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19 July 2019

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

Dear Sir/Madam

OGDEN DISCOUNT RATE DECISION ANNOUNCED

Please find attached an announcement for release to the market.

Yours faithfully,

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

Peter Smiles
Deputy Company Secretary

Attach.



QBE

MARKET RELEASE

19 July 2019

OGDEN DISCOUNT RATE DECISION ANNOUNCED¹

On 15 July 2019, the UK Ministry of Justice announced a change in the statutory discount rate for use in the determination of lump sum payments in relation to UK personal injury claims (Ogden tables).

As previously disclosed, QBE has been using a discount rate of 0.25% for the purposes of determining Ogden related lump sum payments.

QBE has been assessing the potential impact of this change and wishes to advise the market that adoption of the revised statutory rate of -0.25% is expected to result in a one-off increase in the Group's net central estimate of outstanding claims liabilities of approximately \$60 million.

The above outcome was not allowed for in QBE's 2019 targeted combined operating ratio range of 94.5% - 96.5%² as outlined in QBE's 2018 Annual Report, 2018 full year results presentation and ASX Market Release dated 25 February 2019.

Accordingly and consistent with previous Ogden adjustments, this impact will be reported as an adjustment to our 1H19 and FY19 statutory results.

1. All figures in US\$ unless otherwise stated
2. Assumes risk-free rates as at 31 December 2018.

– ENDS –

For further information, please contact:

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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.