non-audit services

During the year, PricewaterhouseCoopers performed certain other services in addition to statutory duties.

The Board, on the advice of the Audit Committee, has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are also satisfied that the provision of non-audit services by the auditor, as set out in note 8.7 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

A copy of the auditor's independence declaration required under section 307C of the *Corporations Act 2001* is set out on page 88.

Details of amounts paid or payable to PricewaterhouseCoopers for audit and non-audit services are provided in note 8.7 to the financial statements.

Rounding of amounts

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

Signed in SYDNEY this 20th day of February 2026 in accordance with a resolution of the directors.

Michael Wilkins AO
Director

Andrew Horton
Director

Auditor's independence declaration

As lead auditor of QBE Insurance Group Limited's audit of the financial report and review of specified sustainability disclosures within the sustainability report for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report or the review of the specified sustainability disclosures; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or the review of the specified sustainability disclosures.

Scott Hadfield
Partner, PricewaterhouseCoopers

Sydney
20 February 2026

Financial Report contents

Financial statements

Notes to the financial statements

This Annual Report includes the consolidated financial statements for QBE Insurance Group Limited (the ultimate parent entity or the Company) and its controlled entities (QBE or the Group). All amounts in this Financial Report are presented in US dollars unless otherwise stated. QBE Insurance Group Limited is a company limited by its shares and incorporated and domiciled in Australia. Its registered office is located at:

Level 18,
388 George Street
Sydney NSW 2000
Australia

A description of the nature of the Group's operations and its principal activities is included on pages 2 to 15, none of which is part of this Financial Report. The Financial Report was authorised for issue by the directors on 20 February 2026. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All material press releases, this Financial Report and other information are available at our QBE investor centre at our website: www.qbe.com.

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 US$M	2024 US$M
Insurance revenue	2.1	**22,955**	21,778
Insurance service expenses		**(19,277)**	(18,716)
Reinsurance expenses	2.2.1	**(5,251)**	(4,462)
Reinsurance income	2.2.1	**3,967**	3,406
Insurance service result		**2,394**	2,006
Other expenses		**(301)**	(311)
Other income		**85**	78
Insurance operating result		**2,178**	1,773
Insurance finance expenses	4.4	**(1,179)**	(618)
Reinsurance finance income	4.4	**421**	159
Investment income – policyholders' funds	3.1	**1,089**	845
Investment expenses – policyholders' funds	3.1	**(23)**	(26)
Insurance profit		**2,486**	2,133
Investment income – shareholders' funds	3.1	**628**	506
Investment expenses – shareholders' funds	3.1	**(14)**	(15)
Financing and other costs	5.1.2	**(254)**	(226)
Gain on sale of entities and businesses	7.1	**18**	2
Share of net loss of associates		**(5)**	(6)
Restructuring and related expenses		**–**	(85)
Amortisation and impairment of intangibles	7.2	**(14)**	(18)
Profit before income tax		**2,845**	2,291
Income tax expense	6.1	**(680)**	(504)
Profit after income tax		**2,165**	1,787
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss			
Net movement in foreign currency translation reserve	5.3.2	**619**	(441)
Net movement in cash flow hedge and cost of hedging reserves	5.3.2	**(10)**	(13)
Net movement in fair value through other comprehensive income reserve	5.3.2	**(11)**	(6)
Income tax relating to these components of other comprehensive income	5.3.2	**6**	5
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		**–**	(3)
Income tax relating to this component of other comprehensive income		**–**	1
Other comprehensive income (loss) after income tax		**604**	(457)
Total comprehensive income after income tax		**2,769**	1,330
Profit after income tax attributable to:			
Ordinary equity holders of the Company		**2,157**	1,779
Non-controlling interests		**8**	8
		2,165	1,787
Total comprehensive income after income tax attributable to:			
Ordinary equity holders of the Company		**2,761**	1,322
Non-controlling interests		**8**	8
		2,769	1,330

EARNINGS PER SHARE FOR PROFIT AFTER INCOME TAX ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	NOTE	2025 US CENTS	2024 US CENTS
For profit after income tax			
Basic earnings per share	5.5	**141.3**	115.2
Diluted earnings per share	5.5	**140.0**	114.2

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

Consolidated balance sheet

AS AT 31 DECEMBER 2025

	NOTE	2025 US$M	2024 US$M
Assets			
Cash and cash equivalents	5.2	**1,869**	1,638
Investments	3.2	**33,970**	28,932
Derivative financial instruments	5.6	**70**	308
Other receivables		**970**	533
Current tax assets		**19**	23
Reinsurance contract assets	2.2	**8,640**	9,438
Other assets		**22**	2
Assets held for sale		**–**	7
Defined benefit plan surpluses	8.6	**33**	32
Right-of-use lease assets		**213**	213
Property, plant and equipment		**70**	76
Deferred tax assets	6.2	**470**	609
Investment properties		**11**	16
Investment in associates		**74**	55
Intangible assets	7.2	**2,104**	1,964
Total assets		**48,535**	43,846
Liabilities			
Derivative financial instruments	5.6	**62**	402
Other payables		**711**	363
Current tax liabilities		**103**	46
Insurance contract liabilities	2.2	**31,259**	28,735
Lease liabilities		**230**	231
Provisions		**151**	147
Defined benefit plan deficits	8.6	**21**	21
Deferred tax liabilities	6.2	**625**	506
Borrowings	5.1	**3,700**	2,664
Total liabilities		**36,862**	33,115
Net assets		**11,673**	10,731
Equity			
Contributed equity	5.3.1	**8,424**	8,710
Treasury shares held in trust		**(16)**	(2)
Reserves	5.3.2	**(906)**	(925)
Retained profits		**4,169**	2,945
Shareholders' equity		**11,671**	10,728
Non-controlling interests		**2**	3
Total equity		**11,673**	10,731

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

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	SHAREHOLDERS' EQUITY						
	CONTRIBUTED EQUITY US$M	TREASURY SHARES HELD IN TRUST US$M	RESERVES US$M	RETAINED PROFITS US$M	TOTAL US$M	NON-CONTROLLING INTERESTS US$M	TOTAL EQUITY US$M
At 1 January 2025	**8,710**	**(2)**	**(925)**	**2,945**	**10,728**	**3**	**10,731**
Profit after income tax	**–**	**–**	**–**	**2,157**	**2,157**	**8**	**2,165**
Other comprehensive income	**–**	**–**	**604**	**–**	**604**	**–**	**604**
Total comprehensive income	**–**	**–**	**604**	**2,157**	**2,761**	**8**	**2,769**
Transactions with owners in their capacity as owners							
Shares bought back on-market and cancelled	**(60)**	**–**	**–**	**–**	**(60)**	**–**	**(60)**
Shares issued under Employee Share and Option Plan and held in trust	**55**	**(68)**	**–**	**–**	**(13)**	**–**	**(13)**
Shares acquired for Dividend Reinvestment Plan and held in trust	**–**	**(121)**	**–**	**–**	**(121)**	**–**	**(121)**
Share-based payment expense	**–**	**–**	**64**	**–**	**64**	**–**	**64**
Shares vested and/or released	**–**	**174**	**(55)**	**–**	**119**	**–**	**119**
Repurchase and cancellation of capital notes	**(886)**	**–**	**–**	**(16)**	**(902)**	**–**	**(902)**
Dividends paid on ordinary shares	**–**	**–**	**–**	**(899)**	**(899)**	**(9)**	**(908)**
Dividend reinvestment under Bonus Share Plan	**–**	**–**	**–**	**7**	**7**	**–**	**7**
Distributions on capital notes	**–**	**–**	**–**	**(25)**	**(25)**	**–**	**(25)**
Foreign exchange	**605**	**1**	**(594)**	**–**	**12**	**–**	**12**
At 31 December 2025	**8,424**	**(16)**	**(906)**	**4,169**	**11,671**	**2**	**11,673**

	SHAREHOLDERS' EQUITY						
	CONTRIBUTED EQUITY US$M	TREASURY SHARES HELD IN TRUST US$M	RESERVES US$M	RETAINED PROFITS US$M	TOTAL US$M	NON-CONTROLLING INTERESTS US$M	TOTAL EQUITY US$M
At 1 January 2024	9,381	(3)	(1,273)	1,922	10,027	3	10,030
Profit after income tax	–	–	–	1,779	1,779	8	1,787
Other comprehensive loss	–	–	(455)	(2)	(457)	–	(457)
Total comprehensive (loss) income	–	–	(455)	1,777	1,322	8	1,330
Transactions with owners in their capacity as owners							
Shares issued under Employee Share and Option Plan and held in trust	34	(35)	–	–	(1)	–	(1)
Share-based payment expense	–	–	59	–	59	–	59
Shares vested and/or released	–	36	(36)	–	–	–	–
Reclassification on disposal of owner occupied property	–	–	(1)	1	–	–	–
Dividends paid on ordinary shares	–	–	–	(710)	(710)	(8)	(718)
Dividend Reinvestment Plan and Bonus Share Plan	89	–	–	5	94	–	94
Distributions on capital notes	–	–	–	(50)	(50)	–	(50)
Foreign exchange	(794)	–	781	–	(13)	–	(13)
At 31 December 2024	8,710	(2)	(925)	2,945	10,728	3	10,731

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

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	2025 US$M	2024 US$M
Operating activities			
Premium received		**22,954**	23,056
Reinsurance recoveries received		**4,633**	3,740
Reinsurance premium paid net of ceding commissions received		**(4,612)**	(6,205)
Acquisition costs paid		**(4,223)**	(3,903)
Claims and other insurance service expenses paid		**(14,382)**	(13,854)
Interest received		**958**	901
Dividends received		**60**	60
Other operating payments		**(526)**	(647)
Interest paid		**(240)**	(232)
Income taxes paid		**(399)**	(341)
Net cash flows from operating activities	8.3	**4,223**	2,575
Investing activities			
Net payments for purchase of growth assets		**(454)**	(374)
Net payments for purchase of interest-bearing financial assets		**(2,233)**	(829)
Net payments for foreign exchange transactions		**(46)**	(109)
Payments for purchase of intangible assets		**(113)**	(125)
Payments for purchase of property, plant and equipment		**(22)**	(27)
Proceeds on sale of property, plant and equipment		**9**	–
Payments for investment in associates		**(14)**	(15)
Proceeds on disposal of entities and businesses (net of cash disposed)		**–**	3
Proceeds on sale of investment property		**5**	–
Net cash flows from investing activities		**(2,868)**	(1,476)
Financing activities			
Payments for shares bought back on-market and cancelled		**(60)**	–
Repurchase of capital notes		**(902)**	–
Purchase of treasury shares		**(134)**	(1)
Payments relating to principal element of lease liabilities		**(55)**	(57)
Proceeds from borrowings		**1,182**	687
Repayments of borrowings		**(300)**	(700)
Dividends and distributions paid		**(807)**	(674)
Net cash flows from financing activities		**(1,076)**	(745)
Net movement in cash and cash equivalents		**279**	354
Cash and cash equivalents at the beginning of the year		**1,638**	1,366
Effect of exchange rate changes		**(48)**	(82)
Cash and cash equivalents at the end of the year	5.2	**1,869**	1,638

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

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Overview

1.1 About QBE

About QBE Insurance Group

QBE is one of the world's largest insurance and reinsurance companies, with operations in all the major insurance markets. Formed in Australia in 1886, QBE employs more than 13,000 people and carries on insurance activities in 26 countries, with operations in Australia, Europe, North America, Asia and the Pacific. QBE's captive reinsurers, QBE Capital (Global) Ltd and QBE Capital Ltd (collectively referred to as 'QBE Capital'), provide reinsurance protection to our divisions in conjunction with the Group's external reinsurance programs.

The Company is listed on the Australian Securities Exchange and is a for-profit entity.

About insurance

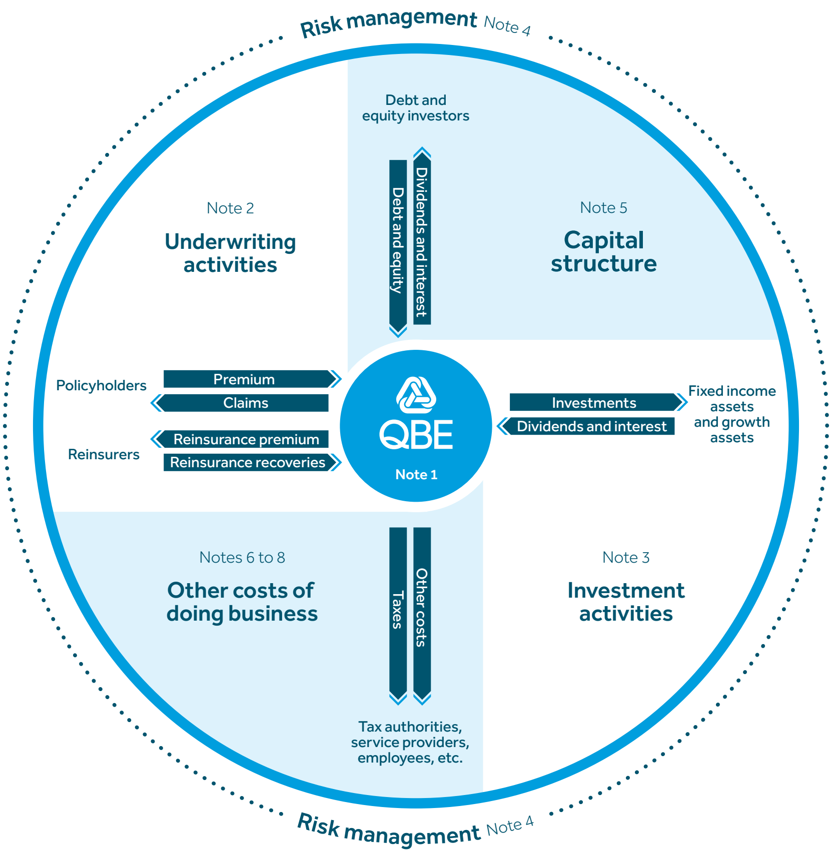
In simple terms, insurance and reinsurance companies help their customers (consumers, businesses and other insurance companies) to manage risk. More broadly put, an insurance company creates value by pooling and redistributing risk. This is done by collecting premium from those that it insures (i.e. policyholders), and then paying the claims of those that call upon their insurance protection. A company may also choose to reduce some of its own accumulated risk through the use of outward reinsurance (or referred to as reinsurance contracts held), which is insurance for insurance companies. As not all policyholders will actually experience a claim event, the effective pooling and redistribution of risk lowers the total cost of risk management, thereby making insurance protection more cost effective for all.

The operating model of insurance companies relies on profits being generated by:

- appropriately pricing risk and charging adequate premium to cover the expected payouts that will be incurred over the life of the insurance policy (both claims and operating expenses); and
- earning a return on the collected premium and funds withheld to pay future claims through the adoption of an appropriate investment strategy.

Insurance therefore serves a critical function of providing customers with the confidence to achieve their business and personal goals through cost-effective risk management. This is achieved within a highly regulated environment, designed to ensure that insurance companies maintain adequate capital to protect the interests of policyholders.

The diagram below presents a simplified overview of the key components of this Financial Report:



1.2 About this report

This Financial Report includes the consolidated financial statements of QBE Insurance Group Limited (the ultimate parent entity or the Company) and its controlled entities (QBE or the Group).

The Financial Report includes the four primary statements, namely the statement of comprehensive income (which comprises profit or loss and other comprehensive income or loss), balance sheet, statement of changes in equity and statement of cash flows as well as associated notes as required by Australian Accounting Standards. Disclosures have been grouped into the following categories in order to assist users in their understanding of the financial statements:

1. **Overview** contains information that impacts the Financial Report as a whole as well as segment reporting disclosures.
2. **Underwriting activities** brings together results and balance sheet disclosures relevant to the Group's insurance activities.
3. **Investment activities** includes results and balance sheet disclosures relevant to the Group's investments.
4. **Risk management** provides commentary on the Group's exposure to various financial and capital risks, explaining the potential impact on the results and balance sheet and how the Group manages these risks.
5. **Capital structure** provides information about the debt and equity components of the Group's capital.
6. **Tax** includes disclosures relating to the Group's tax expense and balances.
7. **Group structure** provides a summary of the Group's controlled entities and includes disclosures in relation to transactions impacting the Group structure.
8. **Other** includes additional disclosures required to comply with Australian Accounting Standards.

Where applicable within each note, disclosures are further analysed as follows:

- **Overview** provides some context to assist users in understanding the disclosures.
- **Disclosures** (both numbers and commentary) provide analysis of balances as required by Australian Accounting Standards.
- **How we account for the numbers** summarises the accounting policies relevant to an understanding of the numbers.
- **Critical accounting judgements and estimates** explains the key estimates and judgements applied by QBE in determining the numbers.

The notes include information which the directors believe is required to understand the financial statements and is material and relevant to the operations, balance sheet and results of the Group. Information is considered material and relevant if:

- the amount in question is significant because of its size or nature;
- it is important to assist in understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business – for example, significant acquisitions or disposals; or
- it relates to an aspect of the Group's operations that is important to its future performance.

1.2.1 Basis of preparation

This Financial Report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*;
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC);
- has been prepared on a historical cost basis as modified by certain exceptions, the most significant of which are the measurement of investments and derivatives at fair value and the measurement of the net insurance contract liabilities at present value;
- is presented in US dollars; and
- is presented with values rounded to the nearest million dollars or, in certain cases, to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

New and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are now effective are detailed in note 8.1.1.

The Group has not adopted any Accounting Standards and Interpretations that have been issued or amended but are not yet effective as listed in note 8.1.2.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company as at 31 December 2025 and the results for the financial year then ended. In preparing the consolidated financial statements, all transactions between controlled entities are eliminated in full. Where control of an entity commences or ceases during a financial year, the results are included for that part of the year during which control existed. A list of entities controlled by the Company at the balance date is contained in note 7.3.1.

Lloyd's syndicates are accounted for on a proportional basis. The nature of Lloyd's syndicates is such that, even when one party provides the majority of capital, the syndicate as a whole is not controlled for accounting purposes.

Where necessary, comparative information has been restated to conform to the current year's disclosures.

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2 Operating and financial review
3 Sustainability Report
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1. Overview

1.2.2 Critical accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements and estimates that affect reported amounts.

In view of the geographic and product diversity of its international operations, the Group has developed a centralised risk management and policy framework designed to ensure consistency of approach across a number of operational activities, subject to the specific requirements of local markets, legislation and regulation. Such operational activities include underwriting, claims management, actuarial assessment of the outstanding claims within insurance liabilities and investment management.

Given the centralised approach, sensitivity analyses in respect of critical accounting estimates and judgements are presented at the consolidated Group level in order to provide information and analysis which is meaningful, relevant, reliable and comparable year-on-year. Sensitivity disclosure at business segment or product level would not provide a meaningful overview given the complex interrelationships between the variables underpinning the Group's operations.

The key areas in which critical estimates and judgements are applied are as follows:

- measurement of insurance and reinsurance contract assets and liabilities (note 2.2);
- recoverability of deferred tax assets (note 6.2.1); and
- impairment testing of intangible assets (note 7.2.1).

The Group has also considered the impact of climate change on the amounts reported and disclosed in the financial statements, particularly in the context of the risks and opportunities identified in our Sustainability Report on pages 22 to 55 of this Annual Report. Details of how these considerations have been reflected in the critical accounting judgements and estimates are discussed in the relevant notes where appropriate.

1.2.3 Foreign currency

Translation of foreign currency transactions and balances

Transactions included in the financial statements of controlled entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into functional currencies at the spot rates of exchange applicable at the dates of the transactions. At the balance date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date. Resulting exchange gains and losses are included in profit or loss.

Translation of foreign operations

The results and balance sheets of all foreign operations that have a functional currency different from the Group's presentation currency of US dollars are translated into US dollars as follows:

- income, expenses and other current period movements in comprehensive income are translated at average rates of exchange; and
- balance sheet items are translated at the closing balance date rates of exchange.

On consolidation, exchange differences arising from the translation of net investments in foreign operations are taken to shareholders' equity and recognised in other comprehensive income. When a foreign operation is sold in whole or part and capital is repatriated, exchange differences on translation from the entity's functional currency to the ultimate parent entity's functional currency of Australian dollars are reclassified out of other comprehensive income and recognised in profit or loss as part of the gain or loss on sale.

Hedging of foreign exchange risk

The Group manages its foreign exchange exposures as part of its foreign currency risk management processes, further information on which is provided in note 4.4.

QBE uses borrowings to mitigate currency risk on translation of net investments in foreign operations to the ultimate parent entity's functional currency of Australian dollars. QBE may elect to use derivatives to manage currency translation risk in order to preserve capital.

QBE also uses derivatives to mitigate risk associated with foreign currency transactions and balances.

The Group designates hedge relationships which meet the specified criteria in AASB 9 *Financial Instruments* as either cash flow hedges or hedges of net investments in foreign operations. Further information on the accounting for derivatives and for designated hedge relationships is provided in note 5.6.

Exchange rates

The principal exchange rates used in the preparation of the financial statements were:

	2025		2024	
	PROFIT OR LOSS	BALANCE SHEET	PROFIT OR LOSS	BALANCE SHEET
A$/US$	**0.645**	**0.667**	0.660	0.619
£/US$	**1.318**	**1.345**	1.278	1.252
€/US$	**1.128**	**1.174**	1.082	1.035

1.3 Segment information

Overview

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

Operating segments

The Group's operating segments are as follows:

- North America writes general insurance, reinsurance and Crop business in the United States.
- International writes general insurance business in the United Kingdom, Europe and Canada. It also writes general insurance and reinsurance business through Lloyd's; worldwide reinsurance business through offices in the United Kingdom, the United States, Ireland, Bermuda, Dubai and mainland Europe; and provides personal and commercial insurance covers in Hong Kong, Singapore, Malaysia and Vietnam.
- Australia Pacific primarily underwrites general insurance risks throughout Australia, New Zealand and the Pacific region, providing all major lines of insurance for personal and commercial risks.

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

2025	NORTH AMERICA US$M	INTERNATIONAL US$M	AUSTRALIA PACIFIC US$M	TOTAL REPORTABLE SEGMENTS US$M	CORPORATE & OTHER US$M	TOTAL US$M
Insurance revenue – external	7,642	10,075	5,200	22,917	38	22,955
Insurance revenue – internal	–	38	–	38	(38)	–
Insurance service expenses	(6,771)	(8,030)	(4,365)	(19,166)	(111)	(19,277)
Reinsurance expenses	(3,448)	(1,359)	(444)	(5,251)	–	(5,251)
Reinsurance income	2,810	843	314	3,967	–	3,967
Insurance service result	233	1,567	705	2,505	(111)	2,394
Other expenses	(42)	(98)	(129)	(269)	(32)	(301)
Other income	2	10	73	85	–	85
Insurance operating result	193	1,479	649	2,321	(143)	2,178
Insurance finance expenses	(340)	(646)	(193)	(1,179)	–	(1,179)
Reinsurance finance income	226	150	45	421	–	421
Investment income – policyholders' funds	155	619	273	1,047	19	1,066
Insurance profit (loss)	234	1,602	774	2,610	(124)	2,486
Investment income – shareholders' funds	163	275	118	556	58	614
Financing and other costs	(2)	(19)	(15)	(36)	(218)	(254)
Gain on sale of entities and businesses	18	–	–	18	–	18
Share of net loss of associates	(2)	–	(3)	(5)	–	(5)
Amortisation and impairment of intangibles	–	(1)	(8)	(9)	(5)	(14)
Profit (loss) before income tax	411	1,857	866	3,134	(289)	2,845
Income tax (expense) credit	(76)	(437)	(251)	(764)	84	(680)
Profit (loss) after income tax	335	1,420	615	2,370	(205)	2,165
Net profit attributable to non-controlling interests	–	–	–	–	(8)	(8)
Net profit (loss) after income tax attributable to ordinary equity holders of the Company	335	1,420	615	2,370	(213)	2,157

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FOR THE YEAR ENDED 31 DECEMBER 2025

1. Overview

2024	NORTH AMERICA US$M	INTERNATIONAL US$M	AUSTRALIA PACIFIC US$M	TOTAL REPORTABLE SEGMENTS US$M	CORPORATE & OTHER US$M	TOTAL US$M
Insurance revenue – external	7,220	9,075	5,457	21,752	26	21,778
Insurance revenue – internal	–	26	–	26	(26)	–
Insurance service expenses	(6,774)	(7,306)	(4,568)	(18,648)	(68)	(18,716)
Reinsurance expenses	(2,654)	(1,336)	(472)	(4,462)	–	(4,462)
Reinsurance income	2,462	721	223	3,406	–	3,406
Insurance service result	254	1,180	640	2,074	(68)	2,006
Other expenses	(44)	(92)	(131)	(267)	(44)	(311)
Other income	4	6	68	78	–	78
Insurance operating result	214	1,094	577	1,885	(112)	1,773
Insurance finance expenses	(245)	(157)	(216)	(618)	–	(618)
Reinsurance finance income	47	71	41	159	–	159
Investment income (loss) – policyholders' funds	123	439	275	837	(18)	819
Insurance profit (loss)	139	1,447	677	2,263	(130)	2,133
Investment income – shareholders' funds	141	199	114	454	37	491
Financing and other costs	(1)	(42)	(4)	(47)	(179)	(226)
Gain (loss) on sale of entities and businesses	–	3	(1)	2	–	2
Share of net loss of associates	(3)	–	(3)	(6)	–	(6)
Restructuring and related expenses	(85)	–	–	(85)	–	(85)
Amortisation and impairment of intangibles	–	(16)	(2)	(18)	–	(18)
Profit (loss) before income tax	191	1,591	781	2,563	(272)	2,291
Income tax (expense) credit	(40)	(401)	(221)	(662)	158	(504)
Profit (loss) after income tax	151	1,190	560	1,901	(114)	1,787
Net profit attributable to non-controlling interests	–	–	–	–	(8)	(8)
Net profit (loss) after income tax attributable to ordinary equity holders of the Company	151	1,190	560	1,901	(122)	1,779

Geographical analysis

North America is defined by reference to its geographical location and, as such, satisfies the requirements of a geographical analysis as well as an operating segment analysis.

Insurance revenue – external was $4,738 million (2024 $4,951 million) for Australia, the ultimate parent entity's country of domicile, and was $3,794 million (2024 $3,075 million) for risks located in the United Kingdom. No other country within International or Australia Pacific is individually material in this respect.

Product analysis

QBE does not collect Group-wide revenue information by product and the cost to develop this information would be excessive. Insurance revenue by class of business is disclosed in note 4.2.

2. Underwriting activities

Overview

This section provides analysis and commentary on the Group's underwriting activities. Underwriting, in simple terms, is the agreement by the insurer to assume insurance risk in return for a premium paid by the insured. The underwriter assesses the quality of the risk and prices it accordingly.

2.1 Insurance revenue

Overview

Insurance revenue reflects the consideration the Group expects to be entitled to in exchange for providing insurance contract services. Insurance revenue mainly comprises premiums charged for providing insurance coverage, excluding any amounts that are repayable to policyholders in all circumstances (referred to as investment components) and taxes collected on behalf of third parties.

	2025 US$M	2024 US$M
Contracts measured under the premium allocation approach		
Insurance revenue from contracts measured under the premium allocation approach	**22,801**	21,578
Contracts measured under the general model		
Insurance service expenses incurred in the period	**67**	111
Changes in risk adjustment	**9**	16
Contractual service margin recognised in profit or loss	**60**	55
Amounts relating to changes in the liability for remaining coverage	**136**	182
Recovery of insurance acquisition cash flows	**18**	18
Insurance revenue from contracts measured under the general model	**154**	200
Insurance revenue	**22,955**	21,778

How we account for the numbers

The measurement models applicable to measuring insurance and reinsurance contracts are described in note 2.2.1.

Insurance revenue under the premium allocation approach is an allocation of total expected premium to each period of coverage on the basis of the passage of time, or a pattern that reflects the expected timing of incurred insurance service expenses if the expected pattern of incidence of risk differs significantly from the passage of time.

For contracts measured under the general model, insurance revenue comprises:

- changes in the liability for remaining coverage (excluding the loss component) that relate to services provided in the period. The contractual service margin, which represents the unearned profit, is earned to insurance revenue based on a pattern of coverage units which reflects the provision of insurance services over the expected coverage period. The determination of the coverage units pattern is based on the quantity of benefits provided under the contracts in each period and includes consideration of amounts that can be validly claimed by policyholders if an insured event occurs, as well as expected lapses. The movement in the contractual service margin during the period is disclosed in note 2.2.3.
- the recovery of insurance acquisition cash flows, which is determined by allocating a portion of the premium that relates to recovering those cash flows on a straight-line basis over the coverage period of the contracts.

2. Underwriting activities

2.2 Insurance and reinsurance contract assets and liabilities

Overview

Insurance contract liabilities represent the rights and obligations arising from insurance and reinsurance contracts issued, and comprise the following components:

- the liability for remaining coverage, being the obligation to provide future insurance services in relation to contracts in force at the balance date; and
- the liability for incurred claims, being the obligation to pay claims reported but not yet paid, IBNR and other incurred insurance service expenses such as claims handling costs.

Reinsurance contract assets represent the rights and obligations arising from reinsurance contracts held, and comprise the following components:

- the asset for remaining coverage, being the amounts that are expected to be recoverable from reinsurers in relation to future insured claims that have not yet been incurred; and
- recoveries of incurred claims, being the amounts that are expected to be recoverable from reinsurers in relation to claims that have been incurred on underlying contracts.

The Group's insurance and reinsurance contracts are aggregated into portfolios, each comprising contracts that are of similar risks and managed together. Portfolios of insurance and reinsurance contracts issued that are assets are presented separately from those that are liabilities on the balance sheet. Similarly, portfolios of reinsurance contracts held that are assets are presented separately from those that are liabilities. There were no portfolios of insurance contracts issued that were assets or portfolios of reinsurance contracts held that were liabilities at the current and prior year balance dates.

	2025			2024		
	PREMIUM ALLOCATION APPROACH US$M	GENERAL MODEL US$M	TOTAL US$M	PREMIUM ALLOCATION APPROACH US$M	GENERAL MODEL US$M	TOTAL US$M
Insurance contract liabilities	**30,837**	**422**	**31,259**	28,297	438	28,735
Reinsurance contract assets	**(5,641)**	**(2,999)**	**(8,640)**	(5,933)	(3,505)	(9,438)
Net insurance contract liabilities (assets)	**25,196**	**(2,577)**	**22,619**	22,364	(3,067)	19,297

How we account for the numbers

Insurance and reinsurance contracts must be measured using a general model, unless the contracts meet certain eligibility criteria, in which case they may be measured using a simplified approach known as the premium allocation approach. Contracts are eligible for the simplified approach if they have coverage periods of one year or less or if the liability for remaining coverage under that approach is not expected to materially differ from that under the general model. The Group applies the premium allocation approach to most of its insurance and reinsurance contracts on the basis that these eligibility requirements are met.

Critical accounting judgements and estimates

For contracts with coverage periods greater than one year, the Group's assessment of eligibility for the premium allocation approach involves a qualitative consideration of contract features and, where applicable, modelling of the liability for remaining coverage under a range of reasonably expected scenarios. The following key assumptions and estimates are modelled:

- expected future cash flows and the risk adjustment as described in notes 2.2.1 and 2.2.4;
- pattern of coverage units used to determine the earning pattern of the contractual service margin, which includes consideration of the economic value of policyholders' insurable interests and any contractual limits to amounts that can be claimed under the relevant insurance contracts; and
- expected variability in assumptions used, such as changes in discount rates.

