

QBE Insurance Group Limited ABN 28 008 485 014  
Level 27, 8 Chifley Square, SYDNEY NSW 2000 Australia  
GPO Box 82, Sydney NSW 2001  
telephone + 612 9375 4444 • facsimile + 612 9231 6104

[www.qbe.com](http://www.qbe.com)



10 November 2017

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

Dear Sir/Madam

**PRICING ANNOUNCEMENT IN RELATION TO QBE'S USD 400,000,000 OF  
PERPETUAL FIXED RATE CAPITAL NOTES, INTENDED TO BE ISSUED IN  
ACCORDANCE WITH QBE'S GENDER EQUALITY BOND FRAMEWORK**

Please find attached an announcement for release to the market.

Yours faithfully

A handwritten signature in black ink, appearing to read "Carolyn Scobie", written in a cursive style.

Carolyn Scobie  
**Company Secretary**

Attachment



# MARKET RELEASE

10 November 2017

## PRICING ANNOUNCEMENT IN RELATION TO QBE'S USD 400,000,000 OF PERPETUAL FIXED RATE CAPITAL NOTES, INTENDED TO BE ISSUED IN ACCORDANCE WITH QBE'S GENDER EQUALITY BOND FRAMEWORK

QBE announces today that it has successfully priced an issue of USD 400,000,000 of Perpetual Fixed Rate Capital Notes ("**Notes**"), to be issued under its USD 4,000,000,000 Medium Term Note Programme ("**Programme**").

The Notes are intended to be issued in accordance with QBE's Gender Equality Bond Framework, which is available on QBE's website at [www.group.qbe.com/corporate-governance/background-documents](http://www.group.qbe.com/corporate-governance/background-documents). Compliance with QBE's Gender Equality Bond Framework is neither a recommendation to buy, sell or hold securities nor a credit rating, and non-compliance will not result in a default of any kind or otherwise permit redemption at the option of the holders of the Notes.

The Notes will be eligible as Additional Tier 1 Capital of QBE under the Australian Prudential Regulation Authority's ("**APRA**") capital adequacy framework and will include the following terms:

- perpetual with an option for QBE to redeem the Notes on the first call date in 7.5 years (16 May 2025) and then on each interest rate reset date thereafter and for certain tax and regulatory events (in each case subject to APRA's prior written approval);
- Notes will bear 5.25% per annum interest, payable semi-annually in arrear; interest will be reset on 16 May 2025 and every fifth anniversary afterwards to a rate calculated by reference to the rate in per cent. per annum equal to the yield, under the heading that represents the average for the week immediately prior to the interest rate determination date, appearing in the most recently published statistical release designated "H.15(519)" plus a margin of 3.047% per annum, payable semi-annually in arrear;
- interest is discretionary and non-cumulative. Failure to pay interest will not constitute an event of default;
- if APRA determines QBE is or would become non-viable, all the Notes (or some of them) will be converted into ordinary shares of QBE or written-off;
- there are no events of default, accordingly (but without limitation), failure to pay in full, for any reason, an amount of interest on the scheduled interest payment date will not constitute an event of default; and
- if for any reason QBE does not pay any interest in full on the relevant interest payment date a dividend restriction will apply from that date until the next interest payment date unless the interest is paid in full within 10 business days of the relevant interest payment date.

QBE intends to use the proceeds of the Notes to finance or refinance investments in qualifying bonds that are eligible as per the criteria in accordance with QBE's Gender Equality Bond Framework.

No shareholder approval would be needed for the issue and the securities would not be offered to a particular class of security holders.

Settlement and the issue of the Notes at an issue price of 100% per Note is scheduled for 16 November 2017.

No offer is being made under this announcement and any person who is considering participating in the offer may only do if it is eligible under the terms of the Offering Circular for the Programme.

For further information, please contact:

**Debt Relations**

Paul Byrne  
Group Treasurer  
Tel: +61 2 9375 4226  
Cell: +61 (0) 481 440 005  
Paul.byrne@qbe.com

**QBE Insurance Group Limited**

ABN 28 008 485 014  
Level 27, 8 Chifley Square  
SYDNEY NSW 2000  
Australia  
www.qbe.com

**Media Enquiries**

David Symons  
Cell: +61 (0) 410 559 184  
Email: david.symons@qbe.com

QBE Insurance Group Limited is listed on the Australian Securities Exchange and is recognised as one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 37 countries.

**DISCLAIMER**

This market release does not constitute an offer to sell or a solicitation of an offer to buy, any securities in the United States. The securities referenced herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws.