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21 March 2018

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

Dear Sir/Madam

Credit Suisse Asian Investment Conference Presentation

For the market's information, please find attached a copy of the presentation to be delivered to the Credit Suisse Asian Investment Conference Presentation by Pat Regan in Hong Kong today.

Yours faithfully,

A handwritten signature in blue ink that reads 'Peter Smiles'.

Peter Smiles
Deputy Company Secretary

Encl.

QBE Insurance Group

Credit Suisse Asian Investment Conference

Hong Kong

Pat Regan | Group Chief Executive Officer

All figures in US\$ unless otherwise stated

Wednesday 21 March 2018



2017 In Review



Catastrophe Impact

Combined operating ratio
104.1%^{1,2,3} (2016 93.7%^{2,3,4})

“Excess” catastrophe claims⁵
impacted COR by ~6pts

North America and Equator
Re especially impacted



Operational Performance

Asia Pacific result unacceptable

North American reserves
strengthened: PYD and LPTs

Solid performances from Europe
and Australia & New Zealand



Balance Sheet

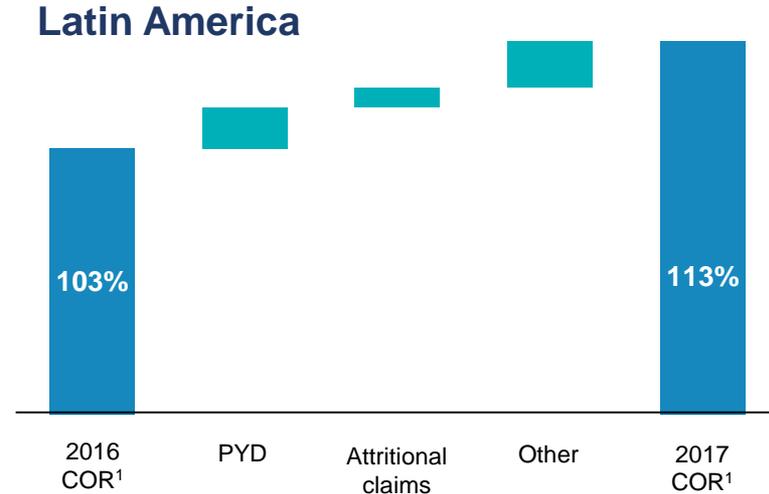
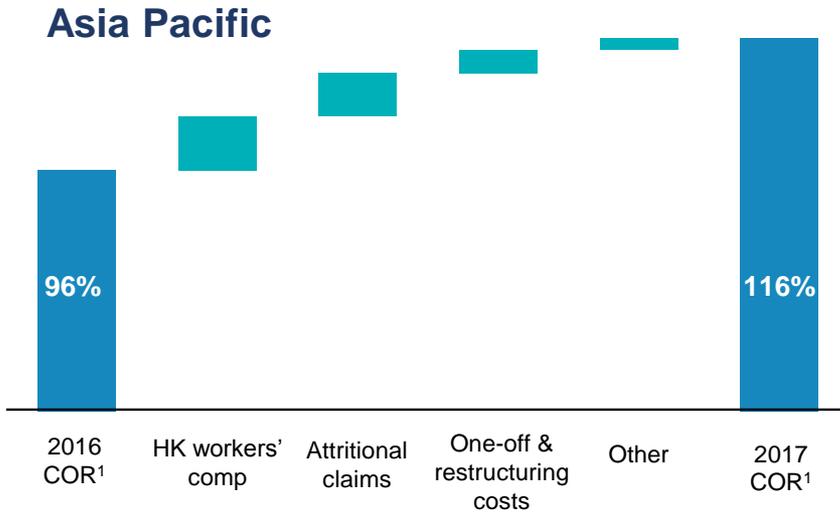
Strong investment return
of 3.2%

Capital position strong –
PCA at 1.64x

PoA strengthened to 90.0%
from 89.5% previously

1 Excludes one-off adverse impact on the Group's underwriting result due to the Ogden decision in the UK
2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims liabilities
3 Excludes transactions to reinsure US liabilities
4 Excludes transactions to reinsure UK liabilities
5 Risk and catastrophe claims in excess of the Group's aggregate reinsurance limit

Asia Pacific and Latin America



- **Significant items impacting FY17**
 - HK WC contributed half of underwriting loss
 - Higher marine and property attritional claims
- **One-off restructuring costs**
- **Profit improvement program in place**

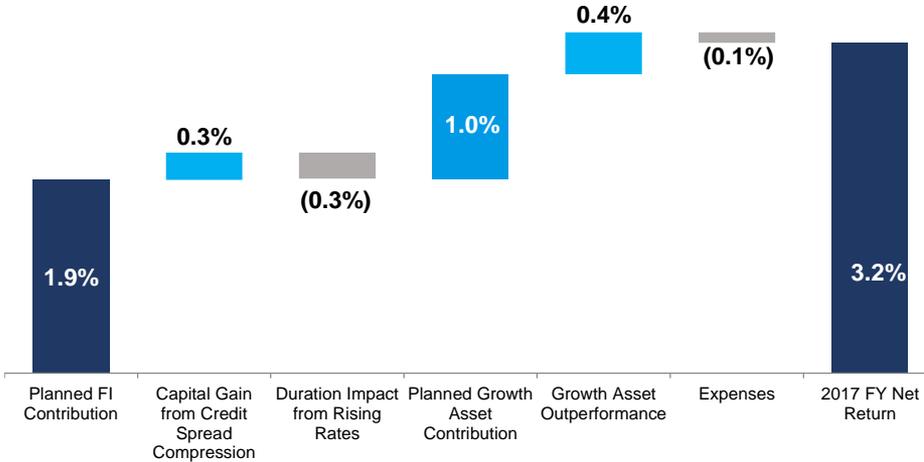
- **Announced sale of Latin American operations to Zurich Insurance Group**
- **Estimated aggregate consideration is \$409M** (subject to closing adjustments)
- **Profit on sale before tax is estimated at around \$100M²**

¹ Excludes the impact of changes in risk-free rates used to discount net outstanding claims liabilities

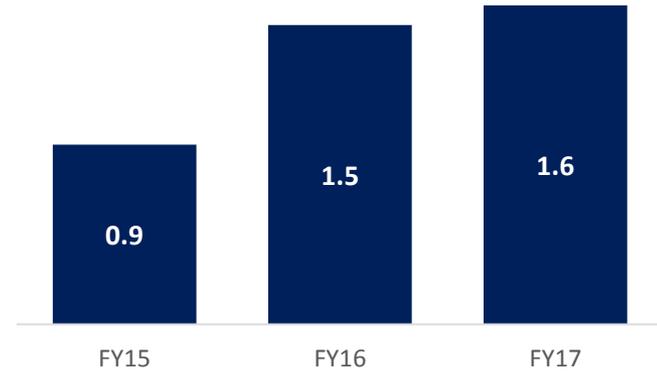
² Excludes a foreign currency translation reserve reclassification charge of around \$210M (out of equity and into the income statement). This is a non-cash item and will not impact shareholders' funds or QBE's regulatory or ratings agency capital base