2.2.1 Movement in the net carrying amounts

Insurance contract liabilities

	2025				2024			
	LIABILITY (ASSET) FOR REMAINING COVERAGE				LIABILITY (ASSET) FOR REMAINING COVERAGE			
	EXCLUDING LOSS COMPONENT US$M	LOSS COMPONENT US$M	LIABILITY FOR INCURRED CLAIMS US$M	TOTAL US$M	EXCLUDING LOSS COMPONENT US$M	LOSS COMPONENT US$M	LIABILITY FOR INCURRED CLAIMS US$M	TOTAL US$M
Insurance contract liabilities at 1 January	**(1,291)**	**101**	**29,925**	**28,735**	(1,818)	86	29,222	27,490
Insurance revenue – contracts under the modified retrospective approach	**(219)**	**–**	**–**	**(219)**	(268)	–	–	(268)
Insurance revenue – other contracts	**(22,736)**	**–**	**–**	**(22,736)**	(21,510)	–	–	(21,510)
Insurance revenue (a)	**(22,955)**	**–**	**–**	**(22,955)**	(21,778)	–	–	(21,778)
Incurred claims and other attributable expenses	**(88)**	**(105)**	**15,274**	**15,081**	(96)	(82)	15,347	15,169
Amortisation of insurance acquisition cash flows	**4,201**	**–**	**–**	**4,201**	3,809	–	–	3,809
Changes that relate to past service – prior accident years	**–**	**–**	**(332)**	**(332)**	–	–	(584)	(584)
Losses on onerous contracts and reversals of those losses	**–**	**84**	**–**	**84**	–	101	–	101
Insurance service expenses (b)[1]	**4,113**	**(21)**	**14,942**	**19,034**	3,713	19	14,763	18,495
Insurance service result (a)+(b)	**(18,842)**	**(21)**	**14,942**	**(3,921)**	(18,065)	19	14,763	(3,283)
Insurance finance expenses	**22**	**–**	**1,157**	**1,179**	26	–	592	618
Foreign exchange	**(194)**	**3**	**1,380**	**1,189**	(99)	(4)	(1,007)	(1,110)
Statement of comprehensive income	**(19,014)**	**(18)**	**17,479**	**(1,553)**	(18,138)	15	14,348	(3,775)
Investment components	**(116)**	**–**	**116**	**–**	(76)	–	76	–
Disposals	**–**	**–**	**–**	**–**	(2)	–	(5)	(7)
Cash flows								
Premium received	**22,489**	**–**	**465**	**22,954**	22,571	–	485	23,056
Acquisition costs paid	**(4,153)**	**–**	**(70)**	**(4,223)**	(3,828)	–	(75)	(3,903)
Claims and expenses, including taxes, paid	**–**	**–**	**(14,654)**	**(14,654)**	–	–	(14,126)	(14,126)
Total cash flows	**18,336**	**–**	**(14,259)**	**4,077**	18,743	–	(13,716)	5,027
Insurance contract liabilities at 31 December	**(2,085)**	**83**	**33,261**	**31,259**	(1,291)	101	29,925	28,735

1 Excludes $243 million (2024 $221 million) of insurance service expenses which represent movements in assets and liabilities that do not form part of insurance contract liabilities on the balance sheet.

2. Underwriting activities

Reinsurance contract assets

	2025				2024			
	ASSET FOR REMAINING COVERAGE				ASSET FOR REMAINING COVERAGE			
	EXCLUDING LOSS-RECOVERY COMPONENT US$M	LOSS-RECOVERY COMPONENT US$M	RECOVERIES OF INCURRED CLAIMS US$M	TOTAL US$M	EXCLUDING LOSS-RECOVERY COMPONENT US$M	LOSS-RECOVERY COMPONENT US$M	RECOVERIES OF INCURRED CLAIMS US$M	TOTAL US$M
Reinsurance contract assets at 1 January	**784**	**26**	**8,628**	**9,438**	(726)	3	8,757	8,034
Reinsurance expenses (a)	**(5,251)**	**–**	**–**	**(5,251)**	(4,462)	–	–	(4,462)
Recovery of incurred claims and other expenses	**(9)**	**(26)**	**3,972**	**3,937**	(16)	(3)	3,864	3,845
Changes in credit risk	**–**	**–**	**–**	**–**	–	–	(6)	(6)
Changes that relate to past service – prior accident years	**–**	**–**	**22**	**22**	–	–	(459)	(459)
Recovery of onerous contract losses and reversals of those recoveries	**–**	**8**	**–**	**8**	–	26	–	26
Reinsurance income (b)	**(9)**	**(18)**	**3,994**	**3,967**	(16)	23	3,399	3,406
Insurance service result (a)+(b)	**(5,260)**	**(18)**	**3,994**	**(1,284)**	(4,478)	23	3,399	(1,056)
Reinsurance finance income	**81**	**–**	**340**	**421**	36	–	123	159
Foreign exchange	**(73)**	**–**	**180**	**107**	13	–	(156)	(143)
Statement of comprehensive income	**(5,252)**	**(18)**	**4,514**	**(756)**	(4,429)	23	3,366	(1,040)
Investment components	**(143)**	**–**	**143**	**–**	(247)	–	247	–
Disposals	**–**	**–**	**–**	**–**	1	–	(2)	(1)
Cash flows				**–**				
Premium paid net of ceding commissions received	**4,592**	**–**	**20**	**4,612**	6,185	–	20	6,205
Recoveries and taxes received	**–**	**–**	**(4,654)**	**(4,654)**	–	–	(3,760)	(3,760)
Total cash flows	**4,592**	**–**	**(4,634)**	**(42)**	6,185	–	(3,740)	2,445
Reinsurance contract assets at 31 December	**(19)**	**8**	**8,651**	**8,640**	784	26	8,628	9,438

How we account for the numbers

The asset or liability for remaining coverage under the premium allocation approach is measured as premiums received net of unamortised acquisition cash flows and amounts recognised as insurance revenue for coverage that has been provided. Insurance acquisition cash flows are amortised over the coverage period of the related insurance contracts on the same basis as the insurance revenue earning pattern (note 2.1) for the business to which the cash flows relate. The liability for remaining coverage is not discounted where the time between providing each part of the services and the related premium due date is no more than a year.

The asset or liability for remaining coverage under the general model is measured as the sum of:

- the present value of future cash flows that are expected to arise as the Group fulfils the contracts, which mainly comprise premium, claims and attributable expenses;
- a risk adjustment for non-financial risk (note 2.2.4); and
- a contractual service margin, representing the 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.

The liability for remaining coverage includes a loss component which depicts amounts recognised on onerous contracts. A corresponding loss-recovery component within the reinsurance asset for remaining coverage depicts amounts recoverable in respect of losses on onerous contracts covered by reinsurance contracts held.

Under both measurement models, the liability for incurred claims (and corresponding recoveries of incurred claims) is measured as the fulfilment cash flows (sum of present value of future cash flows and a risk adjustment) relating to incurred claims and attributable expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Critical accounting judgements and estimates

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

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

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims that have been reported to the Group but are not yet paid, for which more information about claims is generally available. The notification and settlement of claims relating to liability and other long-tail classes of business may not happen for many years after the event giving rise to the claim. As a consequence, liability and other long-tail classes typically display greater variability between initial estimates and final settlement due to delays in reporting claims and uncertainty in respect of court awards and future claims inflation. Claims in respect of property and other short-tail classes are typically reported and settled soon after the claim event, typically giving rise to less uncertainty.

Estimates of future cash flows for each class of business are determined using a variety of estimation techniques, generally based on an analysis of historical experience and with reference to external benchmarks where relevant. The cash flows are discounted to present value using appropriate discount rates as described in note 2.2.5.

Onerous contracts

Insurance contracts are onerous when the liability for remaining coverage is insufficient to pay future claims and other insurance service expenses attributable to the contracts.

Contracts that are measured using the premium allocation approach are assumed not to be onerous unless facts and circumstances indicate otherwise. In identifying facts and circumstances that may be indicators of onerous contracts, the Group considers management information for Group planning and performance management, in combination with other indicators where relevant. If there are facts and circumstances that may indicate the existence of possible onerous contracts, the onerous contract losses are measured based on the extent to which the fulfilment cash flows attributable to the group of contracts exceed the liability for remaining coverage for that group.

Under both measurement models, onerous contract losses are measured on a gross basis (excluding the effect of reinsurance contracts held) and are immediately recognised in profit or loss. A loss component of the liability for remaining coverage is established (or increased) to depict the onerous contract losses recognised. Where the onerous contracts are covered by reinsurance contracts held, reinsurance income is recognised in profit or loss and a corresponding loss-recovery component of the reinsurance asset for remaining coverage is established to depict expected recoveries attributable to the onerous contract losses.

The consideration of facts and circumstances as well as the measurement of any onerous contract losses are determined separately for each underwriting year within a portfolio of contracts that are of similar risks and managed together. Where a subset of contracts within a portfolio would be identified as a separate group from other contracts within the portfolio only because of the existence of specific legal or regulatory constraints to the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics, such contracts are included in the same group for the purposes of identifying and measuring onerous contracts.

2. Underwriting activities

2.2.2 Movement in the net liability for incurred claims

	2025			2024		
	PREMIUM ALLOCATION APPROACH US$M	GENERAL MODEL US$M	TOTAL US$M	PREMIUM ALLOCATION APPROACH US$M	GENERAL MODEL US$M	TOTAL US$M
Net liability for incurred claims						
Insurance contract liabilities	**33,163**	**98**	**33,261**	29,803	122	29,925
Reinsurance contract assets	**(8,125)**	**(526)**	**(8,651)**	(8,184)	(444)	(8,628)
	25,038	**(428)**	**24,610**	21,619	(322)	21,297

The movement in the net liability for incurred claims for contracts measured under the premium allocation approach is analysed in the tables below:

Insurance contract liabilities

	2025			2024		
	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	LIABILITY FOR INCURRED CLAIMS US$M	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	LIABILITY FOR INCURRED CLAIMS US$M
Insurance contract liabilities at 1 January	**27,783**	**2,020**	**29,803**	27,110	1,983	29,093
Incurred claims and other attributable expenses	**14,533**	**687**	**15,220**	14,592	677	15,269
Changes that relate to past service – prior accident years	**337**	**(611)**	**(274)**	56	(587)	(531)
Insurance service expenses	**14,870**	**76**	**14,946**	14,648	90	14,738
Insurance service result	**14,870**	**76**	**14,946**	14,648	90	14,738
Insurance finance expenses	**1,071**	**86**	**1,157**	567	25	592
Foreign exchange	**1,252**	**120**	**1,372**	(920)	(77)	(997)
Statement of comprehensive income	**17,193**	**282**	**17,475**	14,295	38	14,333
Investment components	**116**	**–**	**116**	76	–	76
Disposals	**–**	**–**	**–**	(4)	(1)	(5)
Cash flows						
Premium received	**454**	**–**	**454**	478	–	478
Acquisition costs paid	**(70)**	**–**	**(70)**	(75)	–	(75)
Claims and expenses, including taxes, paid	**(14,615)**	**–**	**(14,615)**	(14,097)	–	(14,097)
Total cash flows	**(14,231)**	**–**	**(14,231)**	(13,694)	–	(13,694)
Insurance contract liabilities at 31 December	**30,861**	**2,302**	**33,163**	27,783	2,020	29,803

Reinsurance contract assets

	2025			2024		
	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	RECOVERIES OF INCURRED CLAIMS US$M	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	RECOVERIES OF INCURRED CLAIMS US$M
Reinsurance contract assets at 1 January	**7,747**	**437**	**8,184**	8,149	486	8,635
Recovery of incurred claims and other expenses	**3,031**	**160**	**3,191**	3,034	84	3,118
Changes in credit risk	**–**	**–**	**–**	(6)	–	(6)
Changes that relate to past service – prior accident years	**179**	**(151)**	**28**	(330)	(126)	(456)
Reinsurance income	**3,210**	**9**	**3,219**	2,698	(42)	2,656
Insurance service result	**3,210**	**9**	**3,219**	2,698	(42)	2,656
Reinsurance finance income	**315**	**25**	**340**	110	13	123
Foreign exchange	**147**	**22**	**169**	(131)	(20)	(151)
Statement of comprehensive income	**3,672**	**56**	**3,728**	2,677	(49)	2,628
Investment components	**104**	**–**	**104**	181	–	181
Disposals	**–**	**–**	**–**	(2)	–	(2)
Cash flows						
Premium paid net of ceding commissions received	**20**	**–**	**20**	20	–	20
Recoveries and taxes received	**(3,911)**	**–**	**(3,911)**	(3,278)	–	(3,278)
Total cash flows	**(3,891)**	**–**	**(3,891)**	(3,258)	–	(3,258)
Reinsurance contract assets at 31 December	**7,632**	**493**	**8,125**	7,747	437	8,184

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Underwriting activities

2.2.3 Analysis of contracts measured under the general model

Insurance contract liabilities

	2025				2024			
	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	CONTRACTUAL SERVICE MARGIN US$M	TOTAL US$M	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	CONTRACTUAL SERVICE MARGIN US$M	TOTAL US$M
Insurance contract liabilities at 1 January	**240**	**45**	**153**	**438**	351	65	148	564
Changes that relate to current service								
Contractual service margin release for services provided	**–**	**–**	**(60)**	**(60)**	–	–	(55)	(55)
Changes in risk adjustment	**–**	**1**	**–**	**1**	–	(2)	–	(2)
Experience adjustments	**(21)**	**–**	**–**	**(21)**	(47)	–	–	(47)
	(21)	**1**	**(60)**	**(80)**	(47)	(2)	(55)	(104)
Changes that relate to future service								
Contracts initially recognised in the period	**(61)**	**6**	**55**	**–**	(36)	5	31	–
Changes that adjust the contractual service margin	**(13)**	**(2)**	**15**	**–**	(34)	(6)	40	–
	(74)	**4**	**70**	**–**	(70)	(1)	71	–
Changes that relate to past service								
Adjustments to liability for incurred claims	**(42)**	**(16)**	**–**	**(58)**	(37)	(16)	–	(53)
	(42)	**(16)**	**–**	**(58)**	(37)	(16)	–	(53)
Insurance service result	**(137)**	**(11)**	**10**	**(138)**	(154)	(19)	16	(157)
Insurance finance expenses	**14**	**1**	**8**	**23**	21	2	6	29
Foreign exchange	**16**	**4**	**10**	**30**	(24)	(3)	(17)	(44)
Statement of comprehensive income	**(107)**	**(6)**	**28**	**(85)**	(157)	(20)	5	(172)
Cash flows								
Premium received	**120**	**–**	**–**	**120**	89	–	–	89
Acquisition costs paid	**(12)**	**–**	**–**	**(12)**	(14)	–	–	(14)
Claims and expenses, including taxes, paid	**(39)**	**–**	**–**	**(39)**	(29)	–	–	(29)
Total cash flows	**69**	**–**	**–**	**69**	46	–	–	46
Insurance contract liabilities at 31 December	**202**	**39**	**181**	**422**	240	45	153	438

Contracts initially recognised in the period

The following table provides an analysis of contracts measured under the general model that were initially recognised in the period:

	2025 US$M	2024 US$M
Insurance acquisition cash flows	**12**	14
Claims and other insurance service expenses payable	**38**	33
Estimates of the present value of future cash outflows	**50**	47
Estimates of the present value of future cash inflows	**(111)**	(83)
Risk adjustment	**6**	5
Contractual service margin	**55**	31
Movement in insurance contract liabilities	**–**	–

Contractual service margin by transition method

The following table provides an analysis of contractual service margin by transition method applied to measure the contracts on initial application of AASB 17 *Insurance Contracts*:

	2025			2024		
	CONTRACTS UNDER THE MODIFIED RETROSPECTIVE APPROACH US$M	OTHER CONTRACTS US$M	TOTAL US$M	CONTRACTS UNDER THE MODIFIED RETROSPECTIVE APPROACH US$M	OTHER CONTRACTS US$M	TOTAL US$M
At 1 January	**76**	**77**	**153**	97	51	148
Changes that relate to current service						
Contractual service margin release for services provided	**(28)**	**(32)**	**(60)**	(33)	(22)	(55)
Changes that relate to future service						
Contracts initially recognised in the period	**–**	**55**	**55**	–	31	31
Changes in estimates that adjust the contractual service margin	**11**	**4**	**15**	18	22	40
Insurance service result	**(17)**	**27**	**10**	(15)	31	16
Insurance finance expenses	**2**	**6**	**8**	2	4	6
Foreign exchange	**5**	**5**	**10**	(8)	(9)	(17)
Statement of comprehensive income	**(10)**	**38**	**28**	(21)	26	5
At 31 December	**66**	**115**	**181**	76	77	153

2. Underwriting activities

Reinsurance contract assets

	2025				2024			
	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	CONTRACTUAL SERVICE MARGIN US$M	TOTAL US$M	PRESENT VALUE OF FUTURE CASH FLOWS US$M	RISK ADJUSTMENT US$M	CONTRACTUAL SERVICE MARGIN US$M	TOTAL US$M
Reinsurance contract assets at 1 January	**3,253**	**232**	**20**	**3,505**	2,051	161	3	2,215
Changes that relate to current service								
Contractual service margin release for services provided	**–**	**–**	**(6)**	**(6)**	–	–	(5)	(5)
Changes in risk adjustment	**–**	**(82)**	**–**	**(82)**	–	(70)	–	(70)
Experience adjustments	**(10)**	**–**	**–**	**(10)**	(25)	–	–	(25)
	(10)	**(82)**	**(6)**	**(98)**	(25)	(70)	(5)	(100)
Changes that relate to future service								
Contracts initially recognised in the period	**(2)**	**–**	**2**	**–**	(194)	106	8	(80)
Changes in estimates that do not adjust the contractual service margin	**168**	**13**	**–**	**181**	373	30	–	403
Changes that adjust the contractual service margin	**(3)**	**(1)**	**4**	**–**	(14)	(2)	16	–
	163	**12**	**6**	**181**	165	134	24	323
Changes that relate to past service								
Adjustments to recoveries of incurred claims	**(6)**	**–**	**–**	**(6)**	(3)	–	–	(3)
	(6)	**–**	**–**	**(6)**	(3)	–	–	(3)
Insurance service result	**147**	**(70)**	**–**	**77**	137	64	19	220
Reinsurance finance income	**74**	**7**	**1**	**82**	24	13	1	38
Foreign exchange	**53**	**14**	**1**	**68**	(33)	(6)	(3)	(42)
Statement of comprehensive income	**274**	**(49)**	**2**	**227**	128	71	17	216
Cash flows								
Premium paid net of ceding commissions received	**11**	**–**	**–**	**11**	1,556	–	–	1,556
Recoveries received	**(744)**	**–**	**–**	**(744)**	(482)	–	–	(482)
Total cash flows	**(733)**	**–**	**–**	**(733)**	1,074	–	–	1,074
Reinsurance contract assets at 31 December	**2,794**	**183**	**22**	**2,999**	3,253	232	20	3,505

Contracts initially recognised in the period

The following table provides an analysis of contracts measured under the general model that were initially recognised in the period:

	2025 US$M	2024 US$M
Estimates of the present value of future cash outflows	**(5)**	(1,512)
Estimates of the present value of future cash inflows	**3**	1,318
Risk adjustment	**–**	106
Contractual service margin	**2**	8
Movement in reinsurance contract assets	**–**	(80)

Contractual service margin by transition method

The following table provides an analysis of contractual service margin by transition method applied to measure the contracts on initial application of AASB 17:

	2025			2024		
	CONTRACTS UNDER THE MODIFIED RETROSPECTIVE APPROACH US$M	OTHER CONTRACTS US$M	TOTAL US$M	CONTRACTS UNDER THE MODIFIED RETROSPECTIVE APPROACH US$M	OTHER CONTRACTS US$M	TOTAL US$M
At 1 January	**–**	**20**	**20**	(6)	9	3
Changes that relate to current service						
Contractual service margin release for services provided	**(1)**	**(5)**	**(6)**	1	(6)	(5)
Changes that relate to future service						
Contracts initially recognised in the period	**–**	**2**	**2**	–	8	8
Changes in estimates that adjust the contractual service margin	**3**	**1**	**4**	5	11	16
Insurance service result	**2**	**(2)**	**–**	6	13	19
Reinsurance finance income	**–**	**1**	**1**	–	1	1
Foreign exchange	**–**	**1**	**1**	–	(3)	(3)
Statement of comprehensive income	**2**	**–**	**2**	6	11	17
At 31 December	**2**	**20**	**22**	–	20	20

2. Underwriting activities

2.2.4 Risk adjustment

The risk adjustment recognised in relation to the liability for incurred claims (net of reinsurance held) corresponds to a confidence level of 89.5% (2024 90.2%). The net liability for incurred claims excludes recoveries under reinsurance loss portfolio transfer contracts that are accounted for under the general model and recognised within the reinsurance asset for remaining coverage as they relate to underlying claims that have not yet been settled. The confidence level inclusive of these recoveries is 89.5% (2024 90.1%).

How we account for the numbers

The risk adjustment reflects the compensation required for bearing uncertainty about the amount and timing of cash flows that arises from non-financial risk. For contracts measured under the premium allocation approach, unless the contracts are onerous, an explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims.

The risk adjustment recognised in relation to the liability for incurred claims is determined with reference to QBE's weighted average cost of economic capital allocated to earned reserve risk. The risk adjustment also reflects the benefit from the diversification of the classes and geographies of the Group. The Group aims to maintain a risk adjustment within a range of 6% to 8% of the net present value of future cash flows in relation to the net outstanding claims liability (being claims reserves within the liability for incurred claims) inclusive of recoveries from reinsurance loss portfolio transfer contracts.

Changes in the risk adjustment are disaggregated between the insurance service result and insurance and reinsurance finance income and expenses.

Critical accounting judgements and estimates

The risk adjustment is approved by the Board and represents the compensation QBE requires for bearing the uncertainty in the net discounted estimate of future cash flows within the insurance liabilities. The determination of the appropriate level of risk adjustment takes into account:

- the level of economic capital that QBE allocates to support the net discounted cash flows and the weighted average cost of servicing that capital;
- the run-off profile and term to settlement of the net discounted cash flows;
- mix of business, in particular the mix of short-tail and long-tail business;
- the benefit of diversification between classes of business and geographic locations; and
- the level of uncertainty in the cash flow estimates due to estimation error, data quality, variability of key inflation assumptions, and possible economic and legislative changes.

The uncertainty by class of business is measured using techniques that determine a range of possible outcomes of ultimate payments and assign a likelihood to outcomes at different levels. These techniques generally use standard statistical distributions, and the measure of variability is referred to as the coefficient of variation.

The coefficient of variation for two or more classes of business or for two or more geographic locations combined is likely to be less than the coefficients of variation for the individual classes, reflecting the benefit of diversification in general insurance. The statistical measure used to determine diversification is called the correlation; the higher the correlation between two classes of business, the more likely it is that a negative outcome in one class will correspond to a negative outcome in the other class. For example, higher correlation exists between classes of business affected by court cases involving bodily injury claims such as motor third-party liability, workers' compensation and public liability, particularly in the same jurisdiction.

The confidence level for the Group is determined by analysing the variability of each class of business and the correlation between classes of business and divisions. Correlations are determined for aggregations of classes of business, where appropriate, at the divisional level. The correlations adopted by the Group are generally derived from industry analysis, the Group's historical experience and the judgement of experienced and qualified actuaries. The net present value of future cash flows used in the determination of the confidence level is discounted using risk-free rates.

2.2.5 Discount rates used to estimate the present value of future cash flows

Overview

Claims in relation to long-tail classes of business (e.g. professional indemnity and workers' compensation) typically may not settle for many years. As such, the liability is discounted to reflect the time value of money. The table below summarises the yield curves used to discount estimates of future cash flows within the net insurance contract liabilities.

	2025			2024		
	1 YEAR	5 YEARS	10 YEARS	1 YEAR	5 YEARS	10 YEARS
New Zealand dollar	**2.83**	**4.10**	**4.91**	4.29	4.13	4.86
US dollar	**3.93**	**4.04**	**4.51**	4.59	4.71	4.89
Canadian dollar	**2.68**	**3.30**	**3.81**	3.37	3.26	3.56
Sterling	**3.94**	**4.25**	**4.97**	4.90	4.52	4.94
Hong Kong dollar	**2.58**	**2.87**	**3.39**	4.04	3.75	4.06
Australian dollar	**4.28**	**4.62**	**5.15**	4.48	4.22	4.71
Euro	**2.34**	**2.72**	**3.20**	2.85	2.40	2.67

How we account for the numbers

AASB 17 requires the estimates of future cash flows to be discounted to reflect the time value of money and financial risks related to those cash flows. A bottom-up approach is applied to determine the discount rates used to discount insurance and reinsurance contract cash flows, which uses risk-free rates adjusted to reflect the liquidity characteristics of the insurance contracts.

Critical accounting judgements and estimates

The illiquidity premium within discount rates is derived based on the long-term weighted average credit spread of a reference portfolio of assets with a similar currency mix and weighted average duration as the related insurance liabilities over the longer term. The effect of credit risk and other factors that are not relevant to the liquidity characteristics of insurance contracts is eliminated to estimate the portion of the spread that reflects the illiquidity premium.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Underwriting activities

2.2.6 Maturity profile of the net insurance contract liabilities

Overview

The maturity profiles below set out the Group's expectation of the period over which the cash flows arising from insurance and reinsurance contracts will be settled and the period over which the contractual service margin of contracts applying the general model is expected to be released to profit or loss. The Group uses information about the maturity profile of the present value of future cash flows to ensure that it has adequate liquidity to pay claims and expenses as they are due to be settled and to inform the Group's investment strategy.

Expected timing of settlement of the present value of future cash flows

The following table summarises the expected maturity profile of the present value of future cash flows within the Group's insurance and reinsurance contract assets and liabilities. The net liability for remaining coverage of contracts measured under the premium allocation approach is excluded from the below.

2025	1 YEAR OR LESS US$M	13 TO 24 MONTHS US$M	25 TO 36 MONTHS US$M	37 TO 48 MONTHS US$M	49 TO 60 MONTHS US$M	OVER 5 YEARS US$M	TOTAL US$M
Insurance contract liabilities	**13,571**	**5,255**	**3,597**	**2,547**	**1,798**	**4,295**	**31,063**
Reinsurance contract assets	**5,416**	**1,450**	**1,065**	**647**	**463**	**1,385**	**10,426**

2024	1 YEAR OR LESS US$M	13 TO 24 MONTHS US$M	25 TO 36 MONTHS US$M	37 TO 48 MONTHS US$M	49 TO 60 MONTHS US$M	OVER 5 YEARS US$M	TOTAL US$M
Insurance contract liabilities	12,657	4,601	3,111	2,269	1,600	3,785	28,023
Reinsurance contract assets	6,025	1,429	1,050	672	464	1,360	11,000

There were no amounts payable on demand at the balance date (2024 nil).

Expected timing of contractual service margin release

The following table sets out when the Group expects to recognise the remaining contractual service margin in profit or loss:

	2025				2024			
	1 YEAR OR LESS US$M	2 TO 5 YEARS US$M	MORE THAN 5 YEARS US$M	TOTAL US$M	1 YEAR OR LESS US$M	2 TO 5 YEARS US$M	MORE THAN 5 YEARS US$M	TOTAL US$M
Insurance contract liabilities	**45**	**100**	**36**	**181**	37	83	33	153
Reinsurance contract assets	**6**	**13**	**3**	**22**	4	12	4	20

2.2.7 Impact of changes in key variables on the net insurance contract liabilities

Overview

The impact of changes in key variables used in the calculation of the net insurance contract liabilities is summarised in the table below, and is shown gross and net of reinsurance held. Each change has been calculated in isolation from the other changes and shows the after-tax impact on profit or loss assuming that there is no change to any of the other variables. In practice, this is considered unlikely to occur as, for example, an increase in interest rates is normally associated with an increase in the rate of inflation. Over the medium to longer term, the impact of a change in discount rates is expected to be, at least partly, offset by the impact of a change in the rate of inflation.

The sensitivities below assume that all changes directly impact profit after tax. In practice, if the present value of future cash flows was to increase, it is possible that part of the increase may result in an offsetting change in the level of risk adjustment required rather than in a change to profit or loss after tax, depending on the nature of the change in the cash flow estimate and risk outlook.

		PROFIT (LOSS)[1]			
		GROSS		NET	
	SENSITIVITY %	2025 US$M	2024 US$M	2025 US$M	2024 US$M
Present value of future cash flows	+5	**(1,013)**	(937)	**(734)**	(627)
	-5	**1,013**	937	**734**	627
Risk adjustment	+5	**(81)**	(71)	**(58)**	(48)
	-5	**81**	71	**58**	48
Inflation rate	+1	**(568)**	(527)	**(424)**	(363)
	-1	**532**	493	**398**	340
Discount rate[2]	+1	**522**	475	**390**	329
	-1	**(571)**	(518)	**(426)**	(358)
Weighted average term to settlement	+10	**237**	220	**175**	150
	-10	**(240)**	(223)	**(177)**	(152)

1 Net of tax at a prima facie income tax rate of 30%.

2 The impact of reasonably possible changes in interest rates on interest-bearing financial assets owned by the Group at the balance date is shown in note 4.4.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Underwriting activities

2.3 Claims development – net liability for incurred claims

Overview

The claims development table demonstrates the extent to which the original estimate of net ultimate claims payments in any one accident year (item (a) in the table below) has subsequently developed favourably (i.e. claims cost estimates have reduced) or unfavourably (i.e. further claims expense has been recognised in subsequent years). This table therefore illustrates the variability and inherent uncertainty in estimating the expected claims cash flows each year. The ultimate claims cost for any particular accident year is not known until all claims payments have been made which, for some long-tail classes of business, could be many years into the future. The estimate of net ultimate claims payments at the end of each subsequent accident year demonstrates how the original estimate has been revised over time (item (b)).

Cumulative net claims payments (item (d)) are deducted from the estimate of net ultimate claims payments in each accident year (item (c)) at the current balance date, resulting in the undiscounted claims estimate at a fixed rate of exchange (item (e)). This is revalued to the balance date rate of exchange (item (f)) to report the net undiscounted claims estimate (item (g)), which is reconciled to the net liability for incurred claims (item (h)). The treatment of foreign exchange in the claims development table is explained on the following page.

The net increase (decrease) in estimated net ultimate claims payments (item (i)) reflects the estimated ultimate net claims payments at the end of the current financial year (item (c)) less the equivalent at the end of the previous financial year (item (b)).

The claims development table is presented net of reinsurance. With insurance operations in 26 countries, hundreds of products, various reinsurance arrangements and with the Group's risk tolerance managed on a consolidated basis, it is considered neither meaningful nor practicable to provide this information other than on a consolidated Group basis.

