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19 August 2020

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

Dear Sir/Madam

**QBE PRICING ANNOUNCEMENT IN RELATION TO AUD500,000,000 OF
SUBORDINATED NOTES DUE 2036**

Please find attached an announcement for release to the market.

This release has been authorised by the Group Chief Executive Officer.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Carolyn Scobie', enclosed in a thin black rectangular border.

Carolyn Scobie
Company Secretary

Attachment



MARKET RELEASE

19 August 2020

QBE PRICING ANNOUNCEMENT IN RELATION TO AUD500,000,000 OF SUBORDINATED NOTES DUE 2036

Further to our market release on 13 August 2020, QBE announces that it has priced the issue of AUD500,000,000 of Floating Rate Subordinated Notes ("**Subordinated Notes**").

The Subordinated Notes will be eligible as Tier 2 Capital of QBE under the Australian Prudential Regulation Authority's ("**APRA**") capital adequacy framework. Subordinated Notes are required to be converted into ordinary shares in QBE in whole or in part if APRA determines QBE is or would become non-viable.

The Subordinated Notes will have a term of 16 years (maturing 25 August 2036), are callable by QBE with APRA's prior written approval at 6 years and each interest payment date thereafter (and if certain tax or regulatory events occur), and are scheduled to pay interest quarterly at an interest rate equal to the 3-month BBSW rate plus a margin of 2.75% per annum.

Following settlement of the Subordinated Notes issue, QBE intends to give a notice of redemption in respect of its outstanding AUD200 million subordinated notes due 2040 issued on 29 September 2015.

QBE intends to update the market on further redemption initiatives in due course and note that it is QBE's current intention to maintain debt to equity around the midpoint of the 25%-35% target level.

For further information, please contact:

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DISCLAIMER

This market release does not constitute an offer or invitation for the Subordinated Notes for issue or sale in Australia or any other jurisdiction. Subordinated Notes are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 (Cth).

This market release may not be distributed or released in the United States. This market release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referenced herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. The securities discussed in this market release may not be offered or sold, directly or indirectly, within the United States or to or for the account or benefit of U.S. persons (as defined in Rule 902(k) under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.