Investment Performance

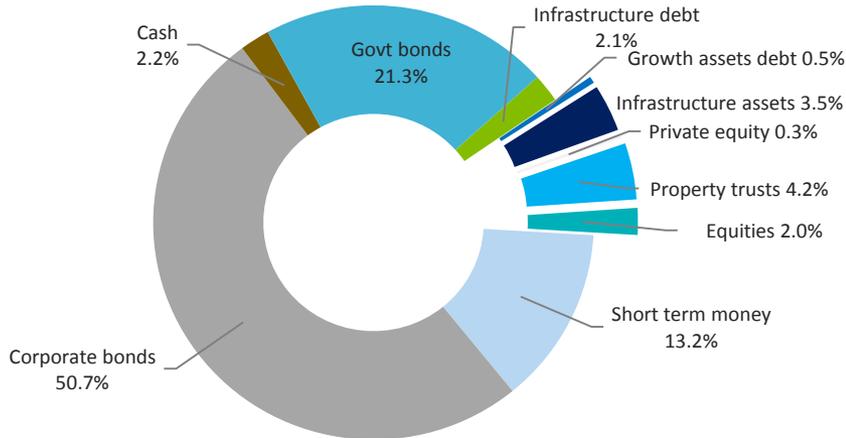
2017 return above plan



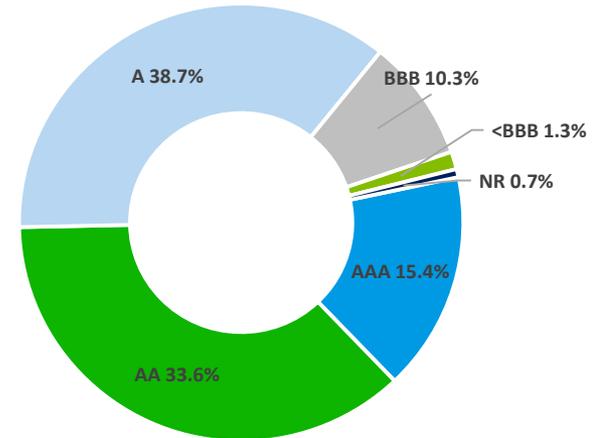
Fixed income duration (years)



Investments & cash - \$26.1Bn



Fixed income portfolio rating (S&P)



A review of QBE today

Our Strengths

- Strong franchises in Australia & New Zealand and Europe
- Leading positions in key markets (North American Crop, Australia & New Zealand Commercial, London market)
- A simplified and improved North American business
- Areas of capability excellence throughout the organisation
- Deep relationships with major trading partners in our key markets

Our Challenges

- Sub-scale operations in Latin America and parts of Asia & North America
- Inconsistency in underwriting, pricing and claims across the organisation
- Need to improve focus on underwriting performance management
- No globally consistent culture
- Inefficient processes

Our Strategic Agenda:

A stronger and
simpler QBE



Our Focus

1 Simplify QBE

2 Brilliant Basics

3 Drive Performance Improvement

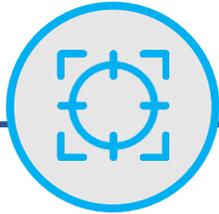
4 Further Reposition North America

5 Remediate Asia

6 Talent and Culture

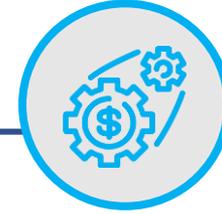
7 Build for the Future

1 Simplify QBE



Our Focus

- Core markets and products:
 - Attractive market
 - Solid market position with a competitive advantage
 - Realistic plan to generate an acceptable return
- Narrow the focus and simplify back to core
- Improve quality and consistency of results



Simplification Initiatives

- Latin America
- Hong Kong workers' comp - construction
- Thailand sale agreement signed
- North American portfolio:
 - Monoline commercial auto exited
 - Narrowed program focus
 - Personal lines

2 Brilliant Basics



Underwriting

Re-set and refine common standards and practices

Consistent, best practice underwriting standards

Strengthen governance



Pricing

Develop best in class pricing models

Deploy consistently across the Group as appropriate

Invest in data & analytics and machine learning

Invest in support systems and talent



Claims

Implement global claims standards

Drive further claims indemnity savings initiatives

Further invest in data & analytics

3 Drive Performance Improvement: Cell Review Process

Cell reviews are being rolled out across QBE to drive a higher degree of accountability and execution

- Instilling **consistent operating routines** across **60 global cells**
- **Highly interactive** regular sessions between **Global, Local and Cell leadership**
- Financial and operational **KPIs linked to driving Brilliant Basics**

Fact based reviews

Results oriented outcomes



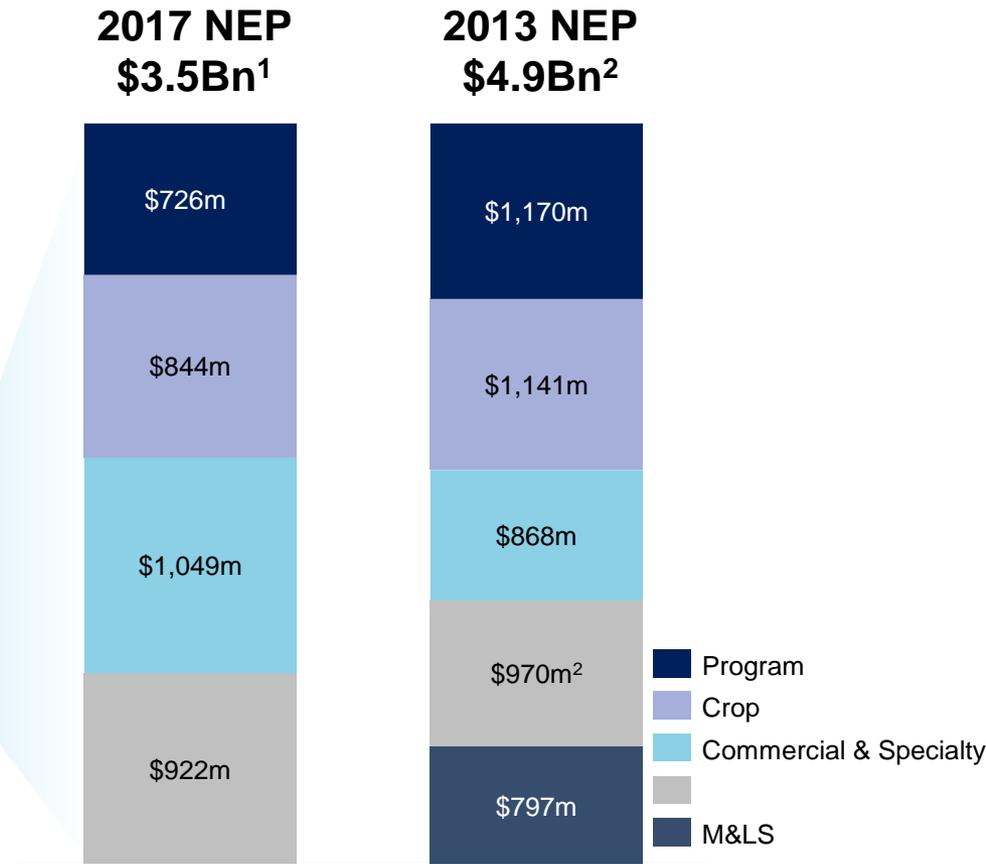
- **Clear action plans** for cells in remediation or growth
- **Quicker decisions** as issues arise
- Optimise **capital efficiency**

Driving a culture of accountability

4 Further Reposition North America

Key Priorities

- 1 Deliver 2018 plan
- 2 Establish Brilliant Basics fundamentals
- 3 Refine operating model - refine core P&C portfolio and simplify the operating platform
- 4 Refocus portfolio:
 - refine industry verticals and underwriting appetite in “middle market” commercial and Specialty
 - Crop and Specialty growth adds portfolio **diversification** and lowers cat exposure



1 Excludes transactions to reinsure US liabilities

2 Adjusted to exclude non-North America premium related to global reinsurance portfolio

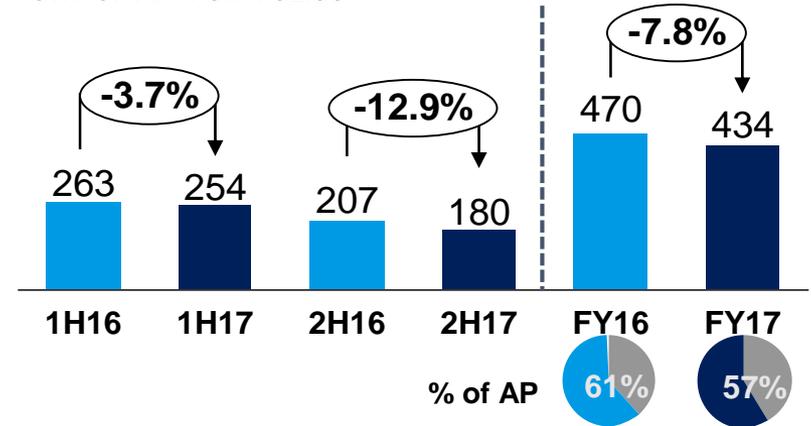
5 Remediate Asia: Execute Profit Improvement Program