		2018 & PRIOR US$M	2019 US$M	2020 US$M	2021 US$M	2022 US$M	2023 US$M	2024 US$M	2025 US$M	TOTAL US$M
Net ultimate claims payments										
(a)	Original estimate of net ultimate claims payments		6,996	7,102	7,744	9,319	9,740	10,495	10,257	
(b)	One year later		7,299	6,924	7,869	9,699	9,657	10,128		
	Two years later		7,526	7,162	7,823	9,641	9,714			
	Three years later		7,589	6,953	7,852	9,735				
	Four years later		7,641	6,987	7,888					
	Five years later		7,726	7,081						
	Six years later		7,815							
(c)	Current estimate of net ultimate claims payments		7,815	7,081	7,888	9,735	9,714	10,128	10,257	62,618
(d)	Cumulative net payments to date		(7,225)	(5,998)	(6,413)	(7,415)	(6,263)	(5,262)	(1,998)	(40,574)
(e)	Net undiscounted claims estimate at fixed rate of exchange	3,079	590	1,083	1,475	2,320	3,451	4,866	8,259	25,123
(f)	Foreign exchange impact									103
	Provision for impairment									26
(g)	Net undiscounted claims estimate at 31 December 2025									25,252
	Discount to present value									(3,208)
	Other attributable cash flows									743
	Risk adjustment									1,823
(h)	Net liability for incurred claims at 31 December 2025 (note 2.2.2)									24,610
(i)	Movement in estimated net ultimate claims payments	134	89	94	36	94	57	(367)	10,257	10,394

How we account for the numbers

The estimate of net ultimate claims payments attributable to business acquired that applied the modified retrospective transition approach on initial application of AASB 17 is included in the claims development table in the accident year in which the acquisition was made. Information about claims development has been disclosed for the seven accident years preceding the end of the current reporting period as permitted by AASB 17.

The Group writes business in many currencies. The translation of estimated net ultimate claims payments denominated in foreign currencies gives rise to foreign exchange movements which have no direct bearing on the development of the underlying claims. To eliminate this distortion, estimated net ultimate claims payments have been translated to the functional currencies of our controlled entities at constant rates of exchange. All estimates of ultimate claims payments for the accident years reported that are in functional currencies other than US dollars have been translated to US dollars using 2025 average rates of exchange.

2.3.1 Reinsurance of prior accident year claims liabilities

Reinsurance expenses include $685 million (2024 $408 million) relating to reinsurance loss portfolio transfer contracts entered into in prior periods that remain in-force, reflecting amounts recognised over the coverage period as the underlying claims settle. In addition, 2024 also included an upfront net cost of $80 million for the reinsurance of prior year claims liabilities in North America and International.

3. Investment activities

Overview

Premiums collected from policyholders are invested to meet the Group's cash flow needs to pay claims and other expenses, as well as generating a return that contributes to the Group's profitability. A sound investment strategy is therefore integral to the success of the Group's operations.

The Group invests across a diversified range of instruments to achieve an appropriate balance between risk and return. Decisions on where to invest are dependent on expected returns, cash flow requirements of the Group, liquidity of the instrument, credit quality of the instrument and the overall risk appetite of the Group. Further details on the management of risk associated with investment assets can be found in note 4.

3.1 Investment income

	2025 US$M	2024 US$M
Income on fixed interest securities, short-term money and cash	**1,380**	1,207
Income on growth assets	**312**	192
Gross investment income[1]	**1,692**	1,399
Investment expenses	**(37)**	(41)
Net investment income	**1,655**	1,358
Foreign exchange	**24**	(38)
Other income	**4**	4
Other expenses	**(3)**	(14)
Total investment income	**1,680**	1,310
Investment income – policyholders' funds	**1,089**	845
Investment expenses – policyholders' funds	**(23)**	(26)
Investment income – shareholders' funds	**628**	506
Investment expenses – shareholders' funds	**(14)**	(15)
Total investment income	**1,680**	1,310

1 Amounts from investments measured at fair value through profit or loss (FVPL) comprise net fair value gains of $580 million (2024 $381 million), interest income of $844 million (2024 $830 million) and dividend and distribution income of $127 million (2024 $84 million). Amounts from investments measured at fair value through other comprehensive income (FVOCI) comprise interest income of $141 million (2024 $101 million). The prior year also included net cumulative gains reclassified from FVOCI reserve of $4 million and allowance for expected credit losses (ECL) of $1 million.

How we account for the numbers

Investment income includes realised and unrealised gains or losses on financial assets measured at FVPL which are reported on a combined basis as fair value gains or losses on financial assets. Dividend and distribution income are recognised when the right to receive payment is established.

Interest income on investments measured at FVPL is measured based on contractual rates and is recognised in the period in which it is earned. Interest income on investments measured at FVOCI is recognised using the effective interest rate method by applying the effective interest rate to the gross carrying amount for assets that are not credit-impaired, or to the net carrying amount (after deduction of ECL allowance) for assets that are subsequently classified as credit-impaired.

The allowance for ECL on investments measured at FVOCI is a probability-weighted estimate of credit losses expected to arise from default events that are possible:

- within the next 12 months (Stage 1 or 12-month ECL); or
- over the expected life of the investments (lifetime ECL) where there has been significant increases in credit risk since initial recognition (Stage 2) or if the investments are credit-impaired due to the occurrence of a loss event (Stage 3).

3.2 Investments

	2025			2024		
	FVPL US$M	FVOCI US$M	TOTAL US$M	FVPL US$M	FVOCI US$M	TOTAL US$M
Fixed income assets						
Short-term money	3,522	–	3,522	4,490	74	4,564
Government bonds	8,722	1,232	9,954	6,228	1,027	7,255
Corporate bonds	12,862	2,286	15,148	10,872	1,932	12,804
Infrastructure debt	–	–	–	33	–	33
Emerging market debt	550	–	550	530	–	530
High yield debt	825	–	825	800	–	800
Private credit	538	–	538	378	–	378
	27,019	3,518	30,537	23,331	3,033	26,364
Growth assets						
Developed market equity	831	–	831	817	–	817
Emerging market equity	25	–	25	–	–	–
Investment property funds	911	–	911	599	–	599
Infrastructure assets	1,426	–	1,426	955	–	955
Alternatives	240	–	240	197	–	197
	3,433	–	3,433	2,568	–	2,568
Total investments	30,452	3,518	33,970	25,899	3,033	28,932
Amounts maturing within 12 months	9,121	539	9,660	8,522	292	8,814
Amounts maturing in greater than 12 months	21,331	2,979	24,310	17,377	2,741	20,118
Total investments	30,452	3,518	33,970	25,899	3,033	28,932

At 31 December 2025, QBE had undrawn commitments to externally managed investment vehicles of $863 million (2024 $810 million).

How we account for the numbers

Investments measured at FVPL are managed and assessed on a fair value basis to optimise returns within risk appetites and investment strategy parameters and limits. These investments are initially recognised at fair value, determined as the cost of acquisition excluding transaction costs, and are remeasured to fair value through profit or loss at each reporting date.

Investments measured at FVOCI comprise debt instruments with contractual cash flows that are solely payments of principal and interest, and are held primarily to manage the incremental sensitivity of regulatory capital to movements in interest rates. Sales may occur for reasons including the rebalancing of the portfolio in response to changes in the capital positions of the Group or in-scope controlled entities, or to meet contingency liquidity requirements if and when they arise. These investments are initially measured at fair value plus directly attributable transaction costs, and are remeasured to fair value through other comprehensive income at each reporting date. These investments are assessed for impairment based on ECL as described in note 3.1, with the allowance recognised in the FVOCI reserve within equity, and an impairment gain or loss recognised in profit or loss for changes in the ECL. The cumulative gain or loss recognised in other comprehensive income is subsequently recognised in profit or loss when the investments are derecognised.

The fair value hierarchy and the Group's approach to measuring the fair value of each category of investment instrument are disclosed in note 3.2.1.

3. Investment activities

3.2.1 Fair value hierarchy

Overview

The Group Revaluation Committee is responsible for the governance and oversight of the valuation process. The fair value of investments is determined in accordance with the Group's investment valuation policy.

The investments of the Group are disclosed in the table below using a fair value hierarchy which reflects the significance of inputs into the determination of fair value as follows:

Level 1: Valuation is based on quoted prices in active markets for identical instruments.

Level 2: Valuation is based on quoted prices for identical instruments in markets which are not active, quoted prices for similar instruments, or valuation techniques for which all significant inputs are based on observable market data, for example, consensus pricing using broker quotes or valuation models with observable inputs.

Level 3: Valuation techniques are applied in which one or more significant inputs are not based on observable market data.

	2025				2024			
	LEVEL 1 US$M	LEVEL 2 US$M	LEVEL 3 US$M	TOTAL US$M	LEVEL 1 US$M	LEVEL 2 US$M	LEVEL 3 US$M	TOTAL US$M
Fixed income assets								
Short-term money	161	3,361	–	3,522	337	4,227	–	4,564
Government bonds	8,745	1,209	–	9,954	5,904	1,351	–	7,255
Corporate bonds	–	15,148	–	15,148	–	12,804	–	12,804
Infrastructure debt	–	–	–	–	–	–	33	33
Emerging market debt	–	550	–	550	–	530	–	530
High yield debt	–	825	–	825	–	800	–	800
Private credit	–	–	538	538	–	–	378	378
	8,906	21,093	538	30,537	6,241	19,712	411	26,364
Growth assets								
Developed market equity	831	–	–	831	817	–	–	817
Emerging market equity	25	–	–	25	–	–	–	–
Investment property funds	–	–	911	911	–	–	599	599
Infrastructure assets	–	–	1,426	1,426	–	–	955	955
Alternatives	5	132	103	240	40	71	86	197
	861	132	2,440	3,433	857	71	1,640	2,568
Total investments	9,767	21,225	2,978	33,970	7,098	19,783	2,051	28,932

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

Short-term money

Cash managed as part of the investment portfolio is categorised as level 1 in the fair value hierarchy. Term deposits are valued at par. Other short-term money (bank bills, certificates of deposit, treasury bills and other short-term instruments) is priced using interest rates and yield curves observable at commonly quoted intervals. Term deposits and other short-term money are categorised as level 2.

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

These assets are valued based on quoted prices sourced from external data providers. The fair value categorisation of these assets is based on the observability of the inputs. Assets that are traded in active markets are categorised as level 1.

Infrastructure debt

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

Private credit

These assets comprise investments in fund vehicles that are valued using current unit prices as advised by the investment fund manager. As the valuation techniques require the use of significant unobservable inputs, these assets have been categorised as level 3. Valuations provided by external fund managers are subject to the same due diligence and oversight processes as those disclosed for investment property funds and infrastructure assets.

Developed market equity and emerging market equity

These assets mainly comprise listed equities traded in active markets valued by reference to quoted prices.

Investment property funds and infrastructure assets

These assets are valued using current unit prices as advised by the investment fund manager. As the valuation techniques require the use of significant unobservable inputs, these assets have been categorised as level 3. Valuations provided by external fund managers are subject to initial due diligence and ongoing assessment, including review of valuation methodology and associated governance frameworks, periodic reviews and comparison to audited financial statements to assess reasonableness.

Alternatives

These assets comprise investments in exchange-traded commodity products, fund vehicles and strategic unlisted investments. Exchange-traded commodity products are listed, traded in active markets and valued by reference to quoted prices and have been categorised as level 1. Investments in fund vehicles are valued based on current unit prices advised by the investment fund manager, and strategic unlisted investments are valued based on other valuation techniques. These assets are classified as level 2 or level 3 based on the observability of the inputs.

Movements in level 3 investments

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

LEVEL 3	2025 US$M	2024 US$M
At 1 January	**2,051**	1,828
Purchases	**926**	433
Disposals	**(208)**	(172)
Fair value movement recognised in profit or loss[1]	**101**	29
Foreign exchange	**108**	(67)
At 31 December	**2,978**	2,051

1 Includes net unrealised gains of $85 million (2024 $30 million).

3.2.2 Charges over investments and restrictions on use

A controlled entity has given fixed and floating charges over certain investments and other assets in order to secure the obligations of the Group's corporate members at Lloyd's as described in note 8.2.

Included in investments are amounts totalling $5,141 million (2024 $4,539 million) which are held in Lloyd's syndicate trust funds. In order to conduct underwriting business within some territories, Lloyd's syndicates are required to lodge assets in locally regulated trust funds. Under Lloyd's byelaws, these amounts can only be used to pay claims and allowable expenses of the syndicate and cannot be withdrawn from the trust funds until they become distributable as profit once annual solvency requirements are met. Included in this amount is $593 million (2024 $750 million) of short-term money.

3.2.3 Derivatives over investment assets

In accordance with our investment management policies and procedures, derivatives may be used in the investment portfolio as both a hedging tool and to alter the risk profile of the portfolio. Risk management policies over the use of derivatives are set out in note 4.

The Group's notional exposure to investment derivatives at the balance date is set out in the table below:

NOTIONAL EXPOSURE	2025 US$M	2024 US$M
Bond futures		
Short government bond futures	**(245)**	(343)
Long government bond futures	**1,357**	1,640
Interest rate futures		
Short interest rate futures	**–**	(636)

QBE may also have exposure to derivatives through investments in underlying pooled funds in accordance with the fund mandate. Those derivative exposures are not included in the table above.

How we account for the numbers

Derivatives over investment assets are required to be measured at FVPL. They are therefore initially recognised at fair value, determined as the cost of acquisition excluding transaction costs, and are remeasured to fair value through profit or loss at each reporting date. For futures and options traded in an active market, the fair value is determined by reference to quoted market prices. The mark-to-market value of futures positions is cash settled on a daily basis resulting in a fair value of nil at the balance date.

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4. Risk management

Overview

QBE is in the business of managing risk. The Group's ability to satisfy customers' risk management needs is central to what we do. QBE aims to generate wealth and maximise returns for its shareholders by pursuing opportunities that involve risk. Our people are responsible for ensuring that QBE's risks are managed and controlled on a day-to-day basis. QBE aims to use its ability to properly manage risk to provide more certainty and improved outcomes for all stakeholders.

QBE applies a consistent and integrated approach to enterprise risk management (ERM). QBE's ERM framework is articulated in the Group Risk Management Strategy (RMS) and Reinsurance Management Strategy (REMS), both of which are approved annually by the Board and lodged with APRA. QBE's framework sets out the approach to managing risk effectively to meet strategic objectives while taking into account the creation of value for our shareholders.

The ERM framework consists of complementary elements that are embedded throughout the business management cycle and culture of the organisation. Key aspects include risk appetite, governance, reporting, risk identification and measurement, modelling and stress testing, risk systems, and risk culture.

Risk management is a continuous process and an integral part of robust business management. QBE's approach is to integrate risk management into the broader management processes of the organisation. It is QBE's philosophy to ensure that risk management remains embedded in the business and that the risk makers or risk takers are themselves the risk managers. Specifically, the management of risk must occur at each point in the business management cycle.

The Group's strategy for managing risk is to:

- achieve competitive advantage by better understanding the risk environments in which we operate;
- give confidence to the business to make objective, risk-based decisions to optimise returns; and
- avoid unwelcome surprises to the achievement of business objectives by reducing uncertainty and volatility through the identification and management of risks.

The key risk categories used by QBE to classify risk are as follows:

- strategic risk (note 4.1);
- insurance risk (note 4.2);
- credit risk (note 4.3);
- market risk (note 4.4);
- liquidity risk (note 4.5);
- operational risk (note 4.6);
- compliance risk (note 4.7); and
- Group risk (note 4.8).

Risk culture

A sound risk culture underpins QBE's risk management strategy and is a key component of the ERM framework. QBE is committed to, and supports, a strong risk culture.

It recognises the importance of risk awareness and culture as being instrumental in the effectiveness of the ERM framework. Further information on risk culture is provided on page 17 of this Annual Report.

4.1 Strategic risk

Overview

Strategic risk is the current and prospective impact on earnings and/or capital arising from strategic business decisions and responsiveness to external change. QBE classifies strategic risk into four subcategories, as follows:

- Performance risk: QBE is not able to achieve its performance objectives.
- Capital risk: QBE's structure and availability of capital do not meet regulatory requirements and/or support strategic initiatives.
- Reputational risk: QBE's stakeholders have a negative perception of QBE's brand which may damage QBE's reputation and threaten overall performance.
- Environmental, social and governance (ESG) risk: this is the negative impact on QBE's strategic priorities or objectives from ESG issues.

QBE's approach to managing strategic risk is underpinned by the Group strategic risk appetite statement as set by the Board and is summarised below.

Performance risk

Failure to deliver acceptable performance can result in shareholders losing confidence, impacting our reputation in the market and ultimately impacting our ability to deliver our strategic objectives.

QBE evaluates performance risk by assessing potential earnings volatility against its risk appetite and considering the changing levels of risk in its business plan. The plan is supported by an established regime of attestations by chief underwriting officers, chief actuaries, chief financial officers and chief risk officers, enabling action prior to signing off the business plan and making market commitments. Performance risk is monitored throughout the year against committed business plans (supported by performance monitoring, cell reviews and mid-year risk reviews). Group-wide stress testing is performed as part of the business planning process and supports the assessment of plan achievability within QBE's defined risk appetite and tolerance levels.

Capital risk

The Internal Capital Adequacy Assessment Process (ICAAP) outlines QBE's approach to:

- assessing the risks arising from its activities and ensuring that capital held is commensurate with the level of risk; and
- maintaining adequate capital over time, including the setting of capital targets consistent with risk profile, risk appetite and regulatory capital requirements.

QBE maintains a level of eligible regulatory capital that exceeds requirements, with the capital target set at a multiple of 1.6–1.8 times the Prescribed Capital Amount (PCA).

The Group requires each regulated entity to maintain a capital base appropriate to its size, business mix, complexity and risk profile which fully complies with local regulatory requirements.

QBE aims to maintain the ratio of borrowings to total capital at 15%–30%. At the balance date, this ratio was 24.1% (2024 19.9%).

The ICAAP also sets out QBE's approach to:

- accessing potential sources of additional capital if required;
- setting and monitoring risk indicators and triggers for capital levels, to alert management to periods of potential heightened risk;
- management action to mitigate the potential implications of heightened risk;
- stress testing and scenario analysis to anticipate, and be better prepared for, certain adverse events;
- assessing the quality and composition of capital to meet regulatory requirements and rating agency guidelines and rules; and
- allocation of capital and ensuring that QBE targets an effective rate of return on its capital deployed.

The governance over the ICAAP includes the Board and Board Committees, the Executive Investment & Capital Committee, the Executive Risk Committee, senior management, and supporting functions.

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4. Risk management

Reputational risk

The quality of QBE's relationships with our customers, investors and the wider community can have an impact on QBE's reputation. One of the ways QBE manages reputational risk is through the implementation of policies and governance processes, including the External Communication and Reputation Management Policy which provides a suite of global principles to support the protection and enhancement of QBE's brand and mitigate the risks of brand damage. The policy also governs external representations made by employees on behalf of QBE, and provides guidance to support the management of risks associated with these communications. Further, QBE recognises that a responsible corporate culture and a sound risk culture are the foundations for managing and maintaining QBE's reputation. Further detail on how QBE manages risk culture is included on page 17 of this Annual Report.

The occurrence of an operational, strategic, compliance (including regulatory), insurance or financial risk event can also result in impacts to QBE's reputation. Issues and incidents which may impact QBE's reputation are managed in line with the Group Incident and Issue Management Standard. A Global Reputational Council is convened regularly throughout the year and includes discussion of issues that could have a reputational impact for QBE. This Council is chaired by the Group Head of External Communications and material issues are reported to the Group Executive Committee and the Board.

ESG risk

Oversight of ESG risks is maintained through the Sustainability Steering Committee and ESG risk is considered as part of the development of the Group's top risk profile. The Group's top risk profile is overseen by the Executive Risk Committee and the Board Risk & Capital Committee.

Climate change is one of the top risks for QBE, potentially impacting our business and customers in the medium to long term. Climate change is expected to increasingly impact the frequency and severity of weather-related natural catastrophes over the long term. In the short term, it is often difficult to distinguish the impact of climate change from the normal variability in weather and natural catastrophes. Claims in respect of classes most impacted by these events (e.g. property classes) are typically reported and settled soon after the claim event, and climate change is therefore not expected to materially impact the level of uncertainty in estimating the ultimate cost of those claims within the liability for incurred claims. QBE looks to manage for natural catastrophe volatility by considering a wide range of event frequency and severity scenarios in our capital planning, and by purchasing a comprehensive Group catastrophe reinsurance program.

QBE's investments continue to be resilient with respect to climate transition risks as they have limited exposure to highly impacted sectors. Given the medium to long-term nature of the estimated impacts of climate transition, this factor is not expected to be significant to the fair value measurement of the Group's investment assets at the balance date.

Further detail on QBE's approach to climate change is included on pages 22 to 55 of this Annual Report.

4.2 Insurance risk

Overview

Insurance risk is the risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to expectations.

QBE classifies insurance risk into three subcategories, as follows:

- underwriting/pricing risk;
- insurance concentration risk; and
- reserving risk.

QBE's approach to managing insurance risk is underpinned by the Group's insurance risk appetite statement which is set by the Board and is summarised below.

Underwriting/pricing risk

QBE manages underwriting/pricing risk by appropriately setting and adjusting underwriting strategy, risk selection and pricing practices throughout the underwriting cycle. Underwriting/pricing risk is monitored throughout the year against committed business plans, underpinned by cell reviews.

QBE's underwriting strategy aims to diversify and limit the type of insurance risks accepted to reduce the variability of the expected outcome. The underwriting strategy is implemented through QBE's annual business planning process, supported by minimum underwriting and pricing standards and delegated authorities. These authorities reflect the level of risk that the Group is prepared to take with respect to each permitted insurance class.

Pricing of risks is controlled by the use of in-house pricing models relevant to specific portfolios and the markets in which QBE operates. Underwriters and actuaries maintain pricing and claims analysis for each portfolio, combined with a knowledge of current developments in the respective markets and classes of business.

Insurance concentration risk

QBE's exposure to concentrations of insurance risk is mitigated by maintaining a business portfolio that is diversified across countries and classes of business. Product diversification is pursued through a strategy of developing strong underwriting skills in a wide variety of classes of business.

The table below demonstrates the diversity of QBE's operations:

INSURANCE REVENUE	2025 US$M	2024 US$M
Commercial and domestic property	**6,164**	6,338
Agriculture	**4,839**	4,332
Public/product liability	**3,037**	2,572
Motor and motor casualty	**2,511**	2,299
Marine, energy and aviation	**1,695**	1,805
Professional indemnity	**1,733**	1,733
Workers' compensation	**1,194**	1,126
Accident and health	**1,240**	1,077
Financial and credit	**356**	342
Other	**186**	154
	22,955	21,778

Insurance concentration risk includes the risks from natural or man-made events that have the potential to produce claims from many of the Group's policyholders at the same time (e.g. catastrophes). QBE currently uses a variety of methodologies to monitor aggregate exposures and manage concentration risk. These include the use of catastrophe models from third-party vendors, realistic disaster scenarios and group aggregate methodology. In determining catastrophe risk accumulation, QBE considers the insurance concentration risk charge (ICRC), a capital measure under APRA prudential standards. QBE's maximum risk tolerance for an individual natural catastrophe is determined annually and is linked to the maximum net annual allowance for catastrophe claims. Determination of insurance concentration risk is a key input into the placement of our reinsurance arrangements. These are regularly reassessed to determine their effectiveness based on current exposures, historical claims and potential future claims based on the Group's insurance concentrations.

Reserving risk

Reserving risk is managed through the actuarial valuation of insurance liabilities, which is conducted at least half-yearly. The valuation of the present value of future claims cash flows within the net insurance contract liabilities is performed by qualified and experienced actuaries, with reference to historical data and reasoned expectations of future experience and events.

4.3 Credit risk

Overview

Credit risk is the risk of financial loss from a counterparty's failure to meet their financial obligations, including both inability or unwillingness to pay, as well as loss due to credit quality deterioration from rating downgrades. QBE's exposure to credit risk results from financial transactions with securities issuers, debtors, brokers, policyholders, reinsurers and guarantors.

QBE's approach to managing credit risk is underpinned by the Group's credit risk appetite as set by the Board and is summarised below.

Reinsurance credit risk

The Group's objective is to maximise placement of reinsurance with highly rated counterparties. Concentration of risk with reinsurance counterparties is monitored strictly and regularly by the Group's Security Committee and is controlled by reference to the following protocols:

- treaty or facultative reinsurance is placed in accordance with the requirements of the Group REMS and Group Security Committee guidelines;
- reinsurance arrangements are regularly reassessed to determine their effectiveness based on current exposures, historical claims and potential future claims based on the Group's insurance concentrations; and
- exposure to reinsurance counterparties and the credit quality of those counterparties are actively monitored.

4. Risk management

Credit risk exposures are calculated regularly and compared with authorised credit limits. The Group is exposed to material concentrations of credit risk in relation to reinsurance recoveries at the balance date, in particular to large global reinsurers. In certain cases, the Group requires letters of credit or other collateral arrangements to be provided to guarantee the recoverability of the amount involved. Collateral held for the Group in respect of reinsurance arrangements, including loss portfolio transfer contracts, is $2,885 million (2024 $3,407 million). The carrying amount of relevant asset classes on the balance sheet represents the maximum amount of credit exposure. Collateral held may reduce the level of credit risk associated with this exposure but does not change the total amount recoverable. The credit rating analysis below includes the impact of such security arrangements. In some cases, further security has been obtained in the form of trust arrangements, reinsurer default protection and other potential offsets. This additional security has not been included in the credit rating analysis below.

The following table provides information about the quality of the Group's credit risk exposure in respect of reinsurance recoveries at the balance date. The analysis classifies the assets according to Standard & Poor's (S&P) counterparty financial strength credit ratings. AAA is the highest possible rating.

	CREDIT RATING					
	AAA US$M	AA US$M	A US$M	BBB US$M	NOT RATED US$M	TOTAL US$M
At 31 December 2025						
Reinsurance recoveries on incurred outstanding claims[1]	**202**	**4,533**	**3,414**	**3**	**106**	**8,258**
Reinsurance recoveries on paid claims	**3**	**1,472**	**476**	**2**	**83**	**2,036**
At 31 December 2024						
Reinsurance recoveries on incurred outstanding claims[1]	71	5,176	2,837	2	84	8,170
Reinsurance recoveries on paid claims	15	2,076	567	–	28	2,686

1 Includes $2,145 million (2024 $2,688 million) of recoveries under reinsurance loss portfolio transfer contracts that are recognised within the reinsurance asset for remaining coverage.

The following table provides further information regarding the ageing of reinsurance recoveries on paid claims at the balance date:

			PAST DUE BUT NOT IMPAIRED				
	YEAR	NEITHER PAST DUE NOR IMPAIRED US$M	0 TO 3 MONTHS US$M	4 TO 6 MONTHS US$M	7 MONTHS TO 1 YEAR US$M	GREATER THAN 1 YEAR US$M	TOTAL US$M
Reinsurance recoveries on paid claims	**2025**	**1,176**	**644**	**56**	**44**	**116**	**2,036**
	2024	1,052	1,447	64	35	88	2,686

Investment and treasury credit risk

The Group only transacts with investment counterparties within the limits outlined in the credit risk appetite statement. Investment counterparty exposure limits are applied to individual counterparty exposures and to multiple exposures within a group of related companies in relation to investments, cash deposits and forward foreign exchange exposures. Counterparty exposure limit compliance is monitored daily.

The following table provides information regarding the Group's aggregate credit risk exposure at the balance date in respect of the major classes of financial assets. Amounts within insurance contract liabilities and other receivables are excluded from this analysis on the basis that they comprise smaller credit risk items which generally cannot be rated and are not individually material. The analysis classifies the assets according to S&P counterparty credit ratings. AAA is the highest possible rating. Rated assets falling outside the range of AAA to BBB are classified as speculative grade.

	CREDIT RATING						
	AAA US$M	AA US$M	A US$M	BBB US$M	SPECULATIVE GRADE US$M	NOT RATED US$M	TOTAL US$M
At 31 December 2025							
Cash and cash equivalents	**287**	**921**	**630**	**7**	**–**	**24**	**1,869**
Interest-bearing investments	**5,109**	**10,121**	**10,420**	**3,390**	**1,057**	**442**	**30,539**
Derivative financial instruments	**–**	**49**	**21**	**–**	**–**	**–**	**70**
At 31 December 2024							
Cash and cash equivalents	706	385	529	12	–	6	1,638
Interest-bearing investments	4,475	10,182	7,849	2,509	1,011	339	26,365
Derivative financial instruments	–	223	75	8	–	2	308

The carrying amount of non-derivative asset classes on the balance sheet represents the maximum amount of credit exposure at the balance date. The fair value of derivatives shown on the balance sheet represents the risk exposure at the balance date but not the maximum risk exposure that could arise in the future as a result of changing values.

Investments measured at FVOCI mainly comprise fixed income assets that are of investment grade (credit rating at or above BBB- at the time of purchase) and are subject to ongoing monitoring for changes in credit ratings, financial outlook and other macroeconomic conditions that influence credit losses. The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount of these investments which represents the fair value of the instruments prior to the recognition of any ECL.

	CREDIT RATING						
	AAA US$M	AA US$M	A US$M	BBB US$M	SPECULATIVE GRADE US$M	NOT RATED US$M	TOTAL US$M
At 31 December 2025							
Stage 1 – 12-month ECL	**429**	**1,212**	**1,436**	**441**	**–**	**–**	**3,518**
At 31 December 2024							
Stage 1 – 12-month ECL	342	1,290	1,048	353	–	–	3,033

The Group's approach to measuring the allowance for ECL on investments measured at FVOCI is disclosed in note 3.1.

Insurance and other credit risk

The Group transacts with brokers that are reputable, suitable and approved in accordance with local broker policies. The continuous due diligence over brokers involves an assessment of the broker's reputation, regulatory standing and financial strength.

QBE regularly reviews the collectability of receivables and the adequacy of associated provisions for impairment. Concentration risk for large brokers is also monitored. Balances are monitored on the basis of uncollected debt and debt outstanding in excess of six months. Brokers are also subject to regular due diligence to ensure adherence to local broker policies and associated requirements.

The following table provides information regarding the ageing of the Group's financial assets that are past due but not impaired and which are largely unrated at the balance date:

		PAST DUE BUT NOT IMPAIRED				
	NEITHER PAST DUE NOR IMPAIRED US$M	0 TO 3 MONTHS US$M	4 TO 6 MONTHS US$M	7 MONTHS TO 1 YEAR US$M	GREATER THAN 1 YEAR US$M	TOTAL US$M
At 31 December 2025						
Premium receivable[1]	**10,443**	**288**	**144**	**145**	**75**	**11,095**
Other trade debtors	**269**	**3**	**2**	**1**	**10**	**285**
Receivables within insurance contract liabilities	**10,712**	**291**	**146**	**146**	**85**	**11,380**
Other receivables	**951**	**6**	**2**	**9**	**2**	**970**
At 31 December 2024						
Premium receivable[1]	8,775	411	122	64	51	9,423
Other trade debtors	232	1	1	1	5	240
Receivables within insurance contract liabilities	9,007	412	123	65	56	9,663
Other receivables	506	18	4	1	4	533

1 Net of a provision for impairment.

Due to the predominantly short-term nature of these receivables, the carrying value is assumed to approximate the fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. No receivables are pledged by the Group as collateral for liabilities or contingent liabilities.

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4. Risk management

4.4 Market risk

Overview

Market risk is the risk of adverse impacts on earnings resulting from changes in market factors. Market factors include, but are not limited to, interest rates, equity prices, credit spreads and foreign exchange rates.

QBE's approach to managing market risk is underpinned by the Group's market risk appetite as set by the Board and is summarised below.

QBE's approach to managing investment market movements is underpinned by the Group's investment strategy which outlines QBE's view of the markets and its corresponding investment approach.

Investment market risk is managed through the application of risk limits. These limits are based on the market risk appetite as determined by the Board and apply to:

- losses generated on the investment portfolio under market stress scenarios. The scenarios assume adverse movements in market factors and are designed to reflect a significant market stress event; and
- sensitivities to changes in risk factors which have a significant impact on the investment portfolio such as interest rate risk.

