



4 April 2012

The Manager
Company Announcements
ASX Limited
Level 6
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2012 Annual General Meeting of Shareholders – Presentation Slides

We refer to our letter earlier today.

Pursuant to ASX Listing Rule 3.13.3, please find attached the presentation slides to be delivered at QBE's Annual General Meeting today.

Yours faithfully

Duncan Ramsay
Company Secretary

Encl.

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QBE INSURANCE GROUP

2012 annual general meeting

4 April 2012

All amounts in US dollars unless otherwise stated.

Belinda Hutchinson – Chairman



Welcome to the QBE 2012 AGM



Chairman's address: topics to be covered

- Overview of the 2011 results, dividend and financial position
- Strategy and positive outlook for 2012
- Organisational and governance issues
- QBE's remuneration report and executive remuneration
- CEO retirement and succession plan

Results for the year ended 31 December 2011

- QBE and the global insurance industry faced significant challenges:
 - abnormally large number of natural disasters
 - extreme investment market conditions
- Net profit after tax down 45% to US\$704M (2010: US\$1.28Bn)
- QBE outperformed the vast majority of our global competitors

Top 10 P & C Insurers

Competitor Performance 2007 - 2011

Combined Operating Ratio

Rank	Company	Combined Operating Ratio					Weighted Average
		2007 %	2008 %	2009 %	2010 %	2011 %	
1	ACE	87.9	89.6	87.4	90.0	94.5	90.0
2	Chubb	84.4	90.9	88.3	91.7	97.4	90.5
3	QBE	85.9	88.5	89.6	89.7	96.8	90.9
4	Tryg Vesta	82.6	89.0	92.0	98.0	92.2	91.0
5	Sampo	90.9	91.9	92.3	93.6	91.9	92.1
6	Berkshire Hathaway	88.5	87.8	93.8	92.2	99.1	92.3
7	Progressive	92.6	94.6	91.6	92.4	92.9	92.8
8	Travellers	87.7	92.1	89.3	93.6	105.4	93.7
9	USAA	93.0	99.3	89.0	89.6	101.1	94.4
10	Swiss Re	91.8	98.0	90.3	94.2	101.5	95.0
Top 50 Average		96.0	98.8	98.6	100.9	103.3	99.5

Return on Equity

Rank	Company	Return on Equity					Weighted Average
		2007 %	2008 %	2009 %	2010 %	2011 %	
1	Ping An	35.0	7.2	8.6	29.2	25.1	22.5
2	Sampo	16.0	19.9	21.6	18.8	12.4	17.1
3	Mapfre	17.5	19.5	16.7	14.7	14.2	16.2
4	QBE	26.0	22.3	18.0	13.1	6.8	16.0
5	Progressive	19.5	(1.5)	21.4	17.1	16.5	15.2
6	PICC	12.8	0.5	8.4	21.4	26.0	15.0
7	Tryg Vesta	22.8	9.0	22.0	6.6	13.1	14.8
8	Chubb	19.8	12.9	15.0	14.0	10.8	14.4
9	RSA	21.3	16.4	13.4	9.9	11.6	14.0
10	Zurich	26.4	11.8	13.9	10.4	9.9	13.6
Top 50 Average		11.6	4.7	6.1	6.4	4.8	6.6

Notes:

1. Tables reflect the top 10 performers of 43 of the world's top 50 P & C insurers that have reported to date
2. Information sourced from published accounts and company websites for insurance and reinsurance business
3. The CORs include all identifiable expenses related to insurance activities and the COR is expressed as a % of NEP
4. The ROEs are as reported or where not reported are based on average shareholders' equity of general insurance and reinsurance assets
5. The weighted average CORs are the sum of the five years net earned premiums divided by total claims, commissions and expenses for the five years
6. The weighted average ROEs are the sum of the five years NPAT divided by the sum of the net assets for the five years
7. The industry averages are the total of all top 50 P & C insurers that have reported to date

