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27 March 2013

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

Dear Sir/Madam,

2013 Annual General Meeting of Shareholders - addresses

Please find attached:

1. Chairman's address; and

2. Chief Executive Officer's address.

Yours faithfully

D Ramsay

Duncan Ramsay
Company Secretary

Attachments

QBE 2013 AGM - Chairman's Address – Wednesday 27 March 2013

With our new Group CEO, John Neal, appointed during the year, 2012 was in many ways a year of transition for QBE. It was also a year of challenge.

We want to make it clear from the outset that we, as a Board and management, are disappointed with the 2012 financial result. But let me also reassure you that we have a clear understanding of the issues that need to be addressed within our business, and measures have already been taken to deliver improved performance.

Indeed, since August last year when John Neal stepped into the Group CEO's chair, the Board and management have been conducting a comprehensive review of our business lines. With this review now well advanced, today I will talk to you about QBE's approach to delivering value to our shareholders through improved profitability and the outlook for 2013. I will also seek to explain our capital management approach and dividend policy in the light of this strategy review and increased regulatory and rating agency requirements.

Finally, I will talk about some remuneration and governance matters.

2012 FINANCIAL RESULT

Before I comment on the 2012 financial result, I think it is important to explain the challenges QBE's businesses around the world have faced in recent years. The global financial crisis and its aftermath have had a significant impact on QBE's performance as well as other insurers around the world.

Let me give just one example. Based on our investment portfolio of $31.5 billion, the reduction in global interest rates compared with four years ago has reduced annual pre-tax profit by around $1.1 billion. In addition, since 2010, the company has faced a substantial increase in the frequency of large natural catastrophes. In this context, QBE reported a somewhat improved result in 2012 as compared to 2011.

As you would recall, 2011 was characterised by an abnormally large number of natural disasters and difficult investment market conditions. However, despite there being an improvement, the 2012 net profit of $761 million fell well short of our expectations.

It was however, in line with the November update to the market.

In terms of individual operations, QBE's North American division underperformed. It was of course, adversely affected by Superstorm Sandy, but also by the impact of the major drought in the US on crop insurance results and prior year losses - largely from our agency based business.

With regard to the agency based business, management is implementing a comprehensive strategy for dealing with problem portfolios.

The other 4 divisions, covering Europe, Australia & New Zealand, Asia Pacific and Latin America, produced strong insurance results. As a result, operating cashflow was positive at $2.7 billion.

In addition, our investments team produced an above target net yield of 4.1% on our portfolio of mainly cash and fixed interest investments. The Group CEO will provide further explanation of the 2012 financial results in his address.

STRATEGY

I would now like to talk about QBE’s strategy more broadly.

The recent period of acquisition-based growth has overall been positive, building scale and a high quality global franchise. We have however yet to fully leverage the benefits of our scale in terms of costs and overall operational performance. Let me stress that we do acknowledge shareholders’ concerns that the growth from some acquisitions has come at a cost.

The two US acquisitions completed in 2007 immediately prior to the global financial crisis have been affected by tough operating conditions and have failed to meet our return on equity targets. John will speak about the remediation activities .

QBE’s strength lies in the international scale and diversity of our operations. Our strategy is to become a truly global insurer and reinsurer that thinks and acts as one company. I can’t emphasise enough just how critical this is to unlocking our full potential.

John Neal will talk in more detail in his address about what our revised strategy means in practice and about his new senior management structure.

Our senior management team has a clear plan to improve the profitability of our core business by leveraging our global capabilities and investing in areas where we are widely recognised as world-class and can lead the market.

They are also focused on an operational transformation program that will see QBE move from a regionally based operating model to a fully integrated global insurance company.

These plans should allow QBE to produce a market-leading combined operating ratio and insurance margin and underpin our future success

OUTLOOK FOR 2013

In regard to the outlook for 2013, our plan strikes a balance between delivering performance in line with our stated short term targets and the progressing of our longer term strategy for value creation.

We are at a stage in the global economic and insurance market cycle where there are encouraging signs of increasing premium rates, indications of positive economic growth in most of our key markets and improving investment markets, particularly longer term bond yields.

Results to date are on track to meet our targets for 2013 as advised to the market with the annual results in February.

To recap, our headline financial targets are for a combined operating ratio of 92% and an insurance profit margin of around 11%.

CAPITAL POSITION

I would now like to make some comments on our capital position.

The board and management is vigilant in maintaining the financial strength of all of QBE's operating entities at a level adequate to meet obligations to our policyholders and the requirements of counterparties, regulatory authorities and rating agencies.

