

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)



26 February 2018

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

Dear Sir/Madam

**QBE ANNOUNCES THE SALE OF LATIN AMERICAN OPERATIONS**

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Carolyn Scobie', followed by a period.

Carolyn Scobie  
**Company Secretary**

Encl.



## MARKET RELEASE

26 February 2018

### QBE ANNOUNCES THE SALE OF LATIN AMERICAN OPERATIONS<sup>1</sup>

QBE has entered into agreements with Zurich Insurance Group (Zurich) for the sale of its operations in Argentina, Brazil, Colombia, Ecuador and Mexico. QBE Puerto Rico will be retained by QBE to facilitate the servicing of claims resulting from Hurricane Maria and will become part of QBE's North American Operations.

The estimated aggregate consideration is \$409M subject to closing adjustments.

Profit on sale before tax is estimated at around \$100M<sup>2</sup>.

The sale will positively impact the Group's APRA PCA multiple and S&P capital position due to the profit on sale, lower risk charges and the disposal of approximately \$42M of goodwill and intangible assets.

The transactions are subject to regulatory approvals in each jurisdiction and are expected to close by the end of 2018.

QBE Group CEO, Pat Regan, said: "The decision to exit Latin America is consistent with our focus on simplifying the Group, reducing risk and improving the consistency of our results. Following a detailed review of our Latin American Operations, we determined that QBE was no longer the best strategic owner of these businesses. Zurich has a significant presence in Latin America and a strong commitment to the region. Following the completion of the sale, we look forward to cooperating with Zurich to service the needs of our multinational customers operating in Latin America."

<sup>1</sup> All figures in US\$ unless otherwise stated.

<sup>2</sup> Excludes a foreign currency translation reserve reclassification charge of around \$210M (out of equity and into the income statement). This is a non-cash item and will not impact shareholders' funds or QBE's regulatory or ratings agency capital base.

- ENDS -



## MARKET RELEASE

26 February 2018

For further information, please contact:

### **Investor Relations**

Group Head of Investor Relations

Tony Jackson

Tel: +61 (2) 9375 4364

[investor.relations@qbe.com](mailto:investor.relations@qbe.com)

### **Media Enquiries**

David Symons

Cell: +61 (0) 410 559 184

Email: [david.symons@qbe.com](mailto:david.symons@qbe.com)

### **QBE Insurance Group Limited**

ABN 28 008 485 014

8 Chifley Square

SYDNEY NSW 2000

Australia

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

QBE Insurance Group Limited is listed on the Australian Securities Exchange, is one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 36 countries.

### **IMPORTANT DISCLAIMER**

Any forward-looking statements assume large individual risk and catastrophe claims do not exceed the significant allowance in our business plans; no overall reduction in premium rates in excess of business plans; no significant fall in equity markets and interest rates; no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; recoveries from our strong reinsurance panel; no significant asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this market release.