Results for the year ended 31 December 2011

- Global economic cost of catastrophes in 2011 is estimated at US\$380Bn*, with insured cost of US\$105Bn*
- Catastrophe claims cost QBE US\$1,733M in 2011, nearly three times last year (2010: US\$580M)
- US\$219M benefit from our comprehensive reinsurance program compared with using the 2010 program
- Action taken to reduce QBE's catastrophe exposure in certain areas; increase premium rates and deductibles; and purchase of additional reinsurance to the extent available

* Source: Munich Re

Results for the year ended 31 December 2011

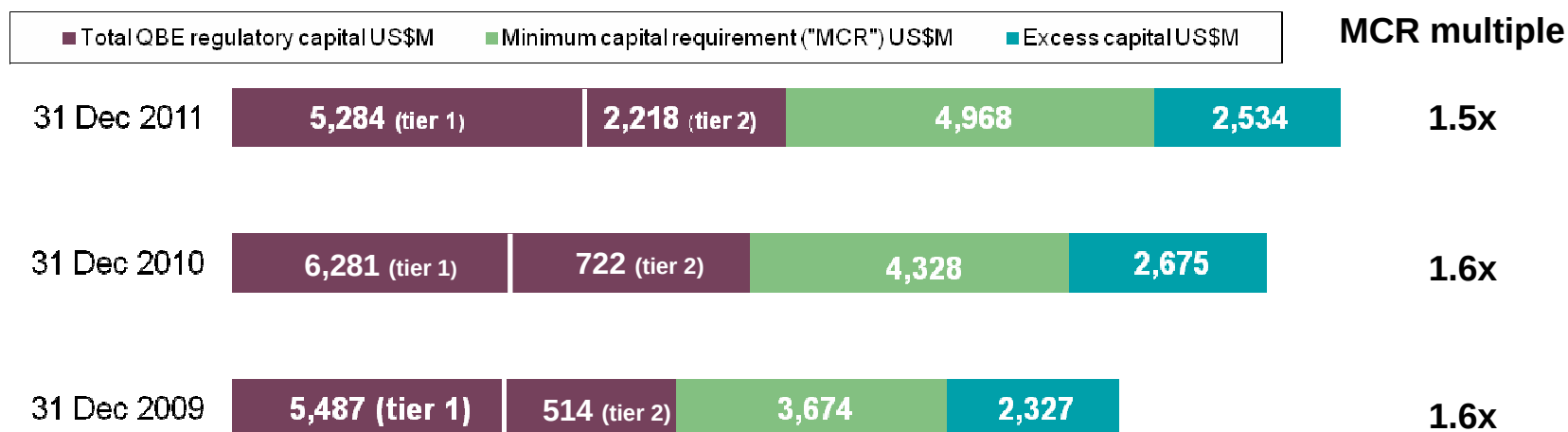
- Underwriting profit reduced by US\$252M due to lower risk-free rates used to discount claims
- Continued low investment yields
- Increased credit spreads reduced profit before tax by US\$241M
- No permanent impairment in the value of fixed income securities
- Record catastrophe claims, lower risk-free rates and lower investment income reduced QBE's insurance profit margin to 7.1% (2010: 15.0%) and significantly reduced net profit after tax

Dividend and dividend policy

- Final 2011 dividend reduced to 25 Australian cents (2010: 66 Australian cents)
- 25% franked compared with 10% in 2010
- Dividend policy going forward is a payout ratio of up to 70% of reported net profit after tax

Capital adequacy

- Excess regulatory capital
- Financial strength ratings of A+ or equivalent confirmed



Bar chart not to scale

Based on current APRA criteria

Borrowings

- Conservative and carefully structured debt portfolio of US\$4.8Bn at 31 December 2011
- During 2011 we locked in US\$1.0Bn and £325M of subordinated debt securities – treated as allowable capital by regulatory and rating agencies
- Ratio of borrowings to shareholders' funds increased to 45.8% at 31 December 2011 (2010: 31.5%)
- Additional capital from recent A\$450M institutional share placement and a A\$150M share purchase plan
- Funds to be applied to redemption of US\$500M subordinated debt; expected debt equity ratio around 39%