Interest rate risk

QBE's exposure to interest rate risk arises mainly through its holdings in interest-bearing assets and the measurement of its net insurance contract liabilities. Interest-bearing borrowings issued by the Group are measured at amortised cost and therefore do not expose the Group result to fair value interest rate risk.

Interest-bearing investments with a floating interest rate expose the Group to cash flow interest rate risk, whereas fixed interest rate instruments expose the Group to fair value interest rate risk. QBE's risk management approach is to minimise interest rate risk by actively managing investment portfolios to achieve a balance between cash flow interest rate risk and fair value interest rate risk. The Group predominantly invests in high quality, liquid interest-bearing securities and cash and may use derivative financial instruments to manage the interest rate risk of the fixed interest investment portfolio and other financial instruments. Movements in interest rates impacting the fair value of interest-bearing financial assets impact reported profit or loss after income tax, except for investments measured at FVOCI for which changes in fair value are recognised in other comprehensive income until the investments are derecognised.

The estimates of future cash flows in the net insurance contract liabilities are discounted to present value by reference to risk-free interest rates adjusted to reflect an illiquidity premium (note 2.2.5). The Group is therefore also exposed to potential profit or loss volatility arising from the measurement of the net insurance contract liabilities as a result of interest rate movements. In practice, over the longer term, an increase or decrease in interest rates is normally offset by a corresponding increase or decrease in inflation. The impacts of changes in interest rates on the Group's net insurance contract liabilities are recognised within the net insurance finance result in profit or loss which is analysed as follows:

	NOTE	2025 US$M	2024 US$M
Insurance finance expenses			
Effect of changes in interest rates		**(92)**	226
Discount unwind and changes in financial assumptions		**(1,079)**	(838)
Accretion of interest on contractual service margin		**(8)**	(6)
	2.2.1	**(1,179)**	(618)
Reinsurance finance income			
Effect of changes in interest rates		**58**	(41)
Discount unwind and changes in financial assumptions		**367**	226
Accretion of interest on contractual service margin and premium financing component		**(4)**	(26)
	2.2.1	**421**	159
Net insurance finance expenses		**(758)**	(459)

The profit or loss impact of changes in the fair value of interest-bearing financial assets measured at FVPL due to interest rate changes will be partially offset by the corresponding impact on the Group's net insurance contract liabilities. The Group seeks to minimise the net impact of movements in interest rates on the Group's profit or loss through managing the duration of these fixed interest securities relative to the net insurance contract liabilities. At the balance date, the average modified duration of cash and fixed interest securities at FVPL was 2.2 years (2024 2.1 years). Although QBE maintains a shorter asset duration relative to net insurance contract liabilities, the Group's overall exposure to interest rate risk is not material given the quantum by which the value of fixed income assets exceeds the value of the net insurance contract liabilities.

The impact of a 1.0% increase or decrease in interest rates on interest-bearing financial assets owned by the Group and the corresponding impact of a 1.0% increase or decrease in discount rates on the net insurance contract liabilities at the balance date is shown in the table below:

	SENSITIVITY %	PROFIT (LOSS)[1] 2025 US$M	PROFIT (LOSS)[1] 2024 US$M	EQUITY INCREASE (DECREASE)[1] 2025 US$M	EQUITY INCREASE (DECREASE)[1] 2024 US$M
Interest rate movement – interest-bearing financial assets	+1	**(452)**	(374)	**(563)**	(468)
	-1	**451**	365	**562**	459
Discount rate movement – net insurance contract liabilities[2]	+1	**390**	329	**390**	329
	-1	**(426)**	(358)	**(426)**	(358)

1 Net of tax at a prima facie income tax rate of 30%.

2 Net of reinsurance held. Further information relating to the sensitivity of the net insurance contract liabilities to changes in key variables is provided in note 2.2.7.

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded on the market.

QBE is exposed to equity price risk on its investment in growth assets and may use derivative financial instruments to manage this exposure. Exposure is also managed by diversification across international markets and currencies.

Growth assets are measured at fair value through profit or loss. The impact of a 20% increase or decrease in the value of investments owned by the Group at the balance date on profit or loss after income tax is shown in the table below:

	SENSITIVITY %	PROFIT (LOSS)[1] 2025 US$M	PROFIT (LOSS)[1] 2024 US$M
Infrastructure assets	+20	**200**	134
	-20	**(200)**	(134)
Developed market equity	+20	**116**	114
	-20	**(116)**	(114)
Investment property funds	+20	**128**	84
	-20	**(128)**	(84)
Alternatives	+20	**33**	27
	-20	**(33)**	(27)
Emerging market equity	+20	**3**	–
	-20	**(3)**	–

1 Net of tax at a prima facie income tax rate of 30%.

QBE is also exposed to price risk on its fixed interest securities as discussed above in relation to interest rate risk, and below in relation to credit spread risk.

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4. Risk management

Credit spread risk

Movements in credit spreads impact the value of corporate interest-bearing securities, emerging market and high yield debt and private credit, and therefore impact reported profit or loss after tax. This risk is managed by investing in mostly high quality, liquid interest-bearing securities and by managing the credit spread duration of the interest-bearing securities portfolio.

The impact of a 0.5% increase or decrease in credit spreads on interest-bearing financial assets held by the Group at the balance date is shown in the table below:

	SENSITIVITY %	PROFIT (LOSS)[1] 2025 US$M	PROFIT (LOSS)[1] 2024 US$M	EQUITY INCREASE (DECREASE)[1] 2025 US$M	EQUITY INCREASE (DECREASE)[1] 2024 US$M
Credit spread movement – interest-bearing financial assets[2]	+0.5	**(126)**	(109)	**(155)**	(134)
	-0.5	**119**	105	**146**	129

1 Net of tax at a prima facie income tax rate of 30%.

2 Includes infrastructure debt and other investments.

Foreign exchange risk

QBE's approach to foreign exchange management is underpinned by the Group's foreign currency strategy. The Group's foreign exchange exposure generally arises as a result of either the translation of foreign currency amounts to the functional currency of a controlled entity (operational currency risk) or due to the translation of the Group's net investments in foreign operations to the functional currency of the ultimate parent entity of Australian dollars and to QBE's presentation currency of US dollars (currency translation risk).

Operational currency risk

Operational currency risk is managed as follows:

- Each controlled entity manages the volatility arising from changes in foreign exchange rates by matching liabilities with assets of the same currency, as far as is practicable, thus ensuring that any exposures to foreign currencies are minimised. The Group's aim is to mitigate, where possible, its operational foreign currency exposures at a controlled entity level.
- Forward foreign exchange contracts are used where possible to protect any residual currency positions. Where appropriate, forward foreign exchange contracts may also be used in relation to the Group's borrowings and may be designated as hedge relationships for accounting purposes. Further information on forward foreign exchange contracts used to manage operational currency risk is provided in note 5.6.

The risk management process relating to the use of forward foreign exchange contracts involves close senior management scrutiny. All forward foreign exchange contracts are subject to delegated authority levels provided to management and the levels of exposure are reviewed on an ongoing basis.

The analysis below demonstrates the impact on profit or loss after income tax of a 10% strengthening or weakening of the major currencies against the functional currencies of the underlying QBE entities for which the Group has a material exposure at the balance date. The exposures below reflect the aggregation of operational currency exposures of multiple entities with different functional currencies. The sensitivity is measured with reference to the Group's residual (or unmatched) operational foreign currency exposures at the balance date. Operational foreign exchange gains or losses are recognised in profit or loss in accordance with the policy set out in note 1.2.3. The sensitivities provided demonstrate the impact of a change in one key variable in isolation while other assumptions remain unchanged.

The sensitivities shown in the table below are relevant only at the balance sheet date, as any unmatched exposures are actively monitored by management and the exposure subsequently matched.

	2025			2024		
EXPOSURE CURRENCY	RESIDUAL EXPOSURE US$M	SENSITIVITY %	PROFIT (LOSS)[1] US$M	RESIDUAL EXPOSURE US$M	SENSITIVITY %	PROFIT (LOSS)[1] US$M
US dollar	**295**	**+10**	**21**	422	+10	30
		(10)	**(21)**		(10)	(30)
Euro	**94**	**+10**	**7**	32	+10	2
		(10)	**(7)**		(10)	(2)
Sterling	**68**	**+10**	**5**	(139)	+10	(10)
		(10)	**(5)**		(10)	10
Australian dollar	**36**	**+10**	**3**	25	+10	2
		(10)	**(3)**		(10)	(2)
Canadian dollar	**23**	**+10**	**2**	26	+10	2
		(10)	**(2)**		(10)	(2)

1 Net of tax at a prima facie income tax rate of 30%.

Currency translation risk

QBE is exposed to currency risk in relation to the translation of:

- the ultimate parent entity's net investments in foreign operations to its functional currency of Australian dollars; and
- all non-US dollar functional currency operations to the Group's presentation currency of US dollars.

Currency translation risk in relation to QBE's investment in foreign operations is monitored on an ongoing basis and may be mitigated by designation of foreign currency borrowings as a hedge of this risk. Any borrowing that qualifies as a hedging instrument may be designated as a hedge of the Australian dollar ultimate parent entity's net investments in foreign operations and any residual exposure to foreign operations in tradeable currencies may be hedged up to the limit specified in the Group risk appetite statement. The extent of hedging this exposure is carefully managed to ensure an appropriate balance between currency risk and associated risks such as liquidity risk and stability of capital adequacy levels.

QBE does not ordinarily seek to use derivatives to mitigate currency translation risk on translation to the ultimate parent entity functional currency of Australian dollars for the following reasons:

- currency translation gains and losses generally have no cash flow;
- currency translation gains and losses are accounted for in the foreign currency translation reserve (a component of equity) and therefore do not impact profit or loss unless the related foreign operation is disposed of; and
- management of translation risk needs to be balanced against the impact on capital requirements and liquidity risk.

QBE may, however, elect to use derivatives to manage currency translation risk in order to preserve capital.

Currency management processes are actively monitored by Group Treasury and involve close senior management scrutiny. All hedge transactions are subject to delegated authority levels provided to management, and the levels of exposure are reviewed on an ongoing basis. All instruments that are designated as hedges are tested for effectiveness in accordance with AASB 9 *Financial Instruments*.

Further information on derivatives and borrowings designated as hedges of net investments in foreign operations is provided in note 5.6.1.

Foreign exchange gains or losses arising on translation of the Group's foreign operations from the ultimate parent entity's functional currency of Australian dollars to the Group's US dollar presentation currency are recognised directly in equity in accordance with the policy set out in note 1.2.3. The Group cannot hedge this exposure.

The analysis below demonstrates the impact on equity of a 10% strengthening or weakening against the US dollar of the major currencies to which QBE is exposed through its net investments in foreign operations. The basis for the sensitivity calculation is the Group's actual residual exposure at the balance date.

	2025			2024		
EXPOSURE CURRENCY	RESIDUAL EXPOSURE US$M	SENSITIVITY %	EQUITY INCREASE (DECREASE) US$M	RESIDUAL EXPOSURE US$M	SENSITIVITY %	EQUITY INCREASE (DECREASE) US$M
Australian dollar	**3,269**	**+10**	**327**	3,020	+10	302
		(10)	**(327)**		(10)	(302)
Euro	**2,086**	**+10**	**209**	1,788	+10	179
		(10)	**(209)**		(10)	(179)
Sterling	**2,116**	**+10**	**212**	1,684	+10	168
		(10)	**(212)**		(10)	(168)
New Zealand dollar	**375**	**+10**	**38**	322	+10	32
		(10)	**(38)**		(10)	(32)
Hong Kong dollar	**165**	**+10**	**17**	233	+10	23
		(10)	**(17)**		(10)	(23)
Singapore dollar	**169**	**+10**	**17**	143	+10	14
		(10)	**(17)**		(10)	(14)

4. Risk management

4.5 Liquidity risk

Overview

Liquidity risk is the risk of having insufficient liquid assets to meet liabilities as they fall due to policyholders and creditors or only being able to access liquidity at excessive cost.

QBE's approach to managing liquidity risk is underpinned by the Group's liquidity risk appetite which is set by the Board and is summarised below.

QBE manages liquidity risk using a number of tools, as follows:

- cash flow targeting;
- maintenance of a minimum level of liquid assets;
- cash flow forecasting; and
- stress testing and contingency planning.

Liquidity is managed across the Group using a number of cash flow forecasting and targeting tools and techniques. Cash flow forecasting and targeting are conducted at a legal entity level and involve actively managing operational cash flow requirements.

To supplement the cash flow targeting and to ensure that there are sufficient liquid funds available to meet insurance and investment obligations, a minimum percentage of QBE's stressed cash outflows is held, at all times, in cash and liquid securities. QBE also maintains a defined proportion of the funds under management in liquid assets.

QBE actively forecasts cash flow requirements to identify future cash surpluses and shortages to optimise invested cash balances and limit unexpected calls from the investment pool. The Group limits the risk of liquidity shortfalls resulting from mismatches in the timing of claims payments and receipts of claims recoveries by negotiating cash call clauses in reinsurance contracts and seeking accelerated settlements for large reinsurance recoveries.

The following table summarises the maturity profile of the Group's financial liabilities based on the remaining contractual obligations, and includes derivative assets used to hedge contractual undiscounted interest payments on borrowings. Contractual cash flows are undiscounted and may not necessarily agree with their carrying amounts. Borrowings and contractual undiscounted interest payments are disclosed by reference to the first call date of the borrowings, details of which, including redemption terms, are included in note 5.1.

	LESS THAN 1 YEAR US$M	13 TO 36 MONTHS US$M	37 TO 60 MONTHS US$M	OVER 5 YEARS US$M	NO FIXED TERM US$M	TOTAL US$M
At 31 December 2025						
Forward foreign exchange contracts	**62**	**–**	**–**	**–**	**–**	**62**
Other payables	**701**	**–**	**3**	**–**	**7**	**711**
Lease liabilities	**57**	**102**	**63**	**26**	**–**	**248**
Borrowings[1]	**858**	**758**	**967**	**1,130**	**–**	**3,713**
Contractual undiscounted interest payments	**180**	**287**	**210**	**105**	**–**	**782**
Interest rate swaps used to hedge contractual undiscounted interest payments	**(8)**	**–**	**–**	**–**	**–**	**(8)**
At 31 December 2024						
Forward foreign exchange contracts	402	–	–	–	–	402
Other payables	340	17	3	–	3	363
Lease liabilities	53	87	66	40	–	246
Borrowings[1]	300	834	891	647	–	2,672
Contractual undiscounted interest payments	151	193	117	96	–	557
Interest rate swaps used to hedge contractual undiscounted interest payments	(11)	(7)	–	–	–	(18)

1 Excludes capitalised finance costs of $13 million (2024 $8 million). Redemption is subject to the prior written approval of APRA.

The maturity profile of the Group's insurance contract liabilities is analysed in note 2.2.6.

The maturity of the Group's interest-bearing financial assets is shown in the table below:

		INTEREST-BEARING FINANCIAL ASSETS MATURING IN:						
		LESS THAN 1 YEAR	13 TO 24 MONTHS	25 TO 36 MONTHS	37 TO 48 MONTHS	49 TO 60 MONTHS	OVER 5 YEARS	TOTAL
At 31 December 2025								
Fixed rate	US$M	**7,885**	**3,698**	**3,414**	**1,900**	**1,713**	**7,337**	**25,947**
Weighted average interest rate	% p.a.	**3.5**	**3.5**	**3.6**	**4.1**	**4.0**	**4.5**	**3.9**
Floating rate	US$M	**3,624**	**890**	**594**	**256**	**258**	**839**	**6,461**
Weighted average interest rate	% p.a.	**4.0**	**3.7**	**3.8**	**3.9**	**4.3**	**4.5**	**4.0**
At 31 December 2024								
Fixed rate	US$M	6,975	3,085	2,090	1,524	2,038	5,721	21,433
Weighted average interest rate	% p.a.	4.2	4.1	4.2	4.4	4.6	4.6	4.3
Floating rate	US$M	3,474	1,055	740	301	149	851	6,570
Weighted average interest rate	% p.a.	4.8	4.8	4.8	4.6	5.1	5.1	4.9

4.6 Operational risk

Overview

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk can materialise in a number of forms including fraud perpetrated by employees or by external parties, employment practices, safety of those engaged to perform work, disruption to business operations, third-party services, delivery of change initiatives, business and transaction processing failures, data management, governance of models, technology and cyber events.

QBE's approach to managing operational risk is underpinned by the Group Material Risk Class Policy which is aligned to the Group RMS and risk appetite set by the Board and is summarised below.

QBE identifies, assesses and manages operational risk through the:

- risk and control self-assessment process, which identifies and assesses the key risks to achieving business objectives and is conducted at the business unit level. Key risks are mitigated through process and system controls including effective segregation of duties, access controls, authorisation and reconciliation procedures, business continuity management, third-party risk management, fraud management and information security;
- operational, technology and cyber risk appetite statements, which set out the nature and level of risk that the Board and Group Executive Committee are willing to take in pursuit of the organisation's objectives. The risk appetite statements are measured through an assessment of key risk indicators; and
- scenario analysis process, which assesses the impact of potentially extreme scenarios and the appropriateness of our contingency planning.

Key residual risks from the above processes are monitored by the Executive Risk Committee and Board Risk & Capital Committee.

4. Risk management

4.7 Compliance risk

Overview

Compliance risk is the risk of legal or regulatory penalties, financial loss or impacts and customer detriment resulting from non-compliance with laws, regulations or conduct standards.

QBE's approach to managing compliance risk is underpinned by the Group Material Risk Class Policy which is aligned to the Group RMS and risk appetite set by the Board and is summarised below.

QBE manages compliance risk through the following approach:

- governance arrangements that establish accountability, responsibility and authority in relation to the management of compliance risk;
- a culture based on honesty, integrity and respect that is embedded as part of QBE DNA and the Code of Ethics and Conduct;
- stakeholder management to maintain proactive and co-operative relationships with lawmakers, regulators and other relevant external parties;
- strategic priorities and objectives that are aligned to risk appetites set by the Board; and
- people, systems and processes to support effective compliance risk management.

QBE's approach to compliance management is subject to continuous review and improvement to recognise changes in the regulatory and legal environment and industry, customer and community expectations.

4.8 Group risk

Overview

Group risk is the risk to a division arising specifically from being part of the wider Group, including financial impact and loss of support from the Company.

QBE's approach to managing Group risk is supported by divisional Group risk appetite statements where divisions define the Board-approved plan to address identified Group risk exposures. Sources of Group risk are summarised below.

Sources of Group risk may include:

- shared global reinsurance program, including counterparty risk of QBE Capital;
- intercompany loans and receivables;
- contagion reputational risk;
- credit agency dependency;
- use of Group functions where there is a global operating model in place;
- use of QBE's internal asset management function – Group Investments;
- Group initiatives or decisions with a material impact on one or more divisions; and
- liquidity and central foreign exchange management.

QBE manages Group risk through various systems, controls and processes, including the management of reinsurance arrangements, use of intercompany transactions and balances accounting guidance, transfer pricing guidelines, investment management agreements, capital planning and assessments of the use of Group functions, Group initiatives and contagion reputational events.

5. Capital structure

Overview

QBE's objective in managing capital is to maintain an optimal balance between debt and equity in order to reduce the overall cost of capital while satisfying the capital adequacy requirements of regulators and rating agencies, providing financial security for our policyholders and continuing to provide an adequate return to shareholders.

The Company is listed on the Australian Securities Exchange and its share capital is denominated in Australian dollars. The Group also accesses international debt markets to diversify its funding base and maintain an appropriate amount of leverage. Borrowings are diversified across currencies and tenure.

Details of the Group's approach to capital risk management are disclosed in note 4.1.

5.1 Borrowings

FINAL MATURITY DATE	ISSUE DATE	PRINCIPAL AMOUNT	2025 US$M	2024 US$M
Subordinated debt				
11 June 2035	11 September 2024	A$400 million	**265**	246
3 October 2035	3 April 2025	$500 million	**498**	–
21 May 2036	21 May 2025	A$600 million	**398**	–
25 August 2036	25 August 2020	A$500 million[1]	**333**	309
21 November 2036	21 November 2024	A$250 million	**166**	154
10 November 2037	10 November 2025	$300 million	**299**	–
13 September 2038	13 September 2021	£400 million	**537**	500
26 October 2038	26 October 2023	A$330 million	**219**	203
28 June 2039	28 June 2023	A$300 million	**199**	185
11 September 2039	11 September 2024	A$350 million	**232**	215
12 November 2045	12 November 2015	$300 million	**–**	300
17 June 2046	17 June 2016	$524 million	**524**	524
Other subordinated debt			**30**	28
Total borrowings[2]			**3,700**	2,664
Amounts expected to be settled within 12 months[3]			**857**	300
Amounts expected to be settled in greater than 12 months[3]			**2,843**	2,364
Total borrowings			**3,700**	2,664

1 Details of related hedging activity are included in note 5.6.1.
2 $6 million of finance costs (2024 $4 million) were capitalised during the year.
3 Redemption of the securities is subject to the prior written approval of APRA.

Subordinated debt key terms

Subordinated debt due 2035

For the Australian dollar denominated debt, interest is payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 1.95% per annum.

For the US dollar denominated debt, interest is payable semi-annually in arrears at a fixed rate of 5.834% per annum until 3 October 2030. Thereafter, the rate will reset at a rate equal to the yield to maturity for a five-year US treasury security plus a margin of 1.697% per annum.

Subordinated debt due 2036

The securities due May 2036 is comprised of two tranches:

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

For the securities due August 2036, interest is payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 2.75% per annum.

For the securities due November 2036, interest is payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 1.80% per annum.

5. Capital structure

Subordinated debt due 2037

Interest is payable semi-annually in arrears at a fixed rate of 5.239% per annum until 10 November 2032. Thereafter, the rate will reset at a rate equal to the yield to maturity for a five-year US treasury security plus a margin of 1.350% per annum.

Subordinated debt due 2038

For the sterling denominated debt, interest is payable semi-annually in arrears at a fixed rate of 2.5% per annum until 13 September 2028. The rate will reset in 2028 and 2033 to a rate calculated by reference to the then five-year gilt rate plus a margin of 2.061% per annum.

For the Australian dollar denominated debt, interest is payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 2.55% per annum.

Subordinated debt due 2039

For the securities due June 2039, interest is payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 3.1% per annum.

For the securities due September 2039, interest is payable semi-annually in arrears at a fixed rate of 6.3025% per annum until 11 September 2034. Thereafter, interest will be payable quarterly in arrears at a rate equal to the three-month BBSW rate plus a margin of 2.25% per annum.

Subordinated debt due 2045

The securities were redeemed on 12 November 2025. Interest was payable semi-annually in arrears at a fixed rate of 6.1% per annum.

Subordinated debt due 2046

Interest is payable semi-annually in arrears at a fixed rate of 5.875% per annum until 17 June 2026. The rate will reset in 2026 and 2036 to a rate calculated by reference to the then 10-year mid-market swap rate plus a margin of 4.395% per annum.

Other subordinated debt

The securities comprise A$45 million subordinated debt issued in October 2024 and due October 2039.

Deferral of interest

QBE has an option to defer payment of interest in certain circumstances and such deferral will not constitute an event of default for securities due August 2036, September 2038, October 2038, June 2039 and June 2046.

Redemption terms

The securities are redeemable at the option of QBE, with the prior written approval of APRA, at any time in the event of certain tax and regulatory events and on:

- the interest payment date falling on or nearest to:
  - 11 June 2030, 21 May 2031, 25 August 2026, 26 October 2028, 28 June 2029 and 21 November 2031, and each interest payment date thereafter for Australian dollar denominated securities due June 2035, May 2036, August 2036, November 2036, October 2038 and June 2039 respectively;
  - 3 October 2030 for securities due October 2035 and 10 November 2032 for securities due November 2037; and
  - the reset date and each interest payment date thereafter for securities due September 2039 and October 2039;
- any business day within the six-month period up to and including the first reset date of 13 September 2028 and on each reset date thereafter for sterling securities due 2038; and
- each reset date for securities due 2046.

Conversion terms

The securities due 2035, 2036, 2037, 2038, 2039 and 2046 must be converted into a variable number of the Company's ordinary shares, or written off, if APRA determines QBE to be non-viable. The conversion rate is subject to a price floor of 20% of the VWAP of the shares in the five trading days before the date of issue of the securities.

Security arrangements

The claims of bondholders pursuant to the subordinated debt will be subordinated in right of payment to the claims of all senior creditors.

How we account for the numbers

Borrowings are initially measured at fair value net of transaction costs directly attributable to the transaction and are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised through profit or loss over the period of the financial liability using the effective interest method.

5.1.1 Fair value of borrowings

	2025 US$M	2024 US$M
Subordinated debt	3,739	2,654
Total fair value of borrowings	3,739	2,654

Consistent with other financial instruments, QBE is required to disclose the basis of valuation with reference to the fair value hierarchy which is explained in detail in note 3.2.1. The fair value of the Group's borrowings is categorised as level 2 in the fair value hierarchy. Fixed and floating rate securities are priced using broker quotes and comparable prices for similar instruments in active markets. Where no active market exists, floating rate resettable notes are priced at par plus accrued interest.

5.1.2 Financing and other costs

	2025 US$M	2024 US$M
Interest expense on borrowings	181	162
Other costs	73	64
Total financing and other costs	254	226

5.1.3 Movement in borrowings

	2025 US$M	2024 US$M
At 1 January	2,664	2,798
Net changes from financing cash flows	882	(13)
Other non-cash changes	3	2
Foreign exchange	151	(123)
At 31 December	3,700	2,664

5.2 Cash and cash equivalents

	2025 US$M	2024 US$M
Fixed interest rate	14	9
Floating interest rate	1,855	1,629
	1,869	1,638

Restrictions on use

Included in cash and cash equivalents are amounts totalling $100 million (2024 $134 million) which are held in Lloyd's syndicate trust funds. In order to conduct underwriting business within some territories, Lloyd's syndicates are required to lodge assets in locally regulated trust funds. Under Lloyd's byelaws, these amounts can only be used to pay claims and allowable expenses of the syndicates and cannot be withdrawn from the trust funds until allowed to be distributed as profit once annual solvency requirements are met.

Also included in cash and cash equivalents is $180 million (2024 $155 million) relating to policyholder trust accounts in the United Kingdom which can only be accessed by QBE in certain circumstances, such as when QBE is owed a deductible by the policyholder on a claim. The Group recognises a corresponding payable in relation to these until such an event occurs.

QBE has operations in many countries which have foreign exchange controls and regulations. These controls and regulations can vary from simple reporting requirements to outright prohibition of movement of funds without explicit prior central bank or regulator approval. The impact of these controls and regulations may restrict the Group's capacity to repatriate capital and/or profits.

How we account for the numbers

Cash and cash equivalents include cash at bank and on hand and deposits at call which are readily convertible to cash on hand and which are used for operational cash requirements. Amounts in cash and cash equivalents are the same as those included in the consolidated statement of cash flows.

The reconciliation of profit or loss after income tax to net cash flows from operating activities is included in note 8.3.

5. Capital structure

5.3 Contributed equity and reserves

Overview

Contributed equity comprises share capital and capital notes.

Ordinary shares in the Company rank after all creditors, have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

Capital notes are Additional Tier 1 instruments with discretionary and non-cumulative distributions, and no fixed redemption date.

5.3.1 Contributed equity

	2025 US$M	2024 US$M
Issued ordinary shares, fully paid	**8,424**	7,824
Capital notes	**–**	886
Contributed equity	**8,424**	8,710

Share capital

	2025		2024	
	NUMBER OF SHARES MILLIONS	US$M	NUMBER OF SHARES MILLIONS	US$M
Issued ordinary shares, fully paid at 1 January	**1,505**	**7,824**	1,494	8,495
Shares issued under the Employee Share and Option Plan	**5**	**55**	3	34
Shares issued under the Dividend Reinvestment Plan	**–**	**–**	8	89
Shares issued under the Bonus Share Plan	**–**	**–**	–	–
Shares bought back on-market and cancelled	**(4)**	**(60)**	–	–
Foreign exchange	**–**	**605**	–	(794)
Issued ordinary shares, fully paid at 31 December	**1,506**	**8,424**	1,505	7,824
Shares notified to the Australian Securities Exchange	**1,506**	**8,425**	1,505	7,825
Less: plan shares subject to non-recourse loans, de-recognised under accounting standards	**–**	**(1)**	–	(1)
Issued ordinary shares, fully paid at 31 December	**1,506**	**8,424**	1,505	7,824

Capital notes

ISSUE DATE	PRINCIPAL AMOUNT	2025 US$M	2024 US$M
12 May 2020	$500 million	**–**	493
16 July 2020[1]	$400 million	**–**	393
		–	886

1 In July 2020, the terms of these instruments (originally issued in November 2017) were amended such that the notes are written off at a point of non-viability, as determined by APRA, with no possibility of conversion into ordinary shares of the Company. This resulted in the classification of these instruments as equity.

Key terms

Capital notes issued 12 May 2020

The notes were repurchased and cancelled on 12 May 2025. Distributions of 5.875% per annum were paid semi-annually in arrears until 12 May 2025.

Capital notes issued 16 July 2020

The notes were repurchased and cancelled on 16 May 2025. Distributions of 5.250% per annum were paid semi-annually in arrears until 16 May 2025.

5.3.2 Reserves

	2025 US$M	2024 US$M
Owner occupied property revaluation reserve[1]		
At 1 January	–	1
Reclassification on disposal of owner occupied property	–	(1)
At 31 December	–	–
Cash flow hedge reserve[2]		
At 1 January	**13**	20
Hedging amounts recognised in other comprehensive income	**(1)**	33
Hedging amounts reclassified to profit or loss	**(9)**	(43)
Taxation	**3**	3
At 31 December	**6**	13
Cost of hedging reserve[3]		
At 1 January	–	2
Amounts recognised in other comprehensive income	–	(5)
Amounts reclassified to profit or loss	–	2
Taxation	–	1
At 31 December	–	–
Fair value through other comprehensive income reserve[4]		
At 1 January	**(5)**	–
Amounts recognised in other comprehensive income	**(11)**	(10)
Amounts reclassified to profit or loss	–	4
Taxation	**3**	1
At 31 December	**(13)**	(5)
Foreign currency translation reserve[5]		
At 1 January	**(1,105)**	(1,458)
Net movement on translation	**(49)**	456
Net movement on hedging transactions	**63**	(103)
At 31 December	**(1,091)**	(1,105)
Share-based payment reserve[6]		
At 1 January	**184**	174
Options and conditional rights expense	**64**	59
Transfers from reserve on vesting of options and conditional rights	**(55)**	(36)
Foreign exchange	**11**	(13)
At 31 December	**204**	184
Premium on purchase of non-controlling interests[7]		
At 1 January	**(12)**	(12)
At 31 December	**(12)**	(12)
Total reserves at 31 December	**(906)**	(925)

Each of the above reserves relates to the following:

1 Fair value movements in the carrying value of owner occupied property.
2 Cash flow hedges of foreign exchange and interest rate risk, the accounting policies for which are disclosed in note 5.6.1.
3 Cost of hedging elections as described in note 5.6.1.
4 Gains and losses on investments measured at fair value through other comprehensive income as described in note 3.2.
5 Exchange gains and losses arising on translation of foreign controlled entities and related hedging instruments, the accounting policies for which are disclosed in note 5.6.1.
6 Equity-settled share-based payment awards.
7 Movements in ownership interests in controlled entities that do not result in a loss of control and represent the difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

5. Capital structure

5.4 Dividends

Overview

Our dividend policy is designed to ensure that we reward shareholders relative to cash profit and maintain sufficient capital for future investment and growth of the business.

	2025	2024	
	INTERIM	FINAL	INTERIM
Dividend per share (Australian cents)	**31**	63	24
Franking percentage	**25%**	20%	20%
Franked amount per share (Australian cents)	**7.8**	12.6	4.8
Dividend payout (A$M)	**468**	951	361
Payment date	**26 September 2025**	11 April 2025	20 September 2024

On 20 February 2026, the directors declared a 30% franked final dividend of 78 Australian cents per share payable on 17 April 2026. The final dividend payout is A$1,174 million (2024 A$948 million).

	2025 US$M	2024 US$M
Previous year final dividend on ordinary shares – 20% franked (2023 10% franked)	**593**	465
Interim dividend on ordinary shares – 25% franked (2024 20% franked)	**306**	245
Bonus Share Plan dividend forgone	**(7)**	(5)
Total dividend paid	**892**	705

Dividend Reinvestment and Bonus Share Plans

The Company operates a Dividend Reinvestment Plan (DRP) and a Bonus Share Plan (BSP) which allow equity holders to receive their dividend entitlement in the form of ordinary shares of the Company.

Bonus Share Plan dividend forgone

The amount paid in dividends during the year has been reduced as a result of certain eligible shareholders participating in the BSP and forgoing all or part of their right to dividends. These shareholders were issued ordinary shares under the BSP. During the year, 490,398 (2024 459,569) ordinary shares were issued under the BSP.

Franking credits

The franking account balance on a tax paid basis at 31 December 2025 was a surplus of A$301 million (2024 A$237 million).

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

5.5 Earnings per share

Overview

Earnings per share (EPS) is the amount of profit or loss after income tax attributable to each share. Diluted EPS adjusts the EPS for the impact of shares that are not yet issued but which may be in the future, such as shares potentially issuable from convertible notes, options and employee share-based payments plans.

	2025 US CENTS	2024 US CENTS
For profit after income tax		
Basic earnings per share	**141.3**	115.2
Diluted earnings per share	**140.0**	114.2

5.5.1 Reconciliation of earnings used for earnings per share measures

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

	2025 US\$M	2024 US\$M
Profit after income tax attributable to ordinary equity holders of the Company	**2,157**	1,779
Less: distributions paid on capital notes classified as equity (note 5.3.1)	**(25)**	(50)
Profit used in calculating basic and diluted earnings per share	**2,132**	1,729

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

	2025 NUMBER OF SHARES MILLIONS	2024 NUMBER OF SHARES MILLIONS
Weighted average number of ordinary shares on issue and used as the denominator in calculating basic earnings per share	**1,509**	1,501
Weighted average number of dilutive potential ordinary shares issued under the Employee Share and Option Plan	**14**	13
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**1,523**	1,514

How we account for the numbers

Basic earnings per share is calculated by dividing profit or loss after income tax attributable to members of the Company, adjusted for the cost of servicing capital notes classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the weighted average number of shares to include dilutive potential ordinary shares and instruments with mandatory conversion features. As there are no impacts on interest and other financing costs from such instruments, diluted earnings per share utilises the same earnings figure used in the determination of basic earnings per share.

5. Capital structure

5.6 Derivatives

Overview

Derivatives may be used as a tool to hedge the Group's foreign exchange exposures. Each controlled entity manages operational foreign exchange volatility by matching liabilities with assets of the same currency, as far as practicable. Forward foreign exchange contracts are used to manage residual currency exposures, with both the foreign exchange gains or losses on translation of the exposure and the mark-to-market of related derivatives reported through profit or loss. Forward foreign exchange contracts may also be utilised in cash flow hedging of foreign currency borrowings and/or hedging exposure to net investments in foreign operations (NIFO).

Interest rate swaps are used to hedge exposure to interest rate movements on the Group's borrowings.

Refer to note 4.4 for additional information relating to QBE's approach to managing interest rate risk and foreign exchange risk.

The Group's exposure to treasury derivatives at the balance date determined by reference to the functional currency of the relevant controlled entity is set out in the table below:

	2025			2024		
	EXPOSURE US$M	FAIR VALUE ASSET US$M	FAIR VALUE LIABILITY US$M	EXPOSURE US$M	FAIR VALUE ASSET US$M	FAIR VALUE LIABILITY US$M
Forward foreign exchange contracts not in designated hedges	**718**	**62**	**62**	1,018	292	392
Forward foreign exchange contracts used in NIFO hedges	**127**	**2**	**–**	115	–	10
Interest rate swaps	**333**	**6**	**–**	310	16	–
		70	**62**		308	402

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

How we account for the numbers

Derivatives are initially recognised at fair value, determined as the cost of acquisition excluding transaction costs, and remeasured to fair value at each reporting date. Remeasurements are recognised in profit or loss at each reporting date, unless the derivative is designated as part of a qualifying hedge relationship (refer to note 5.6.1).

5.6.1 Designated hedges

The Group's material designated hedge relationships are analysed below by risk category and are accounted for with reference to the accounting policies set out at the end of this note. Hedging ratios, being the relationship between the quantity of the hedging instrument and the quantity of the hedged item, are 1:1 as the nominal values of hedging instruments match those of the hedged items. Any ineffectiveness arising from factors such as credit risk is not expected to be material. Amounts recognised in equity or reclassified to profit or loss are disclosed in note 5.3.2.

Cash flow hedges of borrowings

Interest rate swaps were used to hedge interest rate risk in relation to coupons on A$500 million of subordinated debt maturing in 2036. The interest rate swaps hedge coupon payments up to the first call date in August 2026 and were put in place to more effectively manage costs of funding. Only the fair value of interest rate swaps are designated in hedge relationships. Reclassifications of any cumulative hedging gains or losses to profit or loss occur as related coupon payments are made during the period up to August 2026.

The timing of the nominal amounts of the hedging instruments and corresponding average rates, if applicable, are provided in the following table:

		2025			2024		
		MATURING IN:			MATURING IN:		
		LESS THAN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	LESS THAN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS
Interest rate swaps							
Nominal amounts	A$M	**500**	**–**	**–**	–	500	–
Average fixed interest rate	%	**0.80**	**–**	**–**	–	0.80	–

Hedges of currency risk relating to translation of net investments in foreign operations

At the balance date, forward foreign exchange contracts and borrowings were designated as NIFO hedges. Only the spot components of the forward foreign exchange contracts are designated as being in hedge relationships. The forward and currency basis components are included in foreign exchange (refer to note 3.1), with a 'cost of hedging' election made in respect of US dollar NIFO hedges, as described below. Cumulative hedging gains or losses recognised in equity are recycled to profit or loss only on disposal of the foreign operation.

The timing of cash flows relating to the hedging instruments and corresponding average forward rates, if applicable, are provided in the following table, with borrowings being disclosed by reference to their first call dates where available (refer to note 5.1):

		2025			2024		
		MATURING IN:			MATURING IN:		
		LESS THAN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	LESS THAN 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS
Debt instruments used in US dollar NIFO hedges							
Subordinated debt	US$M	**523**	**497**	**298**	300	523	–
Debt instruments used in sterling NIFO hedges							
Subordinated debt	£M	**–**	**327**	**–**	–	327	–
Forward foreign exchange contracts used in Hong Kong dollar NIFO hedges							
Nominal amounts	Buy A$M/ Sell HKDM	**190/970**	**–**	**–**	187/970	–	–
Average forward rate	A$/HKD	**5.11**	**–**	**–**	5.19	–	–

5. Capital structure

How we account for the numbers

When a derivative or other financial instrument is designated in a qualifying hedge relationship, the relevant controlled entity formally documents the relationship between the hedging instrument and hedged item, as well as its risk management objectives and its strategy for undertaking hedging transactions. The relevant entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedge effectiveness requirements are met, including the relevant economic relationship, the effect of credit risk and the hedge ratio.

For qualifying cash flow hedges and NIFO hedges, the gain or loss on the hedging instrument associated with the effective portion of the hedge is accumulated in equity through other comprehensive income and is subsequently reclassified to profit or loss when the hedged item also affects profit or loss. For cash flow hedges, this is reflected in the cash flow hedge reserve; for NIFO hedges, this is reflected in the foreign currency translation reserve (refer to note 5.3.2). The gain or loss on any ineffective portion of the hedging instrument is recognised in profit or loss immediately.

Where the forward and currency basis components of a designated derivative do not form part of the designated hedge relationship, these components are accounted for at fair value through profit or loss unless a 'cost of hedging' election is made. Under this election, the fair value of these components at inception of the hedge are amortised through profit or loss over time periods relevant to the hedge, with other changes in their fair values after inception recognised in equity through other comprehensive income. This election can be made on a hedge-by-hedge basis and is reflected in the cost of hedging reserve (refer to note 5.3.2).

Hedge accounting is discontinued when the qualifying hedge no longer meets the criteria for hedge accounting, including when the risk management objective is no longer met or is no longer relevant; the hedging instrument expires or is sold, terminated or exercised; the hedged item matures, is sold or repaid; or a hedged forecast transaction is no longer considered highly probable. When a cash flow hedge is discontinued, any cumulative hedging gain or loss in equity at that time remains in equity and is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is a forecast transaction that is no longer considered highly probable, the cumulative gain or loss is immediately reclassified to profit or loss. When a hedge of a net investment in a foreign operation is discontinued, any cumulative hedging gain or loss at that time remains in equity and is only recycled to profit or loss on disposal of the foreign operation, forming part of the resulting gain or loss.

6. Tax

Overview

Income tax expense or credit is the accounting tax outcome for the period and is calculated as the tax payable on the current period taxable income based on the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The relationship between accounting profit or loss and income tax expense or credit is provided in the reconciliation of prima facie tax to income tax expense or credit (refer to note 6.1). Income tax expense does not equate to the amount of tax actually paid to tax authorities around the world, as it is based upon the accrual accounting concept.

Accounting income and expenses do not always have the same recognition pattern as taxable income and expenses, creating a timing difference as to when a tax expense or credit can be recognised. These differences usually reverse over time but, until they do, a deferred tax asset or liability is recognised on the balance sheet. Note 6.2 details the composition and movements in deferred tax balances and the key management assumptions applied in recognising tax losses.

Details of franking credits available to shareholders are disclosed in note 5.4.

6.1 Reconciliation of prima facie tax to income tax expense

	NOTE	2025 US$M	2024 US$M
Profit before income tax		**2,845**	2,291
Prima facie tax expense at the applicable income tax rate for each jurisdiction		**688**	572
Tax effect of non-temporary differences:			
Untaxed dividends		**(3)**	(1)
Other, including non-taxable income and non-allowable expenses		**15**	17
Prima facie tax adjusted for non-temporary differences		**700**	588
Deferred tax assets re-recognised		**(15)**	(70)
Overprovision in prior years		**(5)**	(14)
Income tax expense		**680**	504
Analysed as follows:			
Current tax		**452**	339
Deferred tax		**228**	165
		680	504
Deferred tax expense (credit) comprises:			
Deferred tax assets recognised in profit or loss	6.2.1	**414**	(85)
Deferred tax liabilities recognised in profit or loss	6.2.2	**(186)**	250
		228	165

How we account for the numbers

The current income tax expense or credit is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries in which controlled entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as appropriate.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

6. Tax

6.2 Deferred income tax

	NOTE	2025 US$M	2024 US$M
Deferred tax assets	6.2.1	**470**	609
Deferred tax liabilities	6.2.2	**625**	506

6.2.1 Deferred tax assets

	NOTE	2025 US$M	2024 US$M
Amounts recognised in profit or loss			
Financial assets – fair value movements		**10**	30
Provision for impairment		**22**	20
Employee benefits		**83**	71
Intangible assets		**44**	65
Insurance provisions		**561**	841
Tax losses recognised		**193**	315
Other		**136**	104
		1,049	1,446
Amounts recognised in other comprehensive income and equity			
Defined benefit plans		**27**	27
Financial assets – fair value movements		**6**	3
Other		**11**	13
		44	43
Deferred tax assets before set-off		**1,093**	1,489
Set-off of deferred tax liabilities	6.2.2	**(623)**	(880)
	6.2	**470**	609

Movements

	NOTE	2025 US$M	2024 US$M
At 1 January		**1,489**	1,418
Amounts recognised in profit or loss	6.1	**(414)**	85
Amounts recognised in other comprehensive income		**1**	12
Foreign exchange		**17**	(26)
At 31 December		**1,093**	1,489

Critical accounting judgements and estimates

Recoverability of deferred tax assets

QBE assesses the recoverability of deferred tax assets at each balance date. In making this assessment, QBE considers in particular each controlled entity's future business plans, history of generating taxable profits, whether the unused tax losses resulted from identifiable causes which are unlikely to recur and if any tax planning opportunities exist in the period in which the taxable losses can be utilised.

The recognised deferred tax asset relating to the North American tax group of $270 million (2024 $429 million) comprises $186 million (2024 $288 million) of carry forward tax losses and $84 million (2024 $141 million) of deductible temporary differences, net of applicable offsetting deferred tax liabilities, as a result of insurance technical reserves and the tax deductibility of goodwill and other intangibles.

Uncertainty continues to exist in relation to the utilisation of this asset, which is subject to there being continued future taxable profits over the period of time in which the losses can be utilised.

6.2.2 Deferred tax liabilities

	NOTE	2025 US$M	2024 US$M
Amounts recognised in profit or loss			
Intangible assets		**105**	99
Insurance provisions		**985**	1,174
Financial assets – fair value movements		**48**	14
Other provisions		**4**	4
Other		**99**	87
		1,241	1,378
Amounts recognised in other comprehensive income and equity			
Defined benefit plans		**6**	6
Financial assets – fair value movements		**1**	2
		7	8
Deferred tax liabilities before set-off		**1,248**	1,386
Set-off of deferred tax assets	6.2.1	**(623)**	(880)
	6.2	**625**	506

Movements

	NOTE	2025 US$M	2024 US$M
At 1 January		**1,386**	1,159
Amounts recognised in profit or loss	6.1	**(186)**	250
Amounts recognised in other comprehensive income		**(1)**	–
Foreign exchange		**49**	(23)
At 31 December		**1,248**	1,386

How we account for the numbers

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the controlled entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset in the consolidated financial statements when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

6.2.3 Tax losses

The Group has not brought to account $82 million (2024 $78 million) of tax losses, which includes some benefit arising from tax losses in overseas countries. $81 million (2024 $78 million) of tax losses not brought to account have an indefinite life. The benefits of unused tax losses will only be brought to account when it is probable that they will be realised.

This benefit of tax losses will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

6. Tax

6.2.4 Tax consolidation legislation

On adoption of the tax consolidation legislation, the Company and its wholly-owned Australian controlled entities entered into a tax sharing and tax funding agreement that requires the Australian entities to fully compensate the Company for current tax liabilities and to be fully compensated by the Company for any current tax or deferred tax assets in respect of tax losses arising from external transactions occurring after the date of implementation of the tax consolidation legislation. The contributions are allocated by reference to the notional taxable income of each Australian entity. The head entity is QBE Insurance Group Limited.

6.2.5 International tax reform – Pillar Two model rules

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax legislation, in accordance with AASB 112 *Income Taxes* as amended by AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*.

Pillar Two legislation was enacted in Australia, the jurisdiction in which the Company is incorporated, with an effective date of 1 January 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between the effective tax rate calculated in accordance with Pillar Two and a 15% minimum tax rate. The Group's current tax expense related to Pillar Two income taxes is not material.

7. Group structure

Overview

This section provides information to help users understand the Group structure, including the impact of changes in the financial year. This includes acquisitions and disposals of businesses, intangible assets acquired or developed and the results of impairment reviews.

7.1 Disposals

During 2025, the Group recognised a gain on sale of $18 million associated with the exit of the North American homeowners portfolio.

During 2024, the Group disposed of QBE Insurance (Vanuatu) Limited.

7.2 Intangible assets

Overview

Intangible assets are assets with no physical substance. The most significant classes of intangible assets are detailed below:

Lloyd's syndicate capacity

The Lloyd's syndicate capacity intangible asset relates to the syndicate capacity acquired as part of the acquisition of QBE Underwriting Limited (formerly trading as Limit) in 2000 and costs incurred as a result of increasing capacity since that date. Syndicate capacity is the aggregate of the premium limits of each member of that syndicate at a point in time. An existing capital provider has the first right to participate on the next year of account, giving the indefinite right to participate on all future years of account. The Group has demonstrated a long-term commitment to developing its operations at Lloyd's. The value of this asset is in the access it gives to future underwriting profits at Lloyd's. For these reasons, Lloyd's syndicate capacity is deemed to have an indefinite useful life.

Customer relationships

Customer relationships comprise the capitalisation of future profits relating to insurance contracts acquired and the expected renewal of those contracts. It also includes the value of distribution networks and agency relationships. Customer relationships are amortised over remaining lives of up to four years depending on the classes of business to which the assets relate.

Brand names

These assets reflect the revenue-generating ability of acquired brands. In some circumstances, brand names are considered to have an indefinite useful life due to the long-term nature of the asset.

Insurance licences

These assets give the Group the right to operate in certain geographic locations and to write certain classes of business with a potential to generate additional revenue. In some cases, these are considered to have an indefinite useful life due to their long-term nature; however, where there is a finite useful life, assets are amortised over the remaining period, up to 11 years.

Software

This includes both acquired and internally developed software which is not integral or closely related to an item of hardware such as an underwriting system. Capitalised software is amortised over periods of up to 10 years, reflecting the period during which the Group is expected to benefit from the use of the software.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill has an indefinite useful life and therefore is not subject to amortisation but is tested for impairment annually, or more often if there is an indication of impairment.

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FOR THE YEAR ENDED 31 DECEMBER 2025

7. Group structure

2025	IDENTIFIABLE INTANGIBLES LLOYD'S SYNDICATE CAPACITY US$M	CUSTOMER RELATION-SHIPS US$M	BRAND NAMES US$M	INSURANCE LICENCES US$M	SOFTWARE US$M	OTHER US$M	GOODWILL US$M	TOTAL US$M
Cost								
At 1 January	**80**	**344**	**24**	**124**	**706**	**10**	**1,470**	**2,758**
Additions	**–**	**4**	**–**	**–**	**109**	**–**	**–**	**113**
Impairment	**–**	**–**	**–**	**–**	**(14)**	**–**	**–**	**(14)**
Disposals	**–**	**–**	**–**	**–**	**(4)**	**–**	**–**	**(4)**
Foreign exchange	**6**	**1**	**1**	**7**	**45**	**–**	**109**	**169**
At 31 December	**86**	**349**	**25**	**131**	**842**	**10**	**1,579**	**3,022**
Amortisation								
At 1 January	**–**	**(342)**	**(21)**	**(70)**	**(351)**	**(10)**	**–**	**(794)**
Amortisation[1]	**–**	**(2)**	**–**	**(1)**	**(93)**	**–**	**–**	**(96)**
Disposals	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**1**
Foreign exchange	**–**	**(1)**	**(1)**	**(6)**	**(21)**	**–**	**–**	**(29)**
At 31 December	**–**	**(345)**	**(22)**	**(77)**	**(464)**	**(10)**	**–**	**(918)**
Carrying amount								
At 31 December	**86**	**4**	**3**	**54**	**378**	**–**	**1,579**	**2,104**

1 Amortisation of $93 million is included in insurance service expenses as it relates to intangible assets integral to the Group's underwriting activities.

2024	IDENTIFIABLE INTANGIBLES LLOYD'S SYNDICATE CAPACITY US$M	CUSTOMER RELATION-SHIPS US$M	BRAND NAMES US$M	INSURANCE LICENCES US$M	SOFTWARE US$M	OTHER US$M	GOODWILL US$M	TOTAL US$M
Cost								
At 1 January	81	390	25	133	567	10	1,596	2,802
Additions	–	–	–	–	125	–	–	125
Impairment[1]	–	–	–	–	(37)	–	–	(37)
Disposals/reclassifications[2]	–	(44)	–	–	95	–	–	51
Foreign exchange	(1)	(2)	(1)	(9)	(44)	–	(126)	(183)
At 31 December	80	344	24	124	706	10	1,470	2,758
Amortisation								
At 1 January	–	(386)	(21)	(76)	(197)	(10)	–	(690)
Amortisation[3]	–	(2)	–	(1)	(81)	–	–	(84)
Disposals/reclassifications[2]	–	44	–	–	(95)	–	–	(51)
Foreign exchange	–	2	–	7	22	–	–	31
At 31 December	–	(342)	(21)	(70)	(351)	(10)	–	(794)
Carrying amount								
At 31 December	80	2	3	54	355	–	1,470	1,964

1 Includes $23 million recognised in restructuring and related expenses.
2 Includes derecognition of $68 million of fully amortised intangible assets that are expired or no longer in use.
3 Amortisation of $80 million is included in insurance service expenses as it relates to intangible assets integral to the Group's underwriting activities.

How we account for the numbers

Intangible assets are measured at cost less accumulated amortisation and impairment. Those with a finite useful life are amortised over their estimated useful life in accordance with the pattern of expected consumption of economic benefits, with amortisation expense reported in insurance service expenses or in amortisation and impairment of intangibles depending on the use of the asset. Intangible assets with an indefinite useful life are not subject to amortisation but are tested for impairment annually or more frequently if there are indicators of impairment. Intangible assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

7.2.1 Impairment testing of intangible assets

Overview

An intangible asset's recoverable value is the greater of its value in use and its fair value less cost to sell.

For intangible assets with a finite life, if there are indicators that the intangible asset's recoverable value has fallen below its carrying value (e.g. due to changing market conditions), an impairment test is performed and a loss is recognised for the amount by which the carrying value exceeds the asset's recoverable value.

Intangible assets that have an indefinite useful life, such as goodwill, are tested annually for impairment or more frequently where there is an indication that the carrying amount may not be recoverable.

Goodwill is allocated to cash-generating units, or groups of cash-generating units, expected to benefit from synergies arising from the acquisition giving rise to the goodwill. Cash-generating units or groups of cash-generating units reflect the level at which goodwill is monitored for impairment by QBE. As the Group acquires or disposes of operations or reorganises the way that operations are managed, reporting structures may change, giving rise to a reassessment of cash-generating units and the allocation of goodwill to those cash-generating units.

The goodwill relating to certain acquisitions is denominated in currencies other than the US dollar and so is subject to foreign exchange movements.

Goodwill is analysed by groups of cash-generating units as follows:

	2025 US$M	2024 US$M
North America	**30**	30
International	**508**	473
Australia Pacific	**1,041**	967
	1,579	1,470

Impairment losses

During 2025, $14 million of software assets were impaired (2024 $37 million) following management's review.

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7. Group structure

How we account for the numbers

Impairment testing of identifiable intangible assets

The recoverable amount of each intangible asset with an indefinite useful life has been determined by reference to a value in use calculation based on the following key assumptions and estimates:

- Cash flow forecasts relevant to the initial valuation of the identifiable intangible asset are reviewed and updated (if appropriate). Cash flow forecasts are based on a combination of actual performance to date and expectations of future performance based on prevailing and anticipated market factors.
- Discount rates include a beta and a market risk premium determined with reference to observable market information, and a specific risk premium appropriate to reflect the nature of the risk associated with the intangible asset or the cash-generating unit to which the asset is allocated.

Impairment testing of goodwill

The recoverable amount of each cash-generating unit or group of cash-generating units has been determined by reference to a value in use calculation based on the following key assumptions and estimates:

- Cash flow forecasts reflect combined operating ratio and investment return assumptions that build from the latest three-year business plan. These forecasts cover a period of five years, with the final two years determined with reference to the terminal growth rates discussed below. The cash flow forecasts are based on a combination of historical performance and expectations of future performance based on prevailing and anticipated market factors and the benefit of committed cost saving measures.
- Terminal value is calculated using a perpetuity growth formula from the end of the cash flow forecast period. Growth rates reflect the long-term average growth rates of the countries relevant to the cash-generating unit or group of cash-generating units and are based on observable market information. The terminal growth rates used in impairment testing are: North America 2.3% (2024 2.3%), Australia Pacific 2.5% (2024 2.5%) and International 2.0% (2024 2.0%).
- Discount rates reflect a beta and a market risk premium determined with reference to observable market information, and a specific risk premium appropriate to reflect the nature of the business of each cash-generating unit or group of cash-generating units. The pre-tax discount rates used were: North America 12.7% (2024 12.8%), Australia Pacific 13.7% (2024 14.2%) and International 11.9% (2024 11.8%). The post-tax discount rates used were: North America 9.8% (2024 10.1%), Australia Pacific 9.8% (2024 10.0%) and International 8.9% (2024 8.8%).

Critical accounting judgements and estimates

The Group's business plan, which is the basis for cash flow forecasts used to determine the recoverable amount of goodwill, considers the potential impact of climate change through the catastrophe allowance which reflects the anticipated rise in trends in the frequency and cost of weather-related events, as well as other assumptions, including relating to premium rate, which reflect QBE's underwriting strategy and planned management actions in response to these risks.

7.3 Controlled entities

Overview

The Group's controlled entities are listed in note 7.3.1. The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company at 31 December 2025 and the results for the financial year then ended, or for the period during which control existed if the entity was acquired or disposed of during the financial year.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. The Group does not have any interests in consolidated structured entities. The Group's involvement in unconsolidated structured entities, and the nature and extent of its interests, is disclosed in note 7.3.2.

7.3.1 Controlled entities

	COUNTRY OF INCORPORATION/ FORMATION	EQUITY HOLDING 2025 %	EQUITY HOLDING 2024 %
Ultimate parent entity			
QBE Insurance Group Limited	Australia		
Controlled entities			
Austral Mercantile Collections Pty Limited (deregistered 13 August 2025)	Australia	–	100.00
Australian Aviation Underwriting Pool Proprietary Limited	Australia	**100.00**	100.00
Burnett & Company, Inc.	United States	**100.00**	100.00
Challenger Private Debt Q Fund	Australia	**100.00**	100.00
Champlain Insurance PCC, Inc.	United States	**100.00**	100.00
Cumberland Insurance PCC, Inc.	United States	**100.00**	100.00
Elders Insurance (Underwriting Agency) Pty Limited	Australia	**80.00**	80.00
General Casualty Company of Wisconsin	United States	**100.00**	100.00
General Casualty Insurance Company	United States	**100.00**	100.00
Greenhill BAIA Underwriting GmbH	Germany	**100.00**	100.00
Greenhill International Insurance Holdings Limited	United Kingdom	**100.00**	100.00
Greenhill Sturge Underwriting Limited	United Kingdom	**100.00**	100.00
Greenhill Underwriting Espana Limited	United Kingdom	**100.00**	100.00
Lifeco s.r.o. (in liquidation)	Czech Republic	**100.00**	100.00
NAU Country Insurance Company	United States	**100.00**	100.00
North Pointe Insurance Company	United States	**100.00**	100.00
Praetorian Insurance Company	United States	**100.00**	100.00
QBE Administration Services, Inc.	United States	**100.00**	100.00
QBE Americas, Inc.	United States	**100.00**	100.00
QBE Asia Pacific Holdings Limited	Hong Kong	**100.00**	100.00
QBE Asia Services Sdn. Bhd.	Malaysia	**100.00**	100.00
QBE Capital (Global) Ltd.	Bermuda	**100.00**	100.00
QBE Capital Ltd.	Bermuda	**100.00**	100.00
QBE Corporate Limited	United Kingdom	**100.00**	100.00
QBE Emerging Markets Holdings Pty Limited	Australia	**100.00**	100.00
QBE Employee Share Trust[1]	Australia	–	–
QBE Europe SA/NV	Belgium	**100.00**	100.00
QBE European Operations plc	United Kingdom	**100.00**	100.00
QBE European Services Limited	United Kingdom	**100.00**	100.00
QBE Finance Holdings (EO) Limited	United Kingdom	**100.00**	100.00
QBE FIRST Enterprises, LLC	United States	**100.00**	100.00
QBE FIRST Property Tax Solutions, LLC	United States	**100.00**	100.00
QBE General Insurance (Hong Kong) Limited	Hong Kong	**100.00**	100.00
QBE Group Services Pty Ltd	Australia	**100.00**	100.00
QBE Group Shared Services Limited	United Kingdom	**100.00**	100.00
QBE Holdings (AAP) Pty Limited	Australia	**100.00**	100.00
QBE Holdings (EO) Limited	United Kingdom	**100.00**	100.00
QBE Holdings, Inc.	United States	**100.00**	100.00
QBE Hongkong & Shanghai Insurance Limited	Hong Kong	**100.00**	100.00

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

7. Group structure

	COUNTRY OF INCORPORATION/ FORMATION	EQUITY HOLDING 2025 %	2024 %
QBE Insurance (Australia) Limited	Australia	**100.00**	100.00
QBE Insurance (Fiji) Limited	Fiji	**100.00**	100.00
QBE Insurance (International) Pty Limited	Australia	**100.00**	100.00
QBE Insurance (Malaysia) Berhad	Malaysia	**100.00**	100.00
QBE Insurance (Singapore) Pte Ltd	Singapore	**100.00**	100.00
QBE Insurance (Vietnam) Company Limited	Vietnam	**100.00**	100.00
QBE Insurance Corporation	United States	**100.00**	100.00
QBE Insurance Holdings Pty Limited	Australia	**100.00**	100.00
QBE Investments (Australia) Pty Limited	Australia	**100.00**	100.00
QBE Investments (North America), Inc.	United States	**100.00**	100.00
QBE Irish Share Incentive Plan[1]	Ireland	**–**	–
QBE Latin America Insurance Holdings Pty Ltd	Australia	**100.00**	100.00
QBE Lenders' Mortgage Insurance Limited	Australia	**100.00**	100.00
QBE Management (Ireland) Limited	Ireland	**100.00**	100.00
QBE Management, Inc.	United States	**100.00**	100.00
QBE Management Services (Philippines) Pty Ltd	Australia	**100.00**	100.00
QBE Management Services (UK) Limited	United Kingdom	**100.00**	100.00
QBE Management Services Pty Ltd	Australia	**100.00**	100.00
QBE Mortgage Insurance (Asia) Limited	Hong Kong	**100.00**	100.00
QBE Regional Companies (N.A.), Inc.	United States	**100.00**	100.00
QBE Reinsurance Corporation	United States	**100.00**	100.00
QBE Reinsurance Services (Bermuda) Limited	Bermuda	**100.00**	100.00
QBE Services Inc.	Canada	**100.00**	100.00
QBE Specialty Insurance Company	United States	**100.00**	100.00
QBE s.r.o. (liquidated 22 October 2025)	Czech Republic	**–**	100.00
QBE Stonington Insurance Holdings Inc	United States	**100.00**	100.00
QBE Strategic Capital (Europe) Limited	United Kingdom	**100.00**	100.00
QBE Strategic Capital (International) Limited	United Kingdom	**100.00**	100.00
QBE Strategic Capital Company Pty Ltd	Australia	**100.00**	100.00
QBE UK Finance IV Limited	United Kingdom	**100.00**	100.00
QBE UK Limited	United Kingdom	**100.00**	100.00
QBE UK Share Incentive Plan[1]	United Kingdom	**–**	–
QBE Underwriting Limited	United Kingdom	**100.00**	100.00
QBE Underwriting Services (UK) Limited	United Kingdom	**100.00**	100.00
QBE Ventures Pty Ltd	Australia	**100.00**	100.00
QBE Workers Compensation (NSW) Ltd (dormant)	Australia	**100.00**	100.00
QBE Workers Compensation (VIC) Pty Limited (dormant)	Australia	**100.00**	100.00
Queensland Insurance (Investments) Pte Limited (deregistered 21 May 2025)	Fiji	**–**	100.00
Regent Insurance Company	United States	**100.00**	100.00
Southern National Risk Management Corporation	United States	**100.00**	100.00
Southern Pilot Insurance Company	United States	**100.00**	100.00
Standfast Corporate Underwriters Limited	United Kingdom	**100.00**	100.00
Stonington Insurance Company	United States	**100.00**	100.00
Trade Credit Collections Pty. Limited	Australia	**100.00**	100.00
Trade Credit Underwriting Agency NZ Limited	New Zealand	**100.00**	100.00
Trade Credit Underwriting Agency Pty Limited	Australia	**100.00**	100.00

1 QBE Employee Share Trust, QBE Irish Share Incentive Plan and QBE UK Share Incentive Plan have been included in the consolidated financial statements as these entities are special purpose entities that exist for the benefit of the Group.

All equity in controlled entities is held in the form of shares or through contractual arrangements.

How we account for the numbers

Controlled entities

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over it. All transactions between and with controlled entities are eliminated in full. Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated statement of comprehensive income, balance sheet and statement of changes in equity.

Where control of an entity commences during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control is obtained. Where control of an entity ceases during a financial year, its results are included for that part of the year during which the control existed.

A change in ownership of a controlled entity without the gain or loss of control is accounted for as an equity transaction.

7.3.2 Unconsolidated structured entities

The Group acts as a sponsor in a catastrophe bond issued by a special purpose insurer that is a structured entity in accordance with AASB 12 *Disclosure of Interests in Other Entities*. Under this arrangement, QBE transfers underwriting risks through a reinsurance contract with the special purpose insurer which funds its obligations as a reinsurer under the contract by issuing securities to external investors. The Group does not hold any interest in the sponsored structured entity as it does not invest in the securities issued by the entity. Reinsurance contract assets attributable to the reinsurance contract with the structured entity was not material at the balance date.

QBE invests in other structured entities such as managed funds, asset-backed securities and other vehicles in the ordinary course of business. QBE's maximum exposure to loss from its interests in these structured entities is equal to the total fair value of its investment.

8. Other

Overview

This section includes other information that must be disclosed to comply with the Australian Accounting Standards or the *Corporations Act 2001*.

8.1 Other accounting policies

8.1.1 New accounting standards and amendments adopted by the Group

The Group adopted the following revised accounting standard from 1 January 2025:

TITLE	
AASB 2023-5	*Amendments to Australian Accounting Standards – Lack of Exchangeability*

The adoption of this revised standard did not significantly impact the Group's accounting policies or financial statements.

8.1.2 New accounting standards and amendments issued but not yet effective

TITLE		OPERATIVE DATE
AASB 2024-2	*Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*	1 January 2026
AASB 2024-3	*Amendments to Australian Accounting Standards – Annual Improvements Volume 11*	1 January 2026
AASB 2025-1	*Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*	1 January 2026
AASB 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2028

The Australian Accounting Standards and amendments detailed in the table above are not mandatory for the Group until the operative dates stated; however, early adoption is often permitted.

The Group currently plans to adopt the standards and amendments detailed above in the reporting periods beginning on their respective operative dates. An assessment of the financial impact of the standards and amendments has been undertaken and they are not expected to have a material impact on the Group's financial statements, except where noted below.

AASB 18 *Presentation and Disclosure in Financial Statements*

In June 2024, the AASB issued AASB 18 which will replace AASB 101 *Presentation of Financial Statements* from 1 January 2027. The Group is in the process of assessing the impact of the new standard which is expected to result in changes to presentation and disclosure in the financial statements, including in relation to the presentation of certain line items in profit or loss and the disclosure of management-defined performance measures.

8.2 Contingent liabilities

Overview

Contingent liabilities are disclosed when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised.

QBE is required to support the underwriting activities of the Group's controlled entities including corporate members at Lloyd's. Funds at Lloyd's are those funds of the Group which are subject to the terms of the Lloyd's Deposit Trust Deed and are required to support underwriting for the following year and the open years of account, determined by a formula prescribed by Lloyd's each year. At the balance date, letters of credit and similar forms of support of $3,291 million (2024 $2,468 million) were in place in respect of the Group's participation in Lloyd's, along with cash and investments of $364 million (2024 $116 million). In addition, a controlled entity has entered into various trust and security deeds with Lloyd's in respect of assets lodged to support its underwriting activities. These deeds contain covenants that require the entity to meet financial obligations should they arise in relation to cash calls from syndicate participations. A cash call would be made first on the assets held in syndicate trust funds and would only call on funds at Lloyd's after syndicate resources were exhausted. Only if the level of these trust funds was not sufficient would a cash call result in a draw down on the letters of credit and other assets lodged with Lloyd's.

In the normal course of business, the Group is also exposed to contingent liabilities in relation to insurance and non-insurance-related litigation including but not limited to claims litigation, bad faith claims and class actions. Contingent liabilities may also arise as a result of taxation or compliance-related matters, internal investigations, and regulatory examinations, investigations and enforcement actions arising out of its insurance and reinsurance activities. All these matters may result in legal damages or regulatory penalties, financial remediation, compensation and financial or non-financial losses and other impacts.

Entities in the Group may also provide guarantees to support representations in commercial transactions.

Notes to the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Other

8.3 Reconciliation of profit after income tax to net cash flows from operating activities

Overview

AASB 1054 *Australian Additional Disclosures* requires a reconciliation of profit or loss after income tax to net cash flows from operating activities.

	2025 US$M	2024 US$M
Profit after income tax	**2,165**	1,787
Adjustments for:		
Depreciation and impairment of property, plant and equipment	**29**	33
Amortisation of right-of-use lease assets	**56**	55
Amortisation/impairment of intangibles	**110**	98
Gain on sale of entities and businesses	**(18)**	(2)
Share of net loss of associates	**5**	6
Net foreign exchange (gains) losses	**(24)**	24
Fair value gains and interest accrued on financial assets	**(616)**	(412)
Equity-settled share-based payments expense	**64**	59
Balance sheet movements:		
(Increase) decrease in other receivables	**(94)**	13
Increase in net operating assets	**(11)**	(26)
Increase (decrease) in other payables	**32**	(31)
Increase in insurance contract liabilities	**1,336**	2,361
Decrease (increase) in reinsurance contract assets	**905**	(1,548)
Increase in net defined benefit obligation	**2**	3
Decrease in net tax assets	**282**	155
Net cash flows from operating activities	**4,223**	2,575

8.4 Share-based payments

Overview

Share-based payments are equity-based compensation schemes provided to employees and executives. The Company issues shares from time to time under an Employee Share and Option Plan (the Plan). Any full-time or part-time employee of the Group or any equally-owned joint venture who is offered shares or options is eligible to participate in the Plan.

8.4.1 Share schemes

A summary of deferred equity award plans is set out below:

Current deferred equity plans

PLAN	AVAILABLE TO	NATURE OF AWARD	CONDITIONS
Annual Performance Incentive (API) (2022–2025)	Executives and other key senior employees	• 60%–67% delivered in cash (50% in the case of the Group CEO)[1]. • 33%–40% deferred as conditional rights to fully paid ordinary shares of the Company (50% in the case of the Group CEO)[1].	The conditional rights vest in equal tranches over two, three or four years[1]. API outcomes are subject to the achievement of: • performance outcomes measured through a business scorecard containing key financial measures alongside strategically important non-financial measures; and • individual performance objectives measured both on what has been achieved and how it was achieved during the year.
Long-term Incentive (LTI) (2019–2025)	Executives and other key senior employees	• Conditional rights to fully paid ordinary shares of the Company.	The conditional rights vest in three tranches on achievement of the performance measures at the end of a three-year period as follows[1]: • 33% (or 32% for the Group CEO) at the end of the three-year performance period; • 33% (or 32% for the Group CEO) on the first anniversary of the end of the performance period; and • 34% (or 36% for the Group CEO) on the second anniversary of the end of the performance period. Vesting is subject to performance conditions, measured over a three-year performance period, as follows: • For 2024–2025 awards, 50% of conditional rights are subject to the achievement against the Group ROE performance target based on a three-year arithmetic average; 30% of conditional rights are based on the Group's relative total shareholder return, compared against a global insurance peer group; and 20% of conditional rights are based on progress against sustainability (10%) and customer (10%) non-financial measures. • For 2022–2023 awards, 70% of conditional rights are subject to the achievement against the Group ROE performance target based on a three-year arithmetic average; and 30% of conditional rights are based on the Group's relative total shareholder return, compared against a global insurance peer group. • For 2019–2021 awards, 50% of conditional rights are subject to the achievement against the Group ROE performance target based on the average of three individual annual performance ranges set over three individual years (for 2021 awards), or a three-year arithmetic average (for 2019 and 2020 awards); and 50% of conditional rights are based on the Group's relative total shareholder return, compared against two independent peer groups.

1 Overview
2 Operating and financial review
3 Sustainability Report
4 Governance
5 Directors' Report
6 Financial Report
7 Additional information

8. Other

PLAN	AVAILABLE TO	NATURE OF AWARD	CONDITIONS
QShare (2023–2025)	Permanent employees in approved countries	• Conditional rights to fully paid ordinary shares of the Company which match the number of shares purchased by participants under the plan.	The conditional rights vest at the end of three years, subject to the following conditions: • participants must remain in the Group's service throughout the three-year period except in cases where good leaver provisions apply. Under good leaver provisions (e.g. retirement, redundancy, ill health, injury or mutually agreed separation and death), all awarded conditional rights may vest and be converted into ordinary shares of the Company; and • participants must retain the underlying purchased shares throughout the three-year service period for the awards to vest. The conditional rights do not provide participants with entitlement to dividends (including notional dividends).

1 2025 awards may be subject to the following adjustments to comply with regulatory requirements:
- in relation to the 2025 API plan, adjustments may be made to the proportion of the award delivered in cash and conditional rights; and
- in relation to the 2025 API and LTI plans, conditional rights may be subject to extended deferral beyond the vesting period.

Legacy deferred equity plans

PLAN	AVAILABLE TO:	NATURE OF AWARD	VESTING CONDITIONS
Executive Incentive Plan (EIP) (2017–2021)	Executives (before 1 Jan 2019) and other key senior employees	• 40%–50% delivered in cash. • 50%–60% deferred as conditional rights[1] to fully paid ordinary shares of the Company.	The conditional rights are deferred in four equal tranches, such that 25% vests on each of the first, second, third and fourth anniversaries of the award. EIP outcomes were subject to the achievement of: • a blend of divisional combined operating ratios (COR) for 2021, or Group COR for 2017–2020, and Group cash ROE targets; • divisional COR targets in the case of divisional employees; and • individual performance objectives reflecting QBE's strategic priorities.
Short-term Incentive (STI) (2014–2021)	Executives and other key senior employees	• 67% delivered in cash (50% in the case of the Group CEO). • 33% deferred as conditional rights to fully paid ordinary shares of the Company (50% in the case of the Group CEO).	The conditional rights are deferred in equal tranches over two or three years dependent on the vesting period of the award. STI outcomes were subject to the achievement of: • a blend of divisional CORs for 2021, or Group COR for 2017–2020, and Group cash ROE targets; • divisional COR targets[2] in the case of divisional employees; and • individual performance objectives reflecting QBE's strategic priorities.

1 For participants outside Australia, the deferred component was generally delivered in equal shares of conditional rights and cash.
2 Divisional return on allocated capital targets until 31 December 2016.

Additionally, for the API, LTI, EIP and STI deferred equity plans:

- plan rules provide suitable discretion for the People & Remuneration Committee to adjust any formulaic outcome to ensure that awards made appropriately reflect performance;
- during the period from the grant date to the vesting date, further conditional rights are issued under the BSP to reflect dividends paid on ordinary shares of the Company. These conditional rights are subject to the same vesting conditions as the original grant of conditional rights;
- recipients must remain in the Group's service throughout the service period for the awards to vest, except in cases where good leaver provisions apply;
- unvested rewards are subject to malus provisions, while cash and vested equity granted under 2021 plans and thereafter remain subject to clawback for a period of two years following the date of vesting, issuance or payment;
- under good leaver provisions, conditional rights remain subject to the performance and vesting conditions; and
- once vested, conditional rights can be exercised for no consideration unless additional deferral arrangements apply.

8.4.2 Conditional rights

Details of the number of employee entitlements to conditional rights to ordinary shares granted, vested and transferred to employees during the year are as follows:

	2025 NUMBER OF RIGHTS	2024 NUMBER OF RIGHTS
At 1 January	**18,243,419**	15,404,456
Granted	**6,059,555**	6,323,772
Dividends attaching	**793,157**	450,362
Vested and transferred to employees	**(4,345,705)**	(3,295,175)
Forfeited	**(2,363,895)**	(639,996)
At 31 December	**18,386,531**	18,243,419
Weighted average share price at date of vesting of conditional rights during the year	**A$21.54**	A$16.98
Weighted average fair value of conditional rights granted during the year	**A$20.16**	A$15.88

8.4.3 Fair value of conditional rights

The fair value of conditional rights granted during the year was determined using the following significant assumptions:

		2025	2024
Five-day volume weighted average price of instrument at grant date	A$	**19.58–22.62**	16.25–19.64
Expected volatility	%	**21–22**	24–26
Risk-free rate	%	**3.34–3.89**	3.71–4.02
Dividend yield[1]	%	**4.34–5.30**	4.65–5.52
Expected life of instrument	Years	**0.1–5.0**	0.1–5.0

1 Applies to QShare where participants are not entitled to dividends on conditional rights during the vesting period.

The fair value is determined using appropriate models including Monte Carlo simulations and the Black-Scholes model, depending on the vesting conditions. Some of the assumptions used may be based on historical data which is not necessarily indicative of future trends. Reasonable changes in these assumptions would not have a material impact on the Group's financial statements.

8.4.4 Share-based payment expense

This expense, which includes amounts in relation to cash-settled share-based payment awards, was $62,598 thousand (2024 $51,265 thousand). These amounts are included in insurance service expenses.

8.4.5 Shares purchased on-market

The Group may purchase shares on-market to satisfy entitlements under employee share schemes. The Group acquired 1.5 million (2024 0.5 million) such shares during the period at an average price of A$19.78 (2024 A$17.41).

How we account for the numbers

The fair value of the employee services received in exchange for the grant of equity-settled instruments is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the instruments granted, excluding the impact of any non-market vesting conditions. The impacts of non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable.

The fair value of each instrument is recognised evenly over the service period ending at the vesting date; however, at each balance date, the Group revises its estimates of the number of instruments that are expected to become exercisable due to the achievement of non-market vesting conditions. The Group recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity.

8. Other

8.5 Key management personnel

Overview

AASB 124 *Related Party Disclosures* requires disclosure of the compensation of directors (executive and non-executive) and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. This group is collectively defined as key management personnel. Additional details in respect of key management personnel and their remuneration are shown in the Remuneration Report.

	2025 US$000	2024 US$000
Short-term employee benefits	**14,012**	14,506
Post-employment benefits	**223**	228
Other long-term employment benefits	**(12)**	9
Share-based payments	**7,449**	9,024
	21,672	23,767

How we account for the numbers

Short-term employee benefits – profit sharing and bonus plans

A provision is recognised for profit sharing and bonus plans where there is a contractual obligation or where past practice has created a constructive obligation at the end of each reporting period. Bonus or profit sharing obligations are settled within 12 months from the balance date.

Post-employment benefits – defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays a fixed contribution into a fund during the course of employment and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are expensed as incurred.

Other long-term employee employment benefits

The liabilities for long service leave and annual leave are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using high quality corporate bond yields with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Share-based payments

Further information in relation to remuneration under equity-based compensation schemes is provided in note 8.4.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. When applicable, the Group recognises termination benefits at the earlier of the date when the Group:

- can no longer withdraw the offer of those benefits; and
- recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

8.6 Defined benefit plans

Overview

Defined benefit plans are post-employment plans which provide benefits to employees on retirement, disability or death. The benefits are based on years of service and an average salary calculation. Contributions are made to cover the current cash outflows from the plans and a liability is recorded to recognise the estimated accrued but not yet funded obligations.

	DATE OF LAST ACTUARIAL ASSESSMENT	FAIR VALUE OF PLAN ASSETS 2025 US$M	FAIR VALUE OF PLAN ASSETS 2024 US$M	PRESENT VALUE OF PLAN OBLIGATIONS 2025 US$M	PRESENT VALUE OF PLAN OBLIGATIONS 2024 US$M	NET RECOGNISED SURPLUSES (DEFICITS) 2025 US$M	NET RECOGNISED SURPLUSES (DEFICITS) 2024 US$M
Defined benefit plan surpluses							
Iron Trades Insurance staff trust	31 Dec 2025	**194**	184	**(165)**	(157)	**29**	27
Janson Green final salary superannuation scheme[1]	31 Dec 2025	**112**	105	**(108)**	(100)	**4**	5
		306	289	**(273)**	(257)	**33**	32
Defined benefit plan deficits							
QBE the Americas plan[1]	31 Dec 2025	**134**	137	**(143)**	(146)	**(9)**	(9)
Other plans[2]	31 Dec 2025	**26**	24	**(38)**	(36)	**(12)**	(12)
		160	161	**(181)**	(182)	**(21)**	(21)

1 Defined benefit plan obligations are funded.
2 Other plans include $8 million (2024 $8 million) of defined benefit post-employment plan obligations that are not funded.

The measurement of assets and liabilities in defined benefit plans makes it necessary to use assumptions about discount rates, expected future salary increases, investment returns, inflation and life expectancy. If actual outcomes differ materially from actuarial assumptions, this could result in a significant change in employee benefit expense recognised in profit or loss or in actuarial remeasurements recognised in other comprehensive income, together with the defined benefit assets and liabilities recognised in the balance sheet.

The Group does not control the investment strategies of defined benefit plan assets, most of which are managed by trustees. Nonetheless, the Group has agreed, as part of ongoing funding arrangements, that the trustees should manage their strategic asset allocation in order to minimise the risk of material adverse impact. In particular, the Group has agreed with the trustees to reduce the level of investment risk by investing in assets that match, where possible, the profile of the liabilities. This involves holding a mixture of government and corporate bonds. The Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is also appropriate.

The charge recognised in profit or loss in the year of $4 million (2024 $3 million) is included in insurance service expenses. Total employer contributions expected to be paid to the various plans in 2026 amount to $2 million.

How we account for the numbers

The surplus or deficit recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate or government bonds that are denominated in the currency in which the benefits will be paid, and that have a term to maturity approximating the term of the related superannuation liability. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, and are recognised in other comprehensive income. Past service costs are recognised immediately in profit or loss.

8. Other

8.7 Remuneration of auditors

Overview

QBE may engage the external auditor for non-audit services (which include assurance and non-assurance services) other than excluded services. This is subject to the general principle that the fees for non-assurance services should not exceed 50% of all fees paid to the external auditor in any one financial year. The Board believes some non-audit services are appropriate given the external auditor's knowledge of the Group. External tax services are generally provided by an accounting firm other than the external auditor. Consistent with prior periods, the external auditor cannot provide excluded services which include preparing accounting records or financial reports or acting in a management capacity.

	2025 US$000	2024 US$000
PricewaterhouseCoopers (PwC) Australian firm		
Audit or review of financial reports of the ultimate parent entity	**2,502**	2,329
Audit of financial reports of controlled entities	**2,176**	2,161
Audit or review of statutory returns	**713**	668
Other assurance services	**589**	515
Taxation services	**–**	9
Advisory services	**106**	–
	6,086	5,682
Related practices of PwC Australian firm (including overseas PwC firms)		
Audit of financial reports of controlled entities	**12,065**	10,925
Audit or review of statutory returns	**1,624**	1,183
Other assurance services	**665**	188
Taxation services	**–**	9
Advisory services	**–**	29
	14,354	12,334
	20,440	18,016
Audit and assurance services	**20,334**	17,969
Other services	**106**	47
	20,440	18,016
Other auditors		
Audit of financial reports of controlled entities	**148**	1,864

8.8 Ultimate parent entity information

Overview

The *Corporations Act 2001* requires the disclosure of summarised financial information relating to the ultimate parent entity, QBE Insurance Group Limited.

8.8.1 Summarised financial data of QBE Insurance Group Limited (the Company)

	2025 US$M	2024 US$M
Profit after income tax	**1,319**	819
Other comprehensive income (loss)	**816**	(1,036)
Total comprehensive income (loss)	**2,135**	(217)
Assets maturing within 12 months[1]	**775**	573
Shares in controlled entities	**12,854**	11,935
Other assets	**269**	188
Total assets	**13,898**	12,696
Liabilities maturing within 12 months[2]	**147**	190
Borrowings	**3,700**	2,664
Total liabilities	**3,847**	2,854
Net assets	**10,051**	9,842
Contributed equity	**8,424**	8,710
Treasury shares held in trust	**(16)**	(2)
Foreign currency translation reserve	**(137)**	(231)
Other reserves	**136**	122
Retained profits	**1,644**	1,243
Total equity	**10,051**	9,842

1 Includes amounts due from controlled entities of $164 million (2024 $106 million).
2 Includes amounts due to controlled entities of $19 million (2024 $133 million).

8.8.2 Guarantees and contingent liabilities

	2025 US$M	2024 US$M
Support of the Group's participation in Lloyd's (note 8.2)	**3,291**	2,468
Letters of credit issued in support of other insurance operations of controlled entities	**1,880**	1,443

8.8.3 Tax consolidation legislation

The accounting in relation to the legislation is set out in note 6.2.4. On adoption of the tax consolidation legislation, the directors of the Company and its wholly-owned Australian controlled entities entered into a tax sharing and tax funding agreement that requires the Australian entities to fully compensate the Company for current tax liabilities and to be fully compensated by the Company for any current tax or deferred tax assets in respect of tax losses arising from external transactions occurring after the date of implementation of the tax consolidation legislation. The contributions are allocated by reference to the notional taxable income of each Australian entity.

Details of franking credits available to shareholders are shown in note 5.4.

How we account for the numbers

The financial information of the ultimate parent entity of the Group has been prepared on the same basis as the consolidated financial report except for shares in controlled entities, which are recorded at cost less any provision for impairment.

Consolidated entity disclosure statement

AS AT 31 DECEMBER 2025

The table below includes information required by section 295(3A) of the *Corporations Act 2001* for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements.*

				TAX RESIDENCY[1]	
	ENTITY TYPE	COUNTRY OF INCORPORATION/ FORMATION	PERCENTAGE OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN	FOREIGN JURISDICTION
Ultimate parent entity					
QBE Insurance Group Limited	Body corporate	Australia	N/A	Australian	N/A
Controlled entities					
Australian Aviation Underwriting Pool Proprietary Limited	Body corporate	Australia	100.00	Australian	N/A
Burnett & Company, Inc.	Body corporate	United States	100.00	Foreign	United States
Challenger Private Debt Q Fund	Trust	Australia	100.00	Australian	N/A
Champlain Insurance PCC, Inc.	Body corporate	United States	100.00	Foreign	United States
Cumberland Insurance PCC, Inc.	Body corporate	United States	100.00	Foreign	United States
Elders Insurance (Underwriting Agency) Pty Limited	Body corporate	Australia	80.00	Australian	N/A
General Casualty Company of Wisconsin	Body corporate	United States	100.00	Foreign	United States
General Casualty Insurance Company	Body corporate	United States	100.00	Foreign	United States
Greenhill BAIA Underwriting GmbH	Body corporate	Germany	100.00	Foreign	Germany
Greenhill International Insurance Holdings Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
Greenhill Sturge Underwriting Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
Greenhill Underwriting Espana Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
Lifeco s.r.o.	Body corporate	Czech Republic	100.00	Foreign	Czech Republic
NAU Country Insurance Company	Body corporate	United States	100.00	Foreign	United States
North Pointe Insurance Company	Body corporate	United States	100.00	Foreign	United States
Praetorian Insurance Company	Body corporate	United States	100.00	Foreign	United States
QBE Administration Services, Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Americas, Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Asia Pacific Holdings Limited	Body corporate	Hong Kong	100.00	Foreign	Hong Kong
QBE Asia Services Sdn. Bhd.	Body corporate	Malaysia	100.00	Foreign	Malaysia
QBE Capital (Global) Ltd.	Body corporate	Bermuda	100.00	Foreign	Bermuda
QBE Capital Ltd.	Body corporate	Bermuda	100.00	Foreign	Bermuda, United States
QBE Corporate Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Emerging Markets Holdings Pty Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Employee Share Trust	Trust	Australia	N/A	Australian	N/A
QBE Europe SA/NV	Body corporate	Belgium	100.00	Foreign	Belgium
QBE European Operations plc	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE European Services Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Finance Holdings (EO) Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE FIRST Enterprises, LLC	Body corporate	United States	100.00	Foreign	United States
QBE FIRST Property Tax Solutions, LLC	Body corporate	United States	100.00	Foreign	United States
QBE General Insurance (Hong Kong) Limited	Body corporate	Hong Kong	100.00	Foreign	Hong Kong
QBE Group Services Pty Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE Group Shared Services Limited	Body corporate	United Kingdom	100.00	Australian	N/A
QBE Holdings (AAP) Pty Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Holdings (EO) Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Holdings, Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Hongkong & Shanghai Insurance Limited	Body corporate	Hong Kong	100.00	Foreign	Hong Kong
QBE Insurance (Australia) Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Insurance (Fiji) Limited	Body corporate	Fiji	100.00	Foreign	Fiji
QBE Insurance (International) Pty Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Insurance (Malaysia) Berhad	Body corporate	Malaysia	100.00	Foreign	Malaysia
QBE Insurance (Singapore) Pte Ltd	Body corporate	Singapore	100.00	Foreign	Singapore
QBE Insurance (Vietnam) Company Limited	Body corporate	Vietnam	100.00	Foreign	Vietnam
QBE Insurance Corporation	Body corporate	United States	100.00	Foreign	United States
QBE Insurance Holdings Pty Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Investments (Australia) Pty Limited	Body corporate	Australia	100.00	Australian	N/A

	ENTITY TYPE	COUNTRY OF INCORPORATION/ FORMATION	PERCENTAGE OF SHARE CAPITAL HELD	TAX RESIDENCY[1] AUSTRALIAN OR FOREIGN	TAX RESIDENCY[1] FOREIGN JURISDICTION
QBE Investments (North America), Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Irish Share Incentive Plan	Trust	Ireland	N/A	Foreign	Ireland
QBE Latin America Insurance Holdings Pty Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE Lenders' Mortgage Insurance Limited	Body corporate	Australia	100.00	Australian	N/A
QBE Management (Ireland) Limited[2]	Body corporate	Ireland	100.00	Foreign	Ireland
QBE Management, Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Management Services (Philippines) Pty Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE Management Services (UK) Limited[3]	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Management Services Pty Ltd[4]	Body corporate	Australia	100.00	Australian	N/A
QBE Mortgage Insurance (Asia) Limited	Body corporate	Hong Kong	100.00	Foreign	Hong Kong
QBE Regional Companies (N.A.), Inc.	Body corporate	United States	100.00	Foreign	United States
QBE Reinsurance Corporation	Body corporate	United States	100.00	Foreign	United States
QBE Reinsurance Services (Bermuda) Limited	Body corporate	Bermuda	100.00	Foreign	Bermuda
QBE Services Inc.	Body corporate	Canada	100.00	Foreign	Canada
QBE Specialty Insurance Company	Body corporate	United States	100.00	Foreign	United States
QBE Stonington Insurance Holdings Inc	Body corporate	United States	100.00	Foreign	United States
QBE Strategic Capital (Europe) Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Strategic Capital (International) Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Strategic Capital Company Pty Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE UK Finance IV Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE UK Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE UK Share Incentive Plan	Trust	United Kingdom	N/A	Foreign	United Kingdom
QBE Underwriting Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Underwriting Services (UK) Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
QBE Ventures Pty Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE Workers Compensation (NSW) Ltd	Body corporate	Australia	100.00	Australian	N/A
QBE Workers Compensation (VIC) Pty Limited	Body corporate	Australia	100.00	Australian	N/A
Queensland Insurance (Investments) Pte Limited	Body corporate	Fiji	100.00	Foreign	Fiji
Regent Insurance Company	Body corporate	United States	100.00	Foreign	United States
Southern National Risk Management Corporation	Body corporate	United States	100.00	Foreign	United States
Southern Pilot Insurance Company	Body corporate	United States	100.00	Foreign	United States
Standfast Corporate Underwriters Limited	Body corporate	United Kingdom	100.00	Foreign	United Kingdom
Stonington Insurance Company	Body corporate	United States	100.00	Foreign	United States
Trade Credit Collections Pty. Limited	Body corporate	Australia	100.00	Australian	N/A
Trade Credit Underwriting Agency NZ Limited	Body corporate	New Zealand	100.00	Foreign	New Zealand
Trade Credit Underwriting Agency Pty Limited	Body corporate	Australia	100.00	Australian	N/A

1 Disclosure of tax residency as Australian or foreign resident within the meaning of the *Income Tax Assessment Act 1997* reflects the tax residency of those entities at the reporting date. The determination of tax residency involves judgement as it is fact dependent and subject to interpretation. The following interpretations have been applied in determining tax residency:
- Australian tax residency has been assessed based on current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR* 2018/5.
- Foreign tax residency has been determined based on relevant foreign legislation and, where available, tax authority guidance.
- Australian tax law generally does not contain specific tax residency tests for trusts and these entities are generally taxed on a flow-through basis. The residency of each trust has been determined based on the residency of the trustee.

2 QBE Management (Ireland) Limited is the trustee of QBE Irish Share Incentive Plan.

3 QBE Management Services (UK) Limited is the trustee of QBE UK Share Incentive Plan.

4 QBE Management Services Pty Ltd is the trustee of QBE Employee Share Trust.

Directors' declaration

FOR THE YEAR ENDED 31 DECEMBER 2025

In the directors' opinion:

(a) the financial statements and notes set out on pages 90 to 163 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date;

(b) the consolidated entity disclosure statement set out on pages 164 to 165 is true and correct; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1.2.1 confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Group Chief Executive Officer and Group Chief Financial Officer required by section 295A of the *Corporations Act 2001* and as recommended under the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Signed in Sydney this 20th day of February 2026 in accordance with a resolution of the directors.

Michael Wilkins AO
Director

Andrew Horton
Director

Independent auditor's report

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of QBE Insurance Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended;

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 31 December 2025;
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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Independent auditor's report

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board Audit Committee.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities and reinsurance contract assets (Refer to note 2.2) The valuation of insurance contract liabilities and related reinsurance contract assets is a key audit matter due to the significant judgement involved in estimating future cash flows, particularly in relation to the methodologies and assumptions used in determining incurred but not yet reported (IBNR) reserves and the associated reinsurance recoveries.	We, together with PwC actuarial experts: • Obtained an understanding and tested the design, implementation and operating effectiveness of relevant controls over the Group's process for valuing insurance contract liabilities and reinsurance contract assets. • For selected material groups of contracts, or those subject to heightened levels of uncertainty, we either: – Developed independent point estimates of future cash flows, applying our own assumptions and compared these to management's results; or – Assessed underlying methodology and significant assumptions used by management to derive future cash flows by comparing these to historical experience, industry trends and benchmarks, and other publicly available information.