Remediation activities

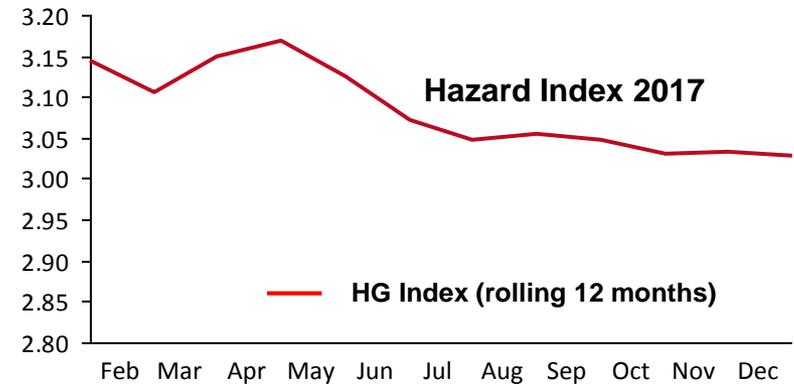
- 1 Targeted performance improvement plans
- 2 Implement Brilliant Basics: Underwriting, pricing and claims
- 3 Rationalise regional costs and simplify operating model

Reduction in poor performing segments

GWP OF PIP¹ PORTFOLIOS



Property hazard grade improving



6 Talent and Culture



Talent & culture

- Continue to build talent and capability
- Culture centred around:
 - Fast-paced
 - Accountable
 - Technically excellent
 - Decisive
 - Diverse
 - Customer-led
 - Team

7 Build For The Future



Innovation & Technology

- Focus on building internal data science capability
- Investment in Insurtech companies
- Digital



Customer Focus

- Focus on retention and quality of new business
- Sales excellence



Operational Excellence

- Simplify operating model
- Process excellence and automation
- Tactical cost efficiencies

Outlook



Our Focus

- 1 Simplify QBE
- 2 Brilliant Basics
- 3 Drive Performance Improvement
- 4 Further Reposition North America
- 5 Remediate Asia
- 6 Talent and Culture
- 7 Build For The Future

2018 Targets

**COMBINED
OPERATING
RATIO**

**95.0% -
97.5%^{1,2}**

**INVESTMENT
RETURN**

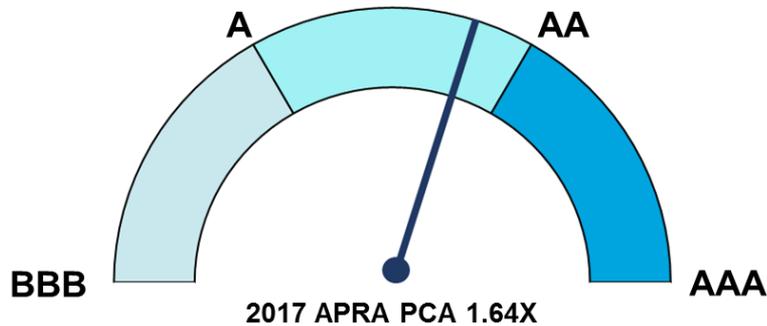
2.5% - 3.0%²

¹ Assumes risk-free rates as at 31 December 2017

² Includes the results of operations in Latin America which will be presented as discontinued operations in the 2018 statement of comprehensive income

Financial Strength

S&P Outlook 'Stable'



Cash remittances



Dividend

- Final dividend 4 Australian cents per share
- FY17 total dividend 26 Australian cents per share
- Total FY17 payout (including share buyback) of \$495M
- Dividend policy unchanged

Share buyback

- A\$139M purchased resulting in the cancellation of 13M shares (0.9% of issued capital)
- Committed to 3 year share buyback

Questions & Answers



Disclaimer

The information in this presentation provides an overview of the results for the year ended 31 December 2017.

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

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.

This presentation contains certain "forward-looking statements" for the purposes of the U.S. Private Securities Litigation Reform Act of 1995. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "outlook" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

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

Any forward-looking statements assume large individual risk and catastrophe claims do not exceed the significant allowance in our business plans; no reduction in premium rates in excess of our 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 unplanned asset sales and no substantial change in regulation. Should one or more of these assumptions prove incorrect, actual results may differ materially from the expectations described in this presentation.