Strategy

- QBE has a longstanding and successful strategy of growth by acquisition
- Continue with the strategy to secure bolt-on acquisitions where we can achieve our minimum 15% return on allocated capital, including synergies and economies of scale
- Recently announced acquisitions are consistent with this strategy

QBE well positioned for 2012 and beyond

- Internal targets for a COR of 89% and an insurance profit margin of 15% unchanged
- Our financial targets are for a COR of less than 90% and an insurance profit margin of 13% or better
- Subject to the usual caveats as noted at the end of this presentation

Global management structure

- Five operating divisions covering Europe, North America, Latin America, Australia and Asia Pacific
- Consistent with QBE's regional boards in the US and Europe, an Australian operations board established:
 - Mr Nick Greiner AC as Chairman and three other independent directors: Mr John Gilbert, Mr Tony McGrath and Ms Jann Skinner

Workplace diversity

- Workplace diversity is essential to maintaining a fair and inclusive workplace
- Range of initiatives to be introduced, including:
 - new workplace flexibility policy
 - manager education, leadership and talent programs
 - development of a “keeping in touch” program designed for employees taking parental leave

Remuneration report

- Guiding principles – transparent, simple and easy to understand remuneration strategy
- Remuneration Committee only comprises of non-executive directors
- Individual performance-based targets linked to achievement of financial targets, objectives and business strategies
- Alignment of executive rewards with the shareholders' interests, both in the short and long term
- QBE's 2011 net profit and ROE meant that many executive managers and staff received much reduced or no incentives

QBE Foundation objectives

- Foundation established in 2010 with the objective of a platform for QBE and employees to engage with the communities in which we operate
- Foundation supported by initial commitment of US\$5 million
- Further amounts set aside each year of 0.5% of Group's pre-tax profit
- In 2011, we provided support to 80 organisations globally
- Partnerships supplemented by matched giving and volunteer days

Retirement of chief executive officer and succession plan

- Frank O'Halloran to retire as Group CEO on 17 August 2012
- John Neal to be appointed Group CEO

2011 financial results

- 2011 year was a difficult one for the insurance industry
- Record catastrophe activity and volatile investment markets negatively impacted QBE's profit before tax by US\$1.6Bn compared with 2010
- Technical underwriting results remain strong
- Outperformed the majority of our peers
- Disappointed with lower insurance profit, down 36%, and net profit after tax, down 45%

2011 underwriting results

For the year ended 31 December		2011	2010	% change
GWP	US\$M	18,291	13,629	34
NEP	US\$M	15,359	11,362	35
Claims ratio	%	68.2	59.9	
Commission and expense ratio	%	28.6	29.8	
COR	%	96.8	89.7	
Underwriting profit	US\$M	494	1,168	(58)
Insurance profit	US\$M	1,085	1,703	(36)
Insurance profit to NEP	%	7.1	15.0	

Summary of 2011 financial results

- 45 out of 52 countries in which we operate made underwriting profits in 2011 despite challenging year
- Majority of countries exceeded our minimum 15% return on allocated capital
- Unique worldwide reinsurance programs benefited pre-tax profit by US\$219M compared with 2010 program
- Operating cash flow increased by 57% to US\$2.14Bn
- GWP and NEP ahead of initial targets mainly due to acquisitions
- GWP grew by 182% or a compound 16% per annum over past seven years
- Organic growth low for past seven years due to inadequate pricing in most markets

Overall acquisitions completed in 2011 and 2012 to date are exceeding profit expectations