Key audit matter	How our audit addressed the key audit matter
These estimates are inherently uncertain and can be further impacted by a number of factors, including the volatility of future costs associated with long-tail insurance classes – where significant time can pass before claims are settled – and the occurrence of catastrophic events near balance date, which may limit the availability of reliable data and require increased expert judgement. The application and coverage of divisional and Group-wide reinsurance programs, including those involving adverse development covers, can also add complexity to the valuation process. The determination of the risk adjustment – a component of both insurance contract liabilities and reinsurance contract assets – is also a significant area of judgement, particularly regarding the methodologies and assumptions used, as it reflects the Group's assessment of the compensation required for bearing the uncertainty about the amount and timing of the future cash flows.	• Evaluated the appropriateness and reliability of relevant attributes of the data used to estimate future cash flows associated with groups of contracts, including agreeing a sample of claims and reinsurance recoveries to underlying documentation. • Evaluated the Group's approach to derive the risk adjustment, including calibration of model parameters such as capital allocations to amounts set by those charged with governance and regulatory requirements. • Compared discount rates applied, including the illiquidity premium, to external market data and industry benchmarks. • Assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

Carrying value of goodwill
(Refer to note 7.2)
 	
An impairment assessment is performed annually by the Group, with potential impairment identified by comparing the value-in-use of the cash-generating unit (CGU) to its carrying value, including goodwill.
 	
The carrying value of goodwill is a key audit matter due to the inherent uncertainty and subjectivity in estimating the value-in-use of each CGU. This valuation relies on a discounted cash flow model that involves significant judgements and assumptions regarding cash flow projections, investment returns, terminal growth rates and discount rates.
	We:
	• Obtained an understanding and tested the design and implementation of relevant controls over the Group's process for determining the carrying value of goodwill.
	• Evaluated the determination and composition of the CGUs to which goodwill was allocated in the context of the Group's operations and reporting processes.
	• Developed an understanding of the process used to develop cash flow projections and compared the cash flows included in the impairment assessment with the three-year business plan presented to the Board, the current and past performance of the CGUs, and, where available, other external market and industry data.
	• Together with PwC valuation experts:
	  – Assessed whether the value-in-use methodology applied complied with the requirements of Australian Accounting Standards.
	  – Evaluated the appropriateness of the terminal growth rates and investment return assumptions with reference to available external market data.
	  – Reperformed the calculation of the discount rates applied to cash flow projections, comparing key inputs (including risk-free rates, market premiums and unlevered betas) to industry and other benchmarks.
	• Assessed the mathematical accuracy of the models which were used to determine the value-in-use of the CGUs.
	• Assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

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2 Operating and financial review
3 Sustainability Report
4 Governance
5 Directors' Report
6 Financial Report
7 Additional information

Independent auditor's report

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

Key audit matter	How our audit addressed the key audit matter

Valuation of level 3 investments
(Refer to note 3.2)
 	
The valuation of level 3 investments is a key audit matter due to the inherent estimation uncertainty and the significant judgment required in determining fair value. This is driven by the use of unobservable market inputs, which arise from market illiquidity and/or the complexity of the instruments, requiring the Group to exercise judgment in assessing these valuations.
	We:
	• Obtained an understanding and tested the design, implementation and operating effectiveness of relevant controls over the Group's process for valuing investments.
	• Evaluated the appropriateness of the valuation methodologies adopted and classification of investments with reference to the requirements of Australian Accounting Standards.
	• For selected level 3 investments, we:
	  – Compared the price used by the Group to the price quoted by the fund manager at balance date.
	  – Assessed the reliability and accuracy of past fund manager statements by comparing prices with those reported in the most recent audited financial statements of the respective funds.
	  – Reviewed the latest reports provided by fund managers and/or administrators outlining their implemented controls, including, where available, assurance reports evaluating the design and operating effectiveness of controls relevant to the audit.
	  – Considered fund performance in the context of external market data and relevant investment categories as well as recent transaction activity.
	• Assessed the reasonableness of the related disclosures in the financial report against the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Operation of financial reporting IT systems and controls	
The Group's operations and financial reporting processes are highly dependent on information technology (IT) systems for processing and recording of a significant volume of transactions. A fundamental component of these IT systems is the management of risks relating to inappropriate user access, unauthorised program changes and the operation of key IT processes and controls. The operation of the IT systems relevant to financial reporting, and the relevant controls, is a key audit matter due to the role of these systems in the integrity and reliability of financial information.	For material financial statement balances, we developed an understanding of the business processes, the IT systems used to generate and support those balances, and the associated IT application controls and dependencies where relevant. Our procedures included assessing the design, implementation and operating effectiveness of relevant controls in the following areas of IT systems relevant to financial reporting: • Change management: the processes and controls used to develop, test and authorise changes in system functionality and configuration. • System development: the project disciplines designed to ensure that significant developments or implementations are appropriately tested before implemented and that data is converted and transferred completely and accurately. • Security: the access controls designed to enforce segregation of duties, govern the use of generic and privileged accounts, and ensure that data is only changed through authorised means. • IT operations: the controls over system operations to ensure that any issues that arise are managed appropriately. Where IT services are provided by a third party, we considered assurance reports issued evaluating the design and operating effectiveness of controls relevant to the audit. We also carried out procedures, on a sample basis, of IT application controls and IT dependencies that were key to our testing in order to assess the accuracy of certain system calculations, the reliability of system-generated reports and the operation of certain system enforced access controls. Where we identified design, implementation or operating effectiveness matters relating to IT systems or their controls, we performed alternative or additional procedures. This included considering mitigating controls in order to respond to the impact on our overall audit approach.

Independent auditor's report

TO THE MEMBERS OF QBE INSURANCE GROUP LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report and a limited assurance conclusion on specified disclosures included in the sustainability report of the annual report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2025.

In our opinion, the remuneration report of QBE Insurance Group Limited for the year ended 31 December 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

S Hadfield

Scott Hadfield
Partner

Sydney
20 February 2026

Shareholder information

The Company is incorporated in Australia, listed on the Australian Securities Exchange (ASX) and trades under the code 'QBE'.

Registered office

QBE Insurance Group Limited

Level 18, 388 George Street
Sydney NSW 2000 Australia

Telephone: +61 2 9375 4444
Facsimile: +61 2 9231 6104

Website: www.qbe.com

QBE website

QBE's website provides investors access to annual reports and half-yearly reports, corporate governance statements, sustainability reports, and ASX announcements. The website also offers regular QBE share price updates, a calendar of events, a dividend history and online access to your shareholding details via the share registry.

Shareholder information and enquiries

Enquiries and correspondence regarding shareholdings can be directed to QBE's share registry:

Computershare Investor Services Pty Limited (Computershare)

GPO Box 2975
Melbourne VIC 3001 Australia

452 Johnston Street
Abbotsford VIC 3067 Australia

Telephone: 1300 723 487 (Australia)
Telephone: +61 3 9415 4840 (International)

Website: www.computershare.com.au
Email: qbe.queries@computershare.com.au

For security purposes, you will need to quote your Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

If you are broker (CHESS) sponsored, queries relating to incorrect registrations and changes to name and/or address can only be processed by your stockbroker. Please contact your stockbroker. Computershare cannot assist you with these changes.

Shareholding details online

Manage your shareholding online by visiting QBE's share registry, Computershare. Log onto www.investorcentre.com to view your holding balance and dividend statements, to update your address (if you are registered with an SRN) or direct credit instructions, provide DRP or BSP instructions or change/add your tax file number (TFN)/Australian Business Number (ABN) details.

You may also register to receive shareholder correspondence electronically including your dividend statements, notices of meetings and proxy and annual reports.

Privacy legislation

Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in QBE's share register. These details must continue to be included in the public register even if you cease to be a securityholder. A copy of the privacy policy is available on Computershare's website.

Dividends

QBE pays cash dividends to shareholders residing in Australia and New Zealand through direct credit. Shareholders based in the United Kingdom and the United States may also choose to receive dividends by direct credit, although it is not mandatory.

Direct credit allows for quick and secure access to funds and reduces risks associated with cheque payments. Shareholders in other regions will receive their dividends by cheque in Australian dollars unless they opt for direct credit. Dividend statements for tax purposes are sent either by post or email, based on the shareholder's selected communications preference.

Eligible shareholders have the option to participate in QBE's Dividend Reinvestment Plan (DRP) and Bonus Share Plan (BSP) when the plans are active. The DRP enables shareholders to acquire additional shares, while the BSP is a bonus share plan whereby the dividend entitlement is forgone for bonus shares in lieu of the dividend. Participation in either plan requires a minimum shareholding of 100 shares and have a registered address in Australia or New Zealand.

Participants may change their DRP or BSP election at any time. Information about DRP/BSP election cut-off dates and application forms are available on QBE's website.

Shareholder information continued

Tax file number (TFN), Australian Business Number (ABN) or exemption – Australian residents

You can confirm whether you have lodged your TFN, ABN or exemption by visiting Computershare's Investor Centre. If you choose not to lodge these details, QBE is obliged to deduct tax at the highest marginal rate (plus the Medicare levy) from the unfranked portion of dividends paid. Australian shareholders living abroad should advise Computershare of their resident status.

Conduit foreign income (CFI)

Non-resident shareholders receive CFI credits for the whole unfranked portion of QBE dividends. These credits exempt non-resident shareholders from Australian withholding tax.

Unpresented cheques/unclaimed money

Under the *Unclaimed Moneys Act 1950*, unclaimed dividends six or more years old must be given to the Australian Capital Territory. It is very important that shareholders bank outstanding dividend cheques promptly and advise Computershare immediately of changes of address or bank account details.

Recent QBE dividend

DATE PAID	TYPE	RECORD DATE	AUSTRALIAN CENTS PER SHARE	FRANKING %
14 April 2016	Final	11 March 2016	30	100
28 September 2016	Interim	26 August 2016	21	50
13 April 2017	Final	10 March 2017	33	50
29 September 2017	Interim	25 August 2017	22	30
20 April 2018	Final	9 March 2018	4	30
5 October 2018	Interim	24 August 2018	22	30
18 April 2019	Final	8 March 2019	28	60
4 October 2019	Interim	23 August 2019	25	60
9 April 2020	Final	6 March 2020	27	30
25 September 2020	Interim	21 August 2020	4	10
24 September 2021	Interim	20 August 2021	11	10
12 April 2022	Final	8 March 2022	19	10
23 September 2022	Interim	19 August 2022	9	10
14 April 2023	Final	7 March 2023	30	10
22 September 2023	Interim	18 August 2023	14	10
12 April 2024	Final	7 March 2024	48	10
20 September 2024	Interim	19 August 2024	24	20
11 April 2025	Final	6 March 2025	63	20
26 September 2025	Interim	20 August 2025	31	25

Annual General Meeting

The Annual General Meeting of QBE Insurance Group Limited will be held at 10am on Friday, 8 May 2026. Details of the meeting, including information about how to vote, will be contained in our Notice of Meeting. QBE's Notice of Meeting is published on our website at www.qbe.com. If you wish to receive a hard copy of the Notice of Meeting, please update your communication preferences by logging into your shareholding at www.investorcentre.com.

Annual Report

QBE's Annual Report is published on our website at www.qbe.com. If you wish to receive a hard copy of the Annual Report, please update your communication preferences by logging into your shareholding at www.investorcentre.com.

Top 20 shareholders as at 31 January 2026

NAME	NUMBER OF SHARES	% OF TOTAL
HSBC Custody Nominees (Australia) Limited	570,410,883	37.89
J P Morgan Nominees Australia Pty Limited	402,416,365	26.73
Citicorp Nominees Pty Limited	220,567,265	14.65
BNP Paribas Nominees Pty Ltd (Agency Lending A/C)	51,493,553	3.42
BNP Paribas Noms Pty Ltd	43,645,852	2.90
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	21,851,373	1.45
BNP Paribas Noms Pty Ltd Deutsche Bank TCA	13,875,240	0.92
HSBC Custody Nominees (Australia) Limited (NT-Comnwlth Super Corp A/C)	10,722,573	0.71
Argo Investments Limited	8,790,088	0.58
BNP Paribas Nominees Pty Ltd (Cowen and Co LLC)	5,191,119	0.34
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd)	4,755,453	0.32
HSBC Custody Nominees (Australia) Limited	3,691,987	0.25
BNP Paribas Noms (NZ) Ltd	3,562,265	0.24
Netwealth Investments Limited (Wrap Services A/C)	3,035,919	0.20
UBS Nominees Pty Ltd	2,857,071	0.19
HSBC Custody Nominees (Australia) Limited – A/C 2	2,248,999	0.15
HSBC Custody Nominees (Australia) Limited – GSCO ECA	1,413,425	0.09
BNP Paribas Nominees Pty Ltd (Clearstream)	1,407,616	0.09
Netwealth Investments Limited (Super Services A/C)	1,387,094	0.09
HSBC Custody Nominees (Australia) Limited (Euroclear Bank SA NV A/C)	1,291,476	0.09
	1,374,615,616	91.30

QBE substantial shareholders as at 31 January 2026

NAME	NUMBER OF SHARES	% OF TOTAL [1]	DATE OF NOTICE
AustralianSuper Pty Ltd	141,252,787	9.40	20 September 2024
BlackRock Group (and its associated entities)[2]	124,492,725	8.24	1 September 2025
State Street Corporation (State Street Corporation and subsidiaries)	123,231,655	8.16	1 September 2025
Vanguard Group (The Vanguard Group, Inc and its controlled entities)	106,957,142	7.10	20 January 2026

1 Percentage of total at date of notice.

2 Totals include Fully Paid Ordinary Shares and American Depository Receipts.

Distribution of shareholders and shareholdings as at 31 January 2026

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 1,000	43,325	63.91	14,508,354	0.96
1,001 to 5,000	19,805	29.22	44,159,974	2.93
5,001 to 10,000	2,940	4.34	20,537,150	1.36
10,001 to 100,000	1,640	2.42	34,306,802	2.28
100,001 and over	72	0.11	1,392,046,351	92.47
Total	67,782	100.00	1,505,558,631	100.00

Shareholdings of less than a marketable parcel as at 31 January 2026

	SHAREHOLDERS		SHARES	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Holdings of 26 or fewer shares[1]	2,997	4.42	29,295	0.0019

1 Determined based on less than marketable parcel of $500 based on a closing price of $19.74 on 30 January 2026.

Financial calendar

YEAR	MONTH	DAY	ANNOUNCEMENT
2026	**February**	**20**	Results and dividend announcement for the year ended 31 December 2025
	March	**5**	Shares begin trading ex-dividend
		6	Record date for determining shareholders' entitlement to the 2025 final dividend
		9	DRP/BSP election close date – last day to nominate participation in the DRP or BSP
	April	**17**	Payment date for the 2025 final dividend
	May	**8**	2026 Annual General Meeting 1Q26 Performance update
	June	**30**	Half year end
	August	**14** [1]	Results and dividend announcement for the half year ended 30 June 2026
		24 [1]	Shares begin trading ex-dividend
		25 [1]	Record date for determining shareholders' entitlement to the 2026 interim dividend
		26 [1]	DRP/BSP election close date – last day to nominate participation in the DRP or BSP
	October	**2** [1]	Payment date for the 2026 interim dividend
	December	**31**	Year end

1 Dates shown may be subject to change.

Glossary

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.
Adjusted return on equity (ROE)	Net profit after tax adjusted to include coupon on Additional Tier 1 capital notes, expressed as a percentage of adjusted average shareholders' equity. Adjusted closing and average shareholders' equity excludes the carrying value of Additional Tier 1 capital notes and in the current year, the fair value through other comprehensive income (FVOCI) reserve.
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 subordinated debt and where applicable, Tier 1 instruments classified as liabilities (which are excluded from borrowings for the purposes of this calculation).
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.

Glossary continued

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.
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.
Greenhouse gas (GHG) emissions	Reported GHG emissions comprise carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). Emissions from nitrogen trifluoride (NF_3) and sulphur hexafluoride (SF_6) are not applicable to QBE's operations.
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.
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.
Liability for remaining coverage (LfRC)	The liability that represents insurance coverage to be provided by QBE after the balance date.
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 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.
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.
Net outstanding claims	Claims reserves within the net LIC and unless otherwise stated, also include 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.

Glossary continued

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.
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.
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.

Important information

Disclaimer

This report contains general background information about the Group's activities current as at 20 February 2026. This report 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 at www.asx.com.au or QBE's website at www.qbe.com. The information is supplied in summary form and is therefore not necessarily complete. It is not intended to be and should not be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. 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.

Forward-looking statements

This report may contain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "outlook", "ambition" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future carbon emissions, 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 report and QBE assumes no obligation to update such information.

Any forward-looking statements in respect of earnings and financial position and performance assume ex-cat and catastrophe claims do not exceed the allowance in our business plans, no changes in premium rates in excess of our business plans, no significant change in equity markets and interest rates, no major movement in budgeted foreign exchange rates, recoveries from our reinsurance panel, no unplanned asset sales, no substantial change in regulation, and no material change to key inflation and economic growth forecasts; in each case, materially from the expectations described in this report. Should one or more of these assumptions prove incorrect, actual results may differ.

Climate-related statements

This report contains certain climate-related statements, including in relation to climate-related risks and opportunities, climate-related goals and ambitions, climate scenarios, emissions reduction pathways and climate projections. These climate-related statements are subject to uncertainties, limitations, risks, challenges, and assumptions associated with climate-related information, and may be dependent on many factors that are not fully within our control. The information in this report should be read in conjunction with the disclosures included on page 53 of this report.

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QBE Insurance Group Limited

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Telephone: +61 2 9375 4444
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Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

QBE Insurance Group Limited

ABN/ARBN	Financial year ended:
28 008 485 014	31 December 2025

Our corporate governance statement[1] for the period above can be found at:[2]

☐ These pages of our annual report:

☒ This URL on our website: https://www.qbe.com/investor-relations/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 20 February 2026 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.[3]

Date:	20 February 2026
Name of authorised officer authorising lodgement:	Carolyn Scobie

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[1] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

[2] Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

[3] Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☒ and we have disclosed a copy of our board charter at: https://www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☒	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☒	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable

[4] Tick the box in this column only if you have followed the relevant recommendation <u>in full</u> for the <u>whole</u> of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

[5] If you have followed all of the Council's recommendations <u>in full</u> for the <u>whole</u> of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☒ and we have disclosed a copy of our inclusion of diversity policy at: https://www.qbe.com/investor-relations/corporate-governance/global-policies and we have disclosed the information referred to in paragraph (c) at: On page 15 of the 2025 Corporate Governance Statement and https://www.qbe.com/investor-relations/corporate-governance and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of our board is not less than 40% of our directors being of each gender within a specified period.	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Page 9 of the 2025 Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Page 9 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Page 9 of the 2025 Corporate Governance Statement and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Page 9 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: https://www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution and the information referred to in paragraphs (4) and (5) at: Pages 56 – 57 of the 2025 Annual Report (Board of Directors) and page 62 of the 2025 Annual Report (Directors Report)	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed our board skills matrix at: Pages 5-6 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: the Board of Directors section on pages 56 – 57 of the 2025 Annual Report and https://www.qbe.com/about-qbe/group-board-of-directors and, where applicable, the information referred to in paragraph (b) at: N/A and the length of service of each director at: the Board of Directors section on pages 56 – 57 of the 2025 Annual Report and https://www.qbe.com/about-qbe/group-board-of-directors	☐ set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	☒	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☒	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒	☐ set out in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: Page 10 of the 2025 Corporate Governance Statement and at https://www.qbe.com/about-qbe/purpose-vision-and-strategic-priorities	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: https://www.qbe.com/investor-relations/corporate-governance/global-policies/group-code-ethics-and-conduct	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: https://www.qbe.com/investor-relations/corporate-governance/global-policies/group-whistleblowing-policy-summary	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☒ and we have disclosed a summary of our Group Financial Crime Framework (which includes our anti-bribery and corruption policy) at: https://www.qbe.com/investor-relations/corporate-governance/global-policies/group-financial-crime-framework	☒ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: https://www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution and the information referred to in paragraphs (4) and (5) at: In the Board of Directors section on pages 56 – 57 of the 2025 Annual Report and in the Directors Report on page 62 of the 2025 Annual Report.	☐ set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☒	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://www.qbe.com/investor-relations/corporate-governance/global-policies	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://www.qbe.com/about-qbe https://www.qbe.com/investor-relations/corporate-governance	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Pages 16 – 17 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: https://www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution and the information referred to in paragraphs (4) and (5) at: The Board of Directors section on pages 56 – 57 of the 2025 Annual Report, and in the Directors Report at page 62 of the 2025 Annual Report	☐ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Page 20 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed how our internal audit function is structured and what role it performs at: Page 19 of the 2025 Corporate Governance Statement	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: In the Risk Management section on pages 16 – 21 and in the Sustainability report (Climate statements) section on pages 22 – 53 of the 2025 Annual Report and in the Impact Report at https://www.qbe.com/sustainability and, if we do, how we manage or intend to manage those risks at: In the Risk Management section on pages 16 – 21 and in the Sustainability report (Climate statements) section on pages 22 – 53 of the 2025 Annual Report and in the Impact Report at https://www.qbe.com/sustainability	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the People & Remuneration committee at: https://www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution and the information referred to in paragraphs (4) and (5) at: in the Board of Directors section on pages 56 – 57 of the 2025 Annual Report and in the Directors' Report on page 62 of the 2025 Annual Report	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: in the Remuneration Report on pages 64 – 86 of the 2025 Annual Report	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☒ and we have disclosed our policy on this issue or a summary of it in our Securities Trading Policy at: https://www.qbe.com/investor-relations/corporate-governance/global-policies	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES - NOT APPLICABLE FOR QBE INSURANCE GROUP LIMITED			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: …………………………………………………………………… [*insert location*]	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we do not have a director in this position and this recommendation is therefore not applicable **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are established in Australia and this recommendation is therefore not applicable **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement **<u>OR</u>** ☐ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – NOT APPLICABLE FOR QBE INSURANCE GROUP LIMITED			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: …………………………………………………………………………….. [*insert location*]	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: …………………………………………………………………………….. [*insert location*]	☐ set out in our Corporate Governance Statement

QBE Insurance

2025 Corporate Governance Statement

2025

Reporting suite

This report forms part of our annual reporting suite which brings together information on the Group's financial and sustainability performance for the year, and other disclosures.

Annual Report

Our primary disclosure document containing the operating and financial review, sustainability report, remuneration report, financial statements and key governance disclosures.

Investor Report

Provides performance highlights and supplementary management commentary on the Group's strategic and financial performance for the convenience of analysts and institutional investors.

Impact Report

Contains discussion of QBE's sustainability performance and progress, and discloses sustainability topics that affect QBE and our impacts on society and the environment.

Impact Data Book

Provides data for key sustainability metrics and trends. This complements the Impact Report.

Modern Slavery and Human Trafficking Statement

Describes how we identify, assess and address modern slavery risks within our operations and supply chains.

Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices.

All of the above disclosures can be found on QBE's website.

Where to find

Where to find	ANNUAL REPORT	INVESTOR REPORT	IMPACT REPORT	IMPACT DATA BOOK	MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT	CORPORATE GOVERNANCE STATEMENT
Business strategy and strategic priorities	●	●				
Risk management	●	○				
Corporate governance framework, policies and practices	○					●
Board membership, skills and experience	●					●
Financial performance	●	●				
Climate-related disclosures	●					
Sustainability strategy			●			
Sustainability governance	●		○		○	
Sustainability performance			●	●	●	

Key: ○ Key messages ● Comprehensive

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Corporate governance statement

QBE is committed to the highest standards of corporate governance. Our QBE DNA consists of seven interwoven elements that are fundamental to QBE and how QBE needs to operate to succeed, recognising its customers, people, shareholders and communities. QBE believes that a culture that rewards transparency, integrity and performance will promote its long-term sustainability and the ongoing success of its business.

This Statement has been approved by the QBE Board and is current as at 20 February 2026.

Board and management

Board functions

The Board charter sets out the role and responsibilities of the Board, including matters expressly reserved for the Board and those delegated to its Committees and management. The role of the Board is to represent and serve the interests of QBE and its shareholders by providing guidance and oversight of QBE's strategies, policies and performance. This includes demonstrating leadership and setting the strategic direction for QBE. The Board also promotes the QBE DNA that underpins the desired culture and oversees the performance of management in the delivery of strategy. The Board's principal objective is to maintain and increase shareholder value while ensuring that the activities of QBE are properly managed.

The Board reviews strategy on an ongoing basis. Each formal Board meeting normally considers reports from the Group Chief Executive Officer and the Group Chief Financial Officer, together with other relevant reports. To help the Board maintain its understanding of the business and to effectively assess management, directors receive regular presentations from the divisional chief executive officers and other senior managers of the various divisions on relevant topics, including budgets, three-year business plans and operating performance. The Board receives updated forecasts during the year. The non-executive directors also have contact with senior executives in various forums throughout the year.

Visits by non-executive directors to QBE's offices in key locations are encouraged. The Board meets regularly in Australia and, due to QBE's substantial overseas operations, spends time in the United Kingdom and the United States each year.

The non-executive directors regularly meet in the absence of management. The Chair and Group Chief Executive Officer in particular, and directors in general, including those on the divisional boards, have substantial contact outside Board and Committee meetings.

Details of the number of Board meetings held during the 2025 financial year and attendance by directors are set out in the Directors' Report (contained in the Annual Report). Directors are expected to attend all Board meetings.

Senior management functions

Management's responsibilities are to:

- develop a draft strategy, make recommendations to the Board and implement the Board-approved strategy, subject to market conditions;
- instil and reinforce the QBE DNA and desired culture;
- prepare annual budgets and three-year business plans;
- carry on day-to-day operations within the Board-approved annual budget and three-year business plans, subject to market conditions;
- design and maintain internal controls;
- establish and monitor the effectiveness of the risk and compliance management systems, and monitor and manage all material risks consistent with the strategic objectives, risk appetite statements and policies approved by the Board;
- provide the Board with accurate, timely and clear information on the Group's operations, including on compliance with material legal and regulatory requirements and any conduct materially inconsistent with the Group Code of Ethics and Conduct;

- inform the Board of material matters and keep the Board and market fully informed of any matters which a reasonable person would expect to have a material effect on the price or value of QBE's shares; and
- monitor that succession plans exist for all Group executive positions other than the Group Chief Executive Officer. The succession plans for the Group Chief Executive Officer are managed by the Governance & Nomination Committee and are discussed in more detail below.

The Board delegates responsibility to the Group Chief Executive Officer for the day-to-day management of the business.

Chair

The independent Chair of the Board is Mike Wilkins AO, who was appointed to that role in March 2020. The Chair is responsible for ensuring that the Board functions as an effective and cohesive group. The Chair works closely with the Group Chief Executive Officer to determine the strategic direction for QBE and to establish high standards of governance and leadership.

Committees

The Board is supported by several Committees which meet regularly to consider audit, risk management, remuneration, and other matters. The main Committees of the Board are the Audit, Governance & Nomination, People & Remuneration and Risk & Capital Committees. Further sub-committees of the Board may be convened to confer on particular issues from time to time. Any non-executive director may attend a Committee meeting.

The Committees have free and unfettered access to QBE's senior managers and may consult external advisers at QBE's cost with the consent of the Chair. A report on each Committee's last meeting is provided at the next Board meeting.

Each Committee comprises at least three independent directors and each Committee Chair is an independent director who is not the Chair of the Board (excluding the Governance & Nomination Committee, the Chair of which is Mike Wilkins). Each Committee operates under a written charter approved by the Board. These charters are available at www.qbe.com/investor-relations/corporate-governance/qbe-charters-and-constitution. The membership of each Committee is provided at www.qbe.com/about-qbe/group-board-of-directors and details of the number of Committee meetings held during the 2025 financial year and attendance by Committee members at Committee meetings are set out in the Directors' Report.

Further information regarding the Committees can be found throughout this corporate governance statement.

Company Secretary

The Company Secretary acts as secretary to the Board and all of the Committees and is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All directors have direct access to the Company Secretary.

The Company Secretary's role is described in the Board charter and includes communication with regulatory bodies and the Australian Securities Exchange (ASX). The Company Secretary oversees statutory and other filings and assists with good information flows within the Board and its Committees and between non-executive directors and senior management, as well as facilitating induction and professional development of directors as required. The Company Secretary may also provide guidance to directors in relation to governance matters.

Board skills and experience

Directors are selected to provide to QBE a broad range of skills, experience and expertise complementary to QBE's insurance activities. The Board comprised nine directors at 31 December 2025, being an independent Chair, seven other independent directors and the Group Chief Executive Officer.

The Board has a skills matrix covering the range of competencies and experience of each director. When the need for a new director is identified, the required experience and competencies of the new director are considered in the context of this matrix and any gaps that may exist.

The directors annually self-assess their individual skills and experience which informs the Board's skills matrix.

The Board's skills matrix is summarised below:

Capable   Advanced   Expert

Capable: good understanding and general awareness

Advanced: strong understanding of concepts and issues based on practical experience

Expert: demonstrated expertise and skill through practical experience

Skills and experience | Director ratings*

Financial acumen
Strong financial acumen with the ability to understand financial statements, question financial controls, and assess financial performance, and/or background in accounting, financial reporting, investment banking, private equity and financial services

Strategy
Experience in leading, setting or executing enterprise-wide strategy or achieving strategic business objectives. Developing, implementing or leading business transformation strategies

Insurance or financial services experience
Non-executive director, leadership or operational experience and expertise gained in an insurance or financial services business

Risk management
Experience in risk and compliance frameworks, including the assessment of risks and controls, setting risk appetite, and distinguishing between financial and non-financial risks

Technology and digital innovation

Technology focus and understanding of the use of digital to drive strategy and innovation, knowledge of IT security risks and data analytics or prior experience leveraging technology (including digital/data) to support growth and transformation or to drive competitive advantage

Customer and commercial focus

Experience in leading, developing or overseeing the embedding of a powerful customer-focused culture in large and/or complex organisations and a strong commitment to customer-oriented outcomes. Ability to apply sound commercial judgment in complex operating scenarios

People

Experience building workforce capability, setting a remuneration framework that attracts and retains a high calibre of executives or promoting inclusion and diversity

Culture

Understanding and experience of what is needed to build and maintain an effective culture that is aligned to the company's strategic goals

Mergers and acquisitions

Experience or understanding of merging, acquiring, divesting of entities

Sustainability

Understanding of issues associated with Sustainability including the business and regulatory challenges relating to the transition to a climate-resilient future and the impact that transition may have on a complex global insurance business

Global business perspective

Global business experience from working, managing or overseeing business units and/or residing in multiple geographies including a broad understanding of global markets and macro-economic environments

Governance, legal and regulatory

Experience as non-executive director of a listed entity (in Australia or overseas) and/or understanding of legal and regulatory frameworks underpinning effective corporate governance practices and/or ability to influence government policy and process

- This represents the Director ratings of the Board including Andrew Horton, CEO.

Independence of the Board

During the 2025 year, the majority of the directors on the Board were independent directors, applying the 'independence' definition of the ASX Corporate Governance Council.

The roles of the Chair and Group Chief Executive Officer are generally not exercised by the same individual.

Directors are required to advise the Board on an ongoing basis of any interest they have that they believe could conflict with QBE's interests. If a potential conflict does arise, either the director concerned may choose not to, or the Board may decide that he or she should not, receive documents or take part in Board discussions while the matter is being considered. Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the Board at each Board meeting.

Tenure

The mere fact that a director has served on the Board for a lengthy period of time does not, of itself, suggest a lack of independence; however, the Board has agreed that a non-executive director's term should be approximately 10 years. Under the Company's Constitution, there is no maximum fixed term or retirement age for non-executive directors. The Board considers that a mandatory limit on tenure would deprive the Group of valuable and relevant corporate experience in the complex world of international general insurance and reinsurance. The tenure of each director is set out in the Board of Directors section of the Annual Report and can also be found on the QBE website at www.qbe.com/about-qbe/group-board-of-directors. The Constitution provides that no director, except the Group Chief Executive Officer, shall hold office for a continuous period in excess of three years or past the third Annual General Meeting (AGM) following a director's last election, whichever is the longer, without submission for individual re-election.