2011 and 2012 to date acquisitions	Business	Additional annualised GWP US\$M	Effective date
US insurance operations of Renaissance Re	Mainly crop	618	1 January 2011
Balboa in the US	Lender-placed homeowners business	1,852	1 April 2011
CUNA Mutual Australia	Consumer credit, general insurance and term life	82	1 April 2011
Optima, Puerto Rico	Underwriting business	75	February 2012
HSBC Argentina and Hang Seng Bank Hong Kong	Bancassurance	525	2 nd quarter 2012
Brit – regional UK	General insurance renewal rights	280	2 nd quarter 2012

In addition, we obtained licences to write general insurance business in Chile and Norway

Positive start to 2012

- Premium rate increases exceeding our expectations of overall real average increases of 5%
- Net large risk and catastrophe claims for the 1st quarter around 1% of 2012 targeted NEP, compared with 5.5% of 2011 NEP this time last year
- Risk-free rates increased from 2.10% at 2011 year end to an average 2.26% at end of March
- Credit spreads have reduced since December 2011 - at end of March, we have recouped all of the 2011 unrealised losses

QBE's capital position

- Strong regulatory capital adequacy above our minimum benchmark and maintained our A+ or equivalent ratings
- Recently completed institutional placement and retail share purchase plan, raising A\$600M, targeted to replace June 30 callable US\$500M Tier 2 debt
- Capital adequacy at 31 March is estimated to be around 1.55X MCR based upon:
 - equity raising and repayment of Tier 2 debt;
 - estimated first quarter profit;
 - funding of 2012 acquisitions announced to date; and
 - additional risk margins in outstanding claims
- Distribution businesses, with US\$2.0Bn intangible assets produced US\$318M profit before tax in 2011 and generated over US\$3.5Bn profitable GWP

John Rumpler – President & CEO, QBE North America



North America

		2011	2010
Gross written premium	US\$M	7,529	4,606
Gross earned premium	US\$M	7,431	4,563
Net earned premium	US\$M	4,018	2,555
Claims ratio	%	65.2	62.4
Commission ratio	%	6.6	9.6
Expense ratio	%	18.8	17.1
Combined operating ratio	%	90.6	89.1
Insurance profit margin	%	11.0	13.9
Return on equity ⁽¹⁾	%	16.5	16.1

- North America strategy is to focus on preferred specialist lines of business e.g. crop, lender-placed homeowners and specialist programs
- Premium rate increases of around 5% being achieved for the total portfolio
- GWP for 2012 expected to reduce to US\$7.0Bn due to lower crop and lender-placed premium income

(1) ROE based on the management result before internal reinsurance to Equator Re using the capital allocated to the division.
All other numbers and ratios are net of internal reinsurance to Equator Re

Steven Burns – CEO, QBE Europe



European operations

		2011	2010
Gross written premium	US\$M	4,828	4,156
Gross earned premium	US\$M	4,635	4,008
Net earned premium	US\$M	3,150	2,593
Claims ratio	%	65.3	57.7
Commission ratio	%	17.0	16.9
Expense ratio	%	13.2	15.9
Combined operating ratio	%	95.5	90.5
Insurance profit margin	%	9.5	14.5
Return on equity ⁽¹⁾	%	16.3	22.4

- GWP up 16% - driven by Secura acquisition, overall premium rate increases of 2% and high customer retention
- Business transformation programs largely complete – expect benefits ahead of target
- Completed renewal rights agreement and average premium rate increases of around 3.5% will assist 2012 premium income – targeted to increase to £3.2Bn

(1) ROE based on the management result before internal reinsurance to Equator Re using the capital allocated to the division.
All other numbers and ratios are net of internal reinsurance to Equator Re

Colin Fagen – CEO, QBE Australia



Australian operations

		2011	2010
Gross written premium	US\$M	4,486	3,707
Gross earned premium	US\$M	4,355	3,720
Net earned premium	US\$M	3,767	3,033
Claims ratio	%	69.4	60.9
Commission ratio	%	13.0	10.4
Expense ratio	%	16.9	17.9
Combined operating ratio	%	99.3	89.2
Insurance profit margin	%	6.5	17.0
Return on equity ⁽¹⁾	%	10.2	19.3

- Record frequency of catastrophes and lower risk-free rates affected underwriting profit
- Over 30,000 claims handled from various catastrophes
- Overall premium rates expected to be in excess of 7% for 2012 due to increased prices; terms and conditions also changed
- Targeting GWP growth to A\$4.6Bn and improved combined operating ratio for 2012

(1) ROE based on the management result before internal reinsurance to Equator Re using the capital allocated to the division.
All other numbers and ratios are net of internal reinsurance to Equator Re

Mike Goodwin – CEO, QBE Asia Pacific



Asia Pacific operations

		2011	2010
Gross written premium	US\$M	680	601
Gross earned premium	US\$M	653	587
Net earned premium	US\$M	442	420
Claims ratio	%	46.6	45.7
Commission ratio	%	22.9	20.0
Expense ratio	%	22.6	21.0
Combined operating ratio	%	92.1	86.7
Insurance profit margin	%	13.3	18.3
Return on equity ⁽¹⁾	%	3.1	25.5

- Asia Pacific 2011 results adversely affected by Christchurch earthquakes and Thailand floods
- Substantial majority of businesses produced excellent underwriting results
- Expect 16% increase in GWP to US\$800M for 2012, aided by recent acquisition of Hang Seng Bank's general insurance business in Hong Kong

(1) ROE based on the management result before internal reinsurance to Equator Re using the capital allocated to the division.
All other numbers and ratios are net of internal reinsurance to Equator Re

Jose Sojo – CEO, QBE Latin America



Latin America

		2011	2010
Gross written premium	US\$M	768	559
Gross earned premium	US\$M	752	554
Net earned premium	US\$M	620	454
Claims ratio	%	56.7	57.3
Commission ratio	%	19.0	22.2
Expense ratio	%	14.0	13.9
Combined operating ratio	%	89.7	93.4
Insurance profit margin	%	16.3	12.3
Return on equity ⁽¹⁾	%	32.5	24.5

- 2011 excellent year for performance – GWP up 37% and COR of 89.7%
- All acquisitions have exceeded expectations
- Acquisitions in Puerto Rico and Argentina, combined with premium rate increases, expected to generate GWP growth of 54% to US\$1.2Bn for 2012

(1) ROE based on the management result before internal reinsurance to Equator Re using the capital allocated to the division.
All other numbers and ratios are net of internal reinsurance to Equator Re

Des Fogarty – President, Equator Re



Equator Re – captive reinsurer

		2011	2010
Gross written premium	US\$M	3,807	2,479
Gross earned premium	US\$M	3,697	2,363
Net earned premium	US\$M	3,362	2,307
Claims ratio	%	77.8	61.4
Commission ratio	%	23.3	24.9
Expense ratio	%	3.4	3.8
Combined operating ratio	%	104.5	90.1
Insurance profit margin	%	(1.7)	14.0

- Equator provides internal reinsurance protections to the QBE subsidiaries around the world
- All business is benchmarked against market pricing. No third party business in written
- Similar to other reinsurers, Equator's COR for 2011 deteriorated due to natural catastrophes – average COR for past seven years of 91.9%
- Equator has increased premium rates and deductibles for 2012 – GWP to increase to US\$4Bn for 2012 (25% excess of loss and 75% quota share)

2012 premium outlook

	Revised GWP – local currency BN ⁽¹⁾	Revised GWP US\$BN
Australia	A\$4.6	4.7
Asia Pacific	US\$0.8	0.8
Europe	£3.2	5.0
North America	US\$7.0	7.0
Latin America	US\$1.2	1.2
Equator Re ⁽²⁾	US\$4.0	4.0
Equator Re		(4.0)
Group total		18.7

(1) Based on the following projected exchange rates – A\$/US\$1.008, £/US\$1.583 and €/US\$1.360