Board and senior executive selection process

The Board Governance & Nomination Committee assists the Board with succession planning and the selection of non-executive directors as well as the Group Chief Executive Officer, so that the Board comprises the necessary range of skills, knowledge and experience to be effective. The Governance & Nomination Committee comprises at least three independent directors of the Board and is chaired by the Board Chair. It meets regularly during the year around the time of the Board meetings. The Board also reviews succession plans for members of the Group Executive Committee (GEC) who report to the Group Chief Executive Officer.

For non-executive directors and the Group Chief Executive Officer, a formal selection and appointment process is undertaken by the Governance & Nomination Committee. For GEC roles, other than the Group Chief Executive Officer, a formal selection process is undertaken by the Group Chief Executive Officer, with appointments approved by the Board.

External consultants may be employed, where necessary, to search for prospective candidates for non-executive director and GEC roles. Candidates are assessed against the required skills, knowledge, experience, qualifications and attributes, ensuring alignment to our DNA. Candidates for non-executive director roles must also demonstrate they have the required time to commit to the position and a willingness to undertake international travel for Board meetings, if required. Appropriate background checks are undertaken before any new non-executive director or GEC appointment or before the Board puts forward a director for election and are then periodically refreshed throughout their tenure. Each non-executive director and GEC member is provided with a written agreement which sets out the terms of their appointment.

As an ongoing evaluation, the Board regularly discusses and reviews its composition in relation to the mix of skills, diversity and geographic location of directors to operate effectively and meet the needs of QBE. Under the Constitution, the size of the Board is limited to 12 directors. The Board considers that a maximum of 12 directors reflects the largest realistic size of the Board that is consistent with:

- maintaining the Board's efficiency and cohesion in carrying out its governance duties on behalf of QBE and its shareholders;

- reducing the risk of a director being insufficiently involved in, and informed about, the business of QBE; and
- providing individual directors with greater potential to contribute and participate.

QBE provides shareholders with all material information in its possession that is relevant to a decision on whether or not to elect or re-elect a director. This is done through a number of channels, such as the notice of meeting, director biographies and other information contained in the Annual Report.

The Board believes that orderly succession and renewal contribute to strong corporate governance and is achieved by careful planning and continual review.

Director induction and training

Upon appointment, directors attend induction sessions where they are briefed on QBE's history, our DNA, strategy, financials, risk management and governance frameworks.

A non-executive director may seek legal advice at QBE's cost with the consent of the Chair. Directors are also provided with ongoing professional development and training programs to enable them to develop and maintain their skills and knowledge at QBE's cost, with the consent of the Chair. Non-executive directors are required to complete continuing professional development each year including on insurance, customer and regulatory matters.

Performance evaluation and remuneration

Performance evaluation – Board and directors

The Chair oversees the performance of the Board, its Committees and each director. The Board regularly reviews its performance through internal and external assessments. Recommendations for either improvement or increased focus are agreed and promptly implemented.

A Board performance evaluation was conducted in 2025 for the 2024 year. The review covered the performance of boards and committees at both the Group and divisional levels.

People & Remuneration Committee

The Board's People & Remuneration Committee meets at least four times each year to review the operational effectiveness of the major people, culture and remuneration practices of QBE. The People & Remuneration Committee comprises at least three independent directors and is chaired by Tan Le. All Board members are invited to and customarily attend the People & Remuneration Committee meetings throughout the year, strengthening remuneration governance across QBE. The People & Remuneration Committee operates alongside the Risk & Capital Committee, with at least one joint meeting during the year.

Performance evaluation – GEC

The People & Remuneration Committee oversees the performance of the GEC. In addition, the Board continually monitors the performance of the GEC through regular reviews and reporting.

The Annual Performance Incentive (API) plan was introduced in 2022 and is now well-embedded. The design of the API provides a clear link between business performance (assessed through the API business scorecard), risk management and individual performance and behaviours. The API business scorecard reflects the outcomes of the Group's financial and non-financial performance measures, with the latter incorporating metrics based on risk, people and strategic priorities. The Board's assessment of the business scorecard determines the available funding for the executive key management personnel API outcomes. Individual performance, assessed both on what has been achieved and how it was achieved during the year, forms an overlay over the individual's entire API outcome. The individual performance includes, for each senior executive, an assessment of their risk performance, which may result in an upwards or downwards adjustment to their remuneration outcome.

The performance of each GEC member is assessed against their Board-approved objectives and goals by the Group Chief Executive Officer (and by the Board Chair for the performance of the Group Chief Executive Officer), endorsed by the People & Remuneration Committee and approved by the Board.

The QBE Remuneration Report (contained in the 2025 Annual Report) sets out the API business scorecard which provides a summary of performance against the key measures. Remuneration outcomes under the API plan are partly paid in cash, with the balance deferred in the form of conditional rights to QBE shares and are subject to malus and clawback, enabling awards to be either forfeited, reduced or have clawback applied at the discretion of the People & Remuneration Committee and Board respectively.

Remuneration policies and practices

Details of QBE's remuneration policies and practices for executive key management personnel and non-executive directors are set out in the QBE Remuneration Report. Other than meeting statutory superannuation requirements, QBE does not have retirement benefit schemes for non-executive directors. QBE's Securities Trading Policy outlines QBE's approach to derivatives or otherwise limiting the economic risk of participating in equity-based remuneration plans, and is available at www.qbe.com/investor-relations/corporate-governance/global-policies

Group governance

Governance frameworks

QBE has a Board-approved Group Governance Framework that sets out five overarching governance principles that support best practice governance across QBE and is designed to encourage accountability across Group Head Office and the divisions.

The framework defines the roles, responsibilities and composition of the Group and divisional boards and committees to facilitate the governance and oversight of the business. The framework also supports the relationship and information flows between the Group and divisional boards and committees, so that they can work together to achieve the best possible outcomes for QBE.

Our DNA

Everything QBE does is informed by our DNA: seven cultural attributes that describe who we are, what we stand for, and how we conduct ourselves. The framework works in conjunction with the Group's Code of Ethics and Conduct to outline the standards and behaviours we expect from our employees to achieve our goals and fulfil our purpose.

At QBE, we show up for our customers, shareholders, communities and each other by being:

- customer-focused;
- technical experts;
- inclusive;
- fast-paced;
- courageous;
- accountable; and
- a team.

Our DNA are approved by the Board, with the GEC and all our leaders responsible for bringing the attributes to life throughout the organisation via our day-to-day interactions as well as through our recruitment, onboarding, performance, reward, leadership, feedback, learning and communication practices.

Employees demonstrating our DNA is integral to how their performance outcomes are measured. At the end of the performance year, employees are assessed in terms of both what they have achieved and how they have achieved it – whether their behaviours were aligned to our DNA. This in turn links to reward outcomes and is applicable for all employees, including senior executives.

The Group Code of Ethics and Conduct addresses the responsibilities employees have to the Group, to each other and to customers, suppliers, communities and governments. It provides clear guidance to help employees apply good judgement and make considered decisions.

Group policies

QBE maintains a suite of Group policies commensurate with a mature and well-run organisation. QBE policies are governed by a global policy framework designed to establish consistent policy design and management requirements. Group policies serve as vital conduits to facilitate an understanding of the Group's compliance and conduct expectations. QBE's approach in key compliance areas recognises that employees (including contractors, directors and agents) are key to maintaining a compliant and ethical approach to QBE's business practices.

The Group Code of Ethics and Conduct applies to all employees as well as directors, agents and contractors. The Group Code of Ethics and Conduct is complemented by the Group Whistleblowing Policy. The Board oversees, and receives reports on compliance with, amongst other things, the Group Code of Ethics and Conduct. The Group Conflicts of Interest Policy operates in conjunction with the Group Gifts and Entertainment Policy, to create a system to identify and report actual, perceived or potential conflicts of interest. In recognition of the importance of protecting employee and customer data across QBE, we have also implemented a global privacy framework.

QBE's policy environment also addresses sanctions, human rights and modern slavery, anti-bribery and corruption, health, safety and wellbeing, continuous disclosure, inclusion of diversity, securities trading, flexible working, supplier sustainability and the environment. Material breaches and incidents relating to the Group Code of Ethics and Conduct, the Group Whistleblowing Policy and the Group Financial Crime Framework (which contains the Group's anti-bribery and corruption policy) are required to be recorded and reported to the Board.

Global policies are also in place to address the prudential requirements of APRA, including risk management, cyber risk, business continuity management, reinsurance management, fitness and propriety, consequence management, third party risk management and outsourcing.

Inclusion of Diversity

A fundamental component of our DNA is our approach to Inclusion of Diversity (IoD), which sets out our expectations for how we interact with each other, and our aspiration to influence and inspire progress for the inclusion of diversity beyond the boundaries of the organisation.

At QBE, we have a broad view of diversity that includes all the ways that people are visibly, and invisibly, different. We know that to realise the benefits of this, we must create an environment where everyone is, and feels, included.

To achieve this, the GEC has agreed the following key global focus areas, which are overseen and progressed by the GEC and monitored by the People & Remuneration Committee of the Board:

Area of focus	**Achievement in 2025**
Diverse workforce including diverse leadership representation, diverse pipeline of talent and fair remuneration Women on the Group Board goal 40% by 2025 **ACHIEVED**	In 2025, we continued to meet our key gender targets (achieving 41.9% women in leadership (L0-L3)) - see the *Gender balance at Board and senior management levels* section below. Beyond these commitments and actions, we continue to identify opportunities for further progress, and to develop targeted initiatives to address attraction, progression and retention of women in leadership at QBE. We support our people through life's meaningful moments - including family expansion through adoption, fostering or birth. Providing paid leave for new parents not only supports family wellbeing, but equal access for all caregivers is a powerful lever in closing the gender pay gap and dismantling gender bias. In 2025, we finalised a global approach to parental leave that is inclusive, flexible and designed to empower all parents, regardless of gender or family structure. We offer a minimum of 12 weeks paid parental leave across all QBE locations globally and have removed eligibility barriers such as length of service, and still allow for local variation in offering extra or flexible leave, and additional support such as return-to-work coaching. As of July 2025, the majority of our people working on a full-time basis may access at least 18 weeks paid parental leave. QBE implements equitable remuneration practices, designed to result in equal pay for equal work. We regularly assess pay equity in our workforce to give us confidence that we have gender pay equity on a like-for-like basis, based on key factors such as role, location and performance. We recognise

Pledge to HESTA's 40:40 Vision

ACHIEVED

40:40 VISION

|HESTA|

that some pay differences remain at an individual level and we continue to work to address any differences through our ongoing annual salary review processes.

In 2025, we released our second annual Global Gender Pay Gap Report, reinforcing our commitment to transparency and progress on gender equality. We were pleased to report decreases in three of the four tracked pay gaps across the Group. The report compares median and mean pay between women and men without adjusting for factors such as role, level, tenure, or location. Our analysis shows the gap is primarily driven by lower representation of women in leadership and higher-paying roles, and greater representation at junior levels. While progress has been made, closing the gap will require sustained, targeted action.

In addition to gender equality, QBE's commitment extends to other areas of diversity including:

- actively promoting inclusion for LGBTIQ+ employees through our global QBE Pride employee network;
- ongoing commitment to supporting indigenous communities in Australia and driving our Reconciliation Action Plan (RAP);
- maintaining learning content that equips people to foster inclusion and psychological safety, confront bias, support neurodiversity, and speak up against racism;
- looking to embed accessibility in the workplace and enhance our ability to employ people with a disability and neurodiversity, with our recruitment team embedding inclusive principles into every stage of the recruitment process; and
- increasing the quality and consistency of our diversity data globally and across the employee lifecycle, so we can understand the diversity of our workforce and the experience of our people.

In 2025, recognising a decade of our commitment to reconciliation, our people in Australia came together during NAIDOC Week to listen, learn, and reflect on our rich heritage and culture of First Nations peoples. We further broadened our focus to deepen our understanding of *Te Ao Māori* – recognising Aotearoa (New Zealand)'s history. This included launching cultural competency and Māori language workshops and our inaugural First Nations internship program in Aotearoa (New Zealand).

More broadly, to support future attraction of diverse talent within the industry, our AUSPAC division continues to maintain our long-standing commitment to employment opportunities through our *Stepping Into* internship program for individuals living with or identifying as having a disability, and through the *CareerTrackers* internship program for those who identify as First Nations peoples, or with First Nations heritage. Our UK *Schools Partnership Programme* entered its fifth year and expanded from London and Leeds to include our Chelmsford office. We also saw the first student alumnus return to QBE for employment through this programme.

Inclusive workplace including inclusive leader capabilities, Our DNA, Voice of Employee, Flex@QBE and Workplace Wellbeing

Belonging targets

Equal sense of belonging achieved within three of four priority dimensions: race/ethnicity, LGBTIQ+, disability status. Not met for non-binary/another gender in 2025.

In 2025, QBE continued to embed inclusion as a core part of our culture, strategy, and leadership. Both our Group Chief Executive Officer and Chief Executive Officer, Australia Pacific remained active members of the Champions of Change Coalition, reinforcing our commitment to gender equality and enabling us to learn from and contribute to industry-wide progress.

As part of our ongoing commitment to building understanding as a foundation for inclusion, we refreshed our global IoD learning programs in 2025, with twelve bite-size "Value All Views" learning modules. Across the enterprise, our people also participated in *Respect@QBE* sessions, Inclusion Workshops, and learning sessions focused on accessibility, gender, allyship, and inclusive leadership. These modules support foundational understanding of inclusion and encourage respectful, curious engagement with diverse perspectives.

To help address our Belonging Target gaps, in 2025 we focused on amplifying inclusion for people who identify as non-binary or another gender, and for people with a disability.

To signal the continued importance of Inclusion of Diversity (IoD), we amplified annual international observances, with executive leaders actively supporting inclusion events. One of these was our inaugural acknowledgement of Non-Binary Peoples Day, organised in consultation with our QBE Pride network.

To support inclusive team practices, psychological safety, and productivity, we introduced a ways-of-working "Passport" to help people proactively communicate individual needs and work preferences.

Our International division launched an Accessibility Hub, including updated office maps for London and Leeds to support navigation and access, and in North America, disability inclusion focus groups provided valuable insights into lived experiences and opportunities for improvement.

Inclusion was a key theme at our month-long Future Festival, with dedicated events including a keynote from a wellbeing expert and featuring first-hand stories from colleagues who have benefited from inclusive policies such as parental leave.

To further embed inclusive behaviours across leadership, in the UK we piloted a new Inclusion Advocates initiative within the People and Reinsurance teams. This pilot followed a series of workshops designed to promote inclusive leadership practices. Additionally, QBE Re delivered Challenging Default Thinking workshops to all colleagues between September and November.

QBE's progress in inclusion was recognised through multiple external awards and accolades in 2025:

- Ranked 4th globally in Equileap's Women's Equality in the Workplace Top 100 Ranking – 2025 Developed Markets Edition;
- Winner of ESG**:** Diversity, Equity and Inclusion Initiative of the Year at the 2025 British Insurance Awards for enabling accessibility;

- Winner of Excellence in Diversity, Equity & Inclusion Award at the 2025 Insurance Business Australia Awards for AUSPAC's Respect@QBE program;
- Winner of the Diversity, Equity & Inclusion Award at the 2025 Modern Claims Awards for workplace accessibility progress in Europe;
- Winner of the Progress Award at the 2025 Insurance Insider Honours for workplace accessibility progress in Europe; and
- First UK insurer to be accredited by Family Friendly Workplaces.

These achievements reflect QBE's continued commitment to building an inclusive workplace where all employees feel valued, supported, and empowered to thrive.

Connected marketplace including customer satisfaction and retention, vulnerable customers and diversity in supply chain

We continued to engage in external advocacy and partnerships to drive broader change. We joined the UK Industry Transformer Roundtable with GAIN and supported iCAN's Speed Mentoring event in Birmingham. In our International Division, partnerships with Bridging the Gap, The Brokerage, and London Market Group enabled the onboarding of ten diverse school leavers as underwriting assistants, supporting early career pathways into the insurance industry.

QBE also continues with our impact investing initiative, Premiums4Good, where we allocate a portion of our customer premiums to make impact investments that aim to create positive environmental and/or social change, alongside a financial return. Our impact investments include projects that help the environment, like renewable energy, waste management and water conservation, and ones that deliver direct, sustainable benefits to communities such as helping the homeless or providing additional social care to adults and young people.

Impact investment – Premiums4Good

a portion of a customer's premium is directed towards impact investments

QBE's Supplier Code of Responsible Conduct includes our commitment to working with suppliers that reflect the diverse nature of the communities we serve. This includes minority and First Nations businesses, disability and social enterprises, female-owned and/or female-led businesses, our community partners and other not-for-profits. We expect our suppliers to treat their workforce and applicants fairly, offer equal opportunities and pay equity, and foster an inclusive culture of respect.

Our commitment to reconciliation remains an ongoing priority. Our focus is on maintaining meaningful relationships and sustainable opportunities with Aboriginal and Torres Strait Islander peoples, communities and organisations and advocating change.

Progress in 2025 included:

- Acknowledging a decade of impact to reconciliation: during NAIDOC Week, our people came together to listen, learn, share stories, and reflect on the rich heritage and culture of First Nations peoples;
- Driving industry change: by actively participating in the Insurance Council Australia Indigenous Engagement Working Group, we are

helping shape industry standards and championing Indigenous inclusion;

- Contributing to self-determination and financial inclusion of First Nations communities and charities in collaboration with QBE Foundation (Australia Pacific);
- Strengthening investment in supplier diversity opportunities across the business; and
- Ongoing capability uplift through education and awareness-raising in a culturally respectful way.

Gender balance at Board and senior management levels

In 2020, we set ourselves the goal of achieving 40% women in leadership across QBE by 2025, and 40% women on our Board by 2025.

These goals have now been met, with 41.9% women in leadership and 44.4% women on the Group Board. 44.9% of all leader hires and 48.9% of leader promotions were women, reflecting the continued focus on gender diversity in leadership.

In May 2022, we became the first insurer to pledge support for the 40:40 Vision, with a goal to meet the principle of 40% women, 40% men and 20% any gender on the GEC by 2025, a target we already meet with 58.3% women on our GEC.

In 2025, we renewed our Inclusion targets, setting targets for 2030, as follows:

- Maintain Women in Leadership (L0-3) in alignment with the 40:40:20 principle by 2030 (between 40 and 60% women)
- Maintain Women on the Group Board in alignment with the 40:40:20 principle by 2030 (between 40 and 60% women)
- Maintain commitment to achieving 40:40:20 on the GEC by 2030 (between 40 and 60% women)
- Increase women in L1-3 (from an end-2025 baseline) by 2027
- Achieve & maintain below 5 percentage point variation in overall favourable responses to ‘I feel a sense of belonging at QBE’ measured across:
    - Gender (male/female/non-binary or another gender)
    - Race/ethnicity (identify as minority/don’t identify as minority)
    - Disability status (identify as having a disability/don’t identify)
    - Sexual orientation (heterosexual/any other responses)

Details of gender representation across our workforce and management levels together with targets are set out below*:

Female representation	Gender targets		31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022
Board	By 2025:	**40%**	**44.4%**	**44.4%**	40.0%	44.4%
GEC	By 2030:	**40:40:20**	**58.3%**	**58.3%**	54.5%	45.5%
Level 1			**27.7%**	**30.6%**	34.0%	27.7%
Level 2			**37.4%**	**35.1%**	37.0%	37.0%
Level 3			**43.0%**	**41.9%**	40.6%	39.3%
Women in leadership (GEC and levels 1–3)	By 2025:	**40%**	**41.9%**	**40.8%**	40.0%	38.6%
Women in workforce			**53.2%**	**52.9%**	52.8%	52.5%

* The additional target for 2027 of “an improvement in pipeline for GEC (L1-L3) from 2025 baseline” will be added to the table post 2025

For further details on our approach and progress, refer to QBE’s 2025 Impact Report. QBE also makes an annual filing to comply with the *Workplace Gender Equality Act 2012* (Cth) (WGEA) in Australia disclosing our performance against the ‘Gender Equality Indicators’. QBE’s 2025 Impact Report can be found at www.qbe.com/investor-relations/reports-presentations/annual-results

Communications with shareholders

Shareholder engagement

QBE is committed to regularly communicating with its shareholders and other stakeholders in a timely and accessible manner and encouraging shareholder participation at its AGM. Detailed information about QBE can be found on the website at www.qbe.com including:

- its history;
- the Board and management;
- its Constitution, Board charter and the charters of each of its Committees;
- corporate governance and policies;
- periodic disclosures, including annual reports, half-yearly reports, investor reports, impact reports and impact data books;
- ASX announcements;
- shareholder calendar;
- notices of meeting and any accompanying documents;
- presentation materials provided at investor and analyst briefings; and
- webcasts of meetings of shareholders and investor and analyst briefings.

The QBE website includes a dedicated investor relations section where shareholders can access relevant information regarding their shares. There is also a direct link where shareholders can access their shareholding online through QBE's share registry, Computershare. They can update their personal information and provide their email address and elect to receive communications electronically. Shareholders can contact QBE's shareholder services at shares@qbe.com or by contacting QBE's share registry, Computershare, at qbe.queries@computershare.com.au or by phone at +61 3 9415 4840. Hard copies of the Annual Report and/or Notice of Annual General Meeting can be requested by shareholders updating their preferences by logging into their shareholding at www.investorcentre.com.

QBE has a comprehensive investor relations program that facilitates effective communication with its investors. The Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Risk Officer, Group General Counsel and Company Secretary, Group Head of Investor Relations, Group Executive, Corporate Affairs and Sustainability, Group Treasurer and divisional chief executive officers generally deal with analysts, investors, media, rating agencies and others, taking account of regulatory guidelines including those issued by the ASX on continuous disclosure. The presentations on the 30 June and 31 December results and other major presentations are sent to the ASX before the presentations commence and are available promptly at www.qbe.com/investor-relations/reports-presentations. The 30 June and 31 December results presentations are also webcast live and subsequently archived at www.qbe.com/investor-relations/reports-presentations

Annual General Meetings

QBE welcomes and encourages shareholder participation at its AGM, in person, online, by teleconference or by proxy. The AGM is held in Sydney each year. In 2025, QBE held a hybrid AGM. Shareholders were able to:

- participate by attending the meeting in person, watching online or dialling in to the teleconference;
- ask questions in person, online or on the telephone once they were verified; and
- vote by appointing a proxy, direct voting prior to the AGM and direct voting online during the AGM.

Prior to each AGM, QBE distributes to shareholders a Notice of Meeting and proxy form, or a Notice and Access by email or post, in accordance with the requirements of the Corporations Act 2001, the ASX Listing Rules and the Company's Constitution. The Notice of Meeting is also available on QBE's website. To encourage effective participation at AGMs, QBE:

- issues notices of meeting that are honest, accurate and not misleading;
- includes explanatory notes for all resolutions included in the notice;

- provides a proxy form detailing how a shareholder may appoint a proxy, direct their proxy how to vote on a particular resolution if they so choose and, if they appoint the Chair of the meeting as their proxy, how the Chair intends to vote undirected proxies;
- only combines or 'bundles' resolutions in notices of meeting in limited circumstances; and
- provides shareholders with the opportunity to lodge proxies electronically.

Shareholders are encouraged to submit questions or comments ahead of the AGM so that these can be addressed at the meeting. Directors, members of the management team and the external auditor are available at the AGM to respond to questions regarding the items of business, including about the conduct of the audit and the preparation and content of the auditor's report.

Voting at the AGM is conducted by way of a poll i.e. one vote for each fully paid ordinary share held.

Continuous disclosure

QBE is committed to meeting its continuous disclosure obligations issuing market releases as needed throughout the year. Significant developments affecting QBE may be the subject of an announcement to the ASX. All ASX announcements are placed on QBE's website at www.qbe.com/investor-relations/asx-announcements as soon as practicable after release. The Board and relevant management also receive copies of all material market announcements promptly after they are released. QBE's Continuous Disclosure Policy is available at www.qbe.com/investor-relations/corporate-governance/global-policies.

Verification of periodic corporate reports

QBE prepares periodic corporate reports for the benefit of investors such as annual reports, half-year reports, investor reports, impact reports and impact data books. QBE follows a robust process for satisfying itself that each report is materially accurate and balanced, and that it provides investors with appropriate information to make investment decisions.

Periodic corporate reports are drafted by staff with direct responsibility for, or expertise in, the subject matter and are supported by evidence, including by documenting the various sources of information and consultation undertaken within QBE or with external parties. The information is then reviewed by senior management who have the knowledge and skills to verify the accuracy and completeness of the information provided. QBE uses an independent limited assurance engagement to confirm that certain data in the annual impact data book has been prepared and presented appropriately in all material aspects.

The Board and its Committees review and approve statutory and other significant corporate reports prior to release to the market. All other periodic corporate reports are submitted for approval to the Disclosure Committee, a committee comprised of senior executives including the Group Chief Executive Officer and Group Chief Financial Officer.

Financial and other reporting

Audit Committee

The Board has an Audit Committee which meets at least quarterly to support the Board in overseeing the effectiveness of the Group's financial and sustainability reporting and risk management framework. In particular, the Audit Committee oversees the integrity of the Group's financial and sustainability reporting, including climate-related financial disclosures. The Audit Committee is also responsible for overseeing the management of tax risks. The Audit Committee comprises at least three independent directors, all of whom have financial expertise, and is chaired by Steve Ferguson.

Group Chief Executive Officer and Group Chief Financial Officer declaration

Prior to the Audit Committee's review and the Board's approval of the 2025 Annual Report, the Group Chief Executive Officer and Group Chief Financial Officer provided a declaration to the Board that, in their opinion, the financial records were properly maintained, that the financial statements complied with the appropriate accounting standards and that they gave a true and fair view of the financial position and performance of QBE. The declaration also provides that the opinion of the Group Chief Executive Officer and Group Chief Financial Officer was based on a sound system of risk management and internal control which is operating effectively.

External auditor independence

QBE firmly believes that the external auditor must be, and must be seen to be, independent. The external auditor confirms its independence and the Audit Committee considers this by reviewing appropriate information in accordance with an internal policy on external auditor independence which includes requirements and prohibitions with respect to the provision of non-assurance services.

Under this policy, the external auditor is not allowed to provide the excluded services of preparing accounting records, financial reports or asset or liability valuations. Furthermore, it cannot act in a management capacity, as an advocate, as a custodian of assets or as a share registry. External tax services are generally provided by an accounting firm other than the external auditor.

The Board believes some non-audit services (which include assurance and non-assurance services) are appropriate given the external auditor's knowledge of the Group. QBE may engage the external auditor for some non-audit services, subject to the general principle that fees for non-assurance services should not exceed 50% of all fees paid to the external auditor in any one financial year.

The Audit Committee approves the audit plan each year and receives information on the external auditor's fees. QBE also customarily considers the terms of engagement of the external auditor every three years. The Corporations Act 2001 and Australian professional auditing standards require rotation of the lead engagement partner after five years. The lead engagement partner of the external auditor was last rotated in 2024.

The Audit Committee regularly meets with the external auditor in the absence of management. The external auditor attends the AGM and a representative is available to answer questions from shareholders relevant to the audit. The Audit Committee has free and unfettered access to the external auditor. The external auditor has free and unfettered access to the Audit Committee.

The Audit Committee regularly reviews the performance, quality and effectiveness of the external auditor as well as the need to rotate the external auditor. In 2025, a more detailed comprehensive review was conducted, following the rotation of the lead engagement partner in 2024. The review involved obtaining detailed feedback from Group and divisional Board Audit Committees and senior stakeholders across QBE and reviewing audit quality indicators requested from the external auditor as well as the results of internal and external audit quality reviews relating to the audit. The review considered the auditor's industry expertise, application of professional scepticism, as well as its internal quality and independence processes.

The outcomes of the comprehensive review were presented to and discussed with the Audit Committee, and separately with the external auditor. Having considered these outcomes, the Audit Committee continued to be satisfied with the quality and effectiveness of the external auditor. A comprehensive review of the external auditor will continue to be conducted at least every five years to complement the Audit Committee's regular review of audit quality and effectiveness.

Actuarial review

The central estimate of QBE's insurance liabilities, comprising outstanding claims as well as premium liabilities used to measure onerous contracts and the liability for remaining coverage under the general model, is determined by experienced internal actuarial staff. Actuarial staff form an independent view of both the net central estimate and the confidence level of these liabilities.

Internal audit

A global internal audit function is a core part of QBE's three lines of defence approach to effective risk management. QBE's Group Internal Audit team is a global function, independent from the business, that operates on an integrated basis and is managed by the Group Head of Internal Audit. Group Internal Audit is formally accountable to the Chair of the Audit Committee and has an administrative reporting line to the Group Chief Financial Officer. Group Internal Audit operates under an Audit Committee-approved Internal Audit Charter that provides Group Internal Audit with free and unrestricted access to the Audit Committee, and all management, records and properties.

Group Internal Audit's primary purpose is to assist the Group and divisional Audit Committees and senior management to discharge their responsibility for sound and prudent management of risk at QBE. Group Internal Audit does this by performing audits, reviews and investigations to provide assurance that the design and operation of controls across QBE's international operations are adequate and effective.

Group Internal Audit develops and delivers an annual risk-based Group Internal Audit Plan that is aligned to QBE's risk management framework and includes audits to address relevant regulatory requirements. The annual Group Internal Audit Plan is designed so that the design and operating effectiveness of higher materiality risk processes are reviewed more frequently. Audit findings and related themes are reported to management, divisional Audit Committees and the Group Audit Committee.

Risk management

QBE is in the business of managing risk. The Board and management are committed to a disciplined approach to managing risk and maintaining robust and independent risk management processes and systems.

QBE's Enterprise Risk Management Framework supports our business across all divisions and provides a sound foundation for reducing uncertainty and volatility in business performance.

An overview of QBE's Enterprise Risk Management Framework and details of how QBE manages risk are set out in the risk management section of the 2025 Annual Report. Detail on QBE's material risks is also set out in note 4 to the financial statements.

Risk & Capital Committee

The Board monitors QBE's performance and plays a significant role in monitoring that an effective risk management strategy is established and maintained. The Board has a Risk & Capital Committee which meets at least quarterly to support the Board in overseeing the effectiveness of QBE's risk and capital management frameworks. The proper oversight of these frameworks supports strategic objectives, informs business plans and enables current and future risks to be identified, assessed and monitored in line with risk appetite and ensures that adequate capital is maintained against the risk associated with business activities. Under its charter, the Risk & Capital Committee is also responsible for overseeing the effectiveness of QBE Group's risk and capital management and compliance frameworks and strategies which support the achievement of QBE Group's strategic objectives and business plans. The Risk & Capital Committee is required to review QBE's risk management framework annually to satisfy itself that it continues to be sound and that QBE is operating with due regard to the risk appetite set by the Board with appropriate triggers and controls in place. The Risk & Capital Committee has performed that review in 2025.

The Risk & Capital Committee comprises at least three independent directors and is chaired by Neil Maidment. The Risk & Capital Committee has free and unfettered access to the Group Chief Risk Officer.

Environmental, social and governance risk

Information about how QBE approaches sustainability and information on the management of ESG risks and opportunities can be found in the 2025 Annual Report and the 2025 Impact Report.

Refer to QBE's 2025 Impact Report at www.qbe.com/investor-relations/reports-presentations/annual-results.

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