(2) Internal transactions – GWP eliminated on consolidation

Gary Brader – Chief investment officer



Investments now US\$29Bn held in over 130 portfolios across 52 countries

- Due to local regulatory requirements and to avoid FX mismatches around 60% of investments held in comparatively low yielding US dollar, sterling and Euro investments
- Challenging year due to volatile equity and fixed interest markets from European debt crisis
- Continued focus on short duration and quality cash and fixed interest securities and lower exposure to equities
- No permanent impairment on any of our securities
- All of the unrealised losses from credit spreads widening in 2H 2011 have been fully recovered in 1st quarter of 2012
- In 2007, prior to GFC, our investment portfolio produced a gross yield of 6.3% compared with 2.4% in 2011, excluding FX – the reduction in cash rates alone was equivalent to US\$960M of investment income on current portfolio
- Currently above gross investment yield target of 3.0% for 2012

QBE Group head office management

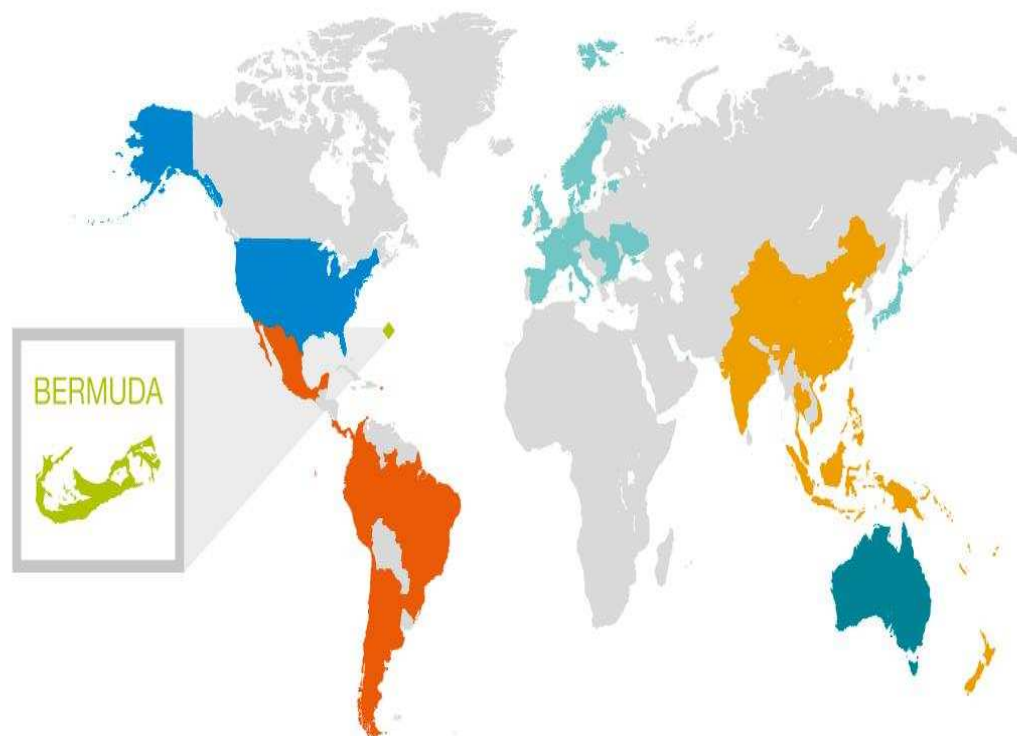


Thank you to QBE Group staff worldwide

**Over 16,000 staff in
52 countries**

KEY

- North America
- Latin America
- Europe
- Australia
- Asia Pacific
- Equator Re



Farewell and thankyou



John Neal – CEO, global underwriting operations



Outlook for 2012

- Actions taken to reinforce confidence in our 2012 targets
- Portfolio reviews and remediation plans progressing, aimed at reducing exposure in certain catastrophe-prone areas
- Large risk and catastrophe claims for Q1 2012 estimated to be around US\$700M lower than last year
- Real overall average rate increases are exceeding our business planning forecasts (or expectations) for 2012
- Announced four quality bolt-on acquisitions in 2012 which should deliver annualised gross written premium of around US\$880M
- UK renewal rights acquisition (Brit) announced today, which together with existing business adds scale to the UK regional business – estimated US\$800M gross written premium in 2013 and 5% market share

Outlook for 2012

- Reinsurance expense on renewal is up 7.5% – largely covered by premium rate increases in our inward reinsurance business
- Identified US\$50M expense saving in 2012 – target savings to increase to US\$200M in 2014

Outlook for 2012

- QBE's 2012 targets for large individual risk and catastrophe claims based on:
 - in 2011 large individual risk and catastrophe claims – 15.3% of NEP
 - assumed these catastrophe claims continue at 85% of 2011 level
 - combined with remediation, expect 2012 large individual risk and catastrophe claims ratio to be 3% lower than 2011
 - therefore large risk and catastrophe allowance for 2012 is 10% to 11% of NEP

Longer-term aspirations

- The vision and values, introduced in 1994, have served QBE well
- Since then, the market has changed - QBE's size, brand and structure have developed as well as the scale, diversity and complexity of the QBE business model
- Expectations of key stakeholders have changed. QBE's key stakeholders include:
 - our shareholders
 - our customers – from retail and small local companies to large global businesses
 - our people
 - the community

How will QBE develop over the next three years?

- Continue to put expectations of our shareholders first in all decision-making
- Renew our focus on excellent and timely communication
- Disciplined approach to decisions on businesses and investments which do not meet QBE's high hurdle rate and return on capital
- Remain a strongly divisional organisation offering clients the benefits of local understanding and speed to market
- Continue to remain in top five global performers; renewed effort on expenses, focus on premium income growth from bolt-on acquisitions and appropriate organic growth
- Strengthen our focus on our people using key performance indicators

Closing remarks

- Performance focus to meet or exceed our 2012 business plan and financial and operational performance targets
- Change agenda to continue to evolve our business towards our refreshed Vision:

*“To be the most successful global insurer and reinsurer
in the eyes of our customers, our people, our shareholders
and the community”*

Formal business



Item 1:

- To receive and consider the annual financial report and the reports of the directors and of the auditors of the Company for the year ended 31 December 2011

Item 2:

- To adopt the remuneration report

Results of proxy voting for item 2

Resolution	For	Open	Against	Abstain
2	669,258,123	4,247,868	9,237,096	1,932,866

Item 3:

- To renew the Company's proportional takeover approval provisions

Results of proxy voting for item 3

Resolution	For	Open	Against	Abstain
3	674,979,584	4,639,445	4,370,299	947,318

Item 4a:

- To re-elect Ms B J Hutchinson as a director

Results of proxy voting for item 4a

Resolution	For	Open	Against	Abstain
4a	672,398,447	4,400,604	7,122,925	920,714

Item 4b:

- To re-elect Ms I F Hudson as a director

Results of proxy voting for item 4b

Resolution	For	Open	Against	Abstain
4b	676,101,252	4,460,709	3,448,242	927,133

Item 4c:

- To re-elect Ms I Y L Lee as a director

Results of proxy voting for items 4c

Resolution	For	Open	Against	Abstain
4c	631,042,928	4,453,522	48,498,408	942,478



QBE INSURANCE GROUP

www.qbe.com

Important disclaimer

This presentation should be read in conjunction with all information which QBE has lodged with the Australian Securities Exchange ("ASX"); including QBE's full year results filed with the ASX on 4 April 2012. 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" 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 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.

Important disclaimer (continued)

Any forward-looking statements assume that: large individual risk and catastrophe claims do not exceed the significant allowance in our business plans; there is no overall reduction in premium rates; there is no significant fall in equity markets and interest rates; there is no major movement in budgeted foreign exchange rates; no material change to key inflation and economic growth forecasts; there are recoveries from our strong reinsurance panel; and there is 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.

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