The requirements of these stakeholders are not static they change and so too must our approach to capital management.

Both regulators and rating agencies have recently adopted more rigorous capital requirements as a result of the challenging global economic conditions.

For our major insurance entities, we have a financial strength rating of A+ or equivalent by the major rating agencies, with an A credit rating for the parent company.

We continue to work with the rating agencies to ensure that we maintain our ratings.

We are also dealing with changing requirements from regulators.

For example, in Australia, all APRA authorised insurers and insurance groups became subject to more stringent regulatory capital requirements from 1 January 2013.

In response to the increasingly complex requirements of our stakeholders, the Board recently formed a new Risk and Capital Committee.

I am delighted that John Green has agreed to chair this Committee, which will focus on the Group's risk management framework and capital requirements.

The committee will meet at least quarterly and consider among other things, QBE's internal capital adequacy assessment process as required by APRA, the appropriate mix of debt and equity capital, dividend policy and capital initiatives.

DIVIDEND POLICY

The directors have considered the dividend policy going forward in light of QBE's expected capital requirements and strategy.

The board understands that the reduced payout ratio is not welcomed by some shareholders, especially our retail shareholders.

This decision was not made lightly.

In determining an appropriate payout ratio, we reviewed QBE's dividend payout against the top 30 global property and casualty insurers.

Our findings were that that over two thirds of this peer group had payout ratios below 50% of cash profits and over half had payout ratios below 35% of cash profits.

Our revised policy is designed to pay dividends relative to the profitability of the business, whilst at the same time maintaining capital for future growth and flexibility.

In order to meet these dual objectives, our policy for 2013 and onwards will be to set the payout ratio at up to 50% of cash profit.

Previously the Board had advised a payout ratio of up to 70% of reported net profit.

The Board believes that cash profit is the most appropriate measure of profitability for determining the Group's dividend as it excludes amortisation of goodwill and intangibles, in line with the calculation of our capital base for regulatory and ratings agency purposes.

We will continue to frank dividends to the maximum extent possible.

We note that the 2012 final dividend, which is due to be paid tomorrow, is fully franked and expectations are for a higher than normal level of franking in 2013.

BORROWINGS

With regard to borrowings, QBE continues to have a carefully structured debt profile.

As of December 2012, total borrowings stood at $4.9 billion, of which around $1.2 billion is due and payable in 2013.

These refinancing arrangements are very much in the normal course of QBE's business.

Our aim is to take advantage of the prevailing low interest rates to refinance the majority of this amount with appropriate securities.

Our ratio of borrowings to shareholders' funds was reduced slightly during the year to 43.4% and we intend to further reduce gearing with a target of around 40% by year end.

EXECUTIVE REMUNERATION

Later this morning shareholders will have the opportunity to ask questions and to vote on the Remuneration Report together with a number of specific resolutions relating to aspects of the remuneration arrangements applying to QBE's current and former Group CEOs.

I want to stress that QBE's guiding principles in relation to remuneration are to ensure that it is transparent and it aligns shareholder's and management's interests.

We have spent considerable time in preparing the remuneration report to explain in as simple terms as possible the performance and reward strategy.

The Remuneration Committee, which is now chaired by Isabel Hudson, is comprised only of non-executive directors.

The committee is focused on aligning executive rewards with shareholders' interests through the achievement of short-term and long-term financial targets based on risk adjusted return on equity, insurance profit and investment performance.

In 2012, Group return on equity fell below the level required for short-term cash payments and deferred equity awards to be made to Group head office key management personnel so for the second year in a row no payments were made to these executives.

Similarly no such payments were made to the North American CEO.

However, the European, Australian, Asia Pacific and Latin American divisions which exceeded their minimum ROE targets received their short-term cash payments and deferred equity awards in line with the performance of their businesses.

The non executive directors will receive no fee increase in 2013.

Looking to the future, the Remuneration Committee has commissioned a comprehensive review of remuneration arrangements.

The objective of this review is not to increase packages but to increase the assurance that at-risk pay operates as intended to motivate our management while supporting Group strategy and the creation of shareholder value.

Of course, we are also focused on ensuring that our remuneration practices have due regard for regulatory and other recent market developments.

I will discuss the outcomes of this review at the 2014 Annual General Meeting.

BOARD AND CORPORATE GOVERNANCE

During 2012, we commissioned an independent audit to understand investor perceptions across a wide range of areas.

This review was part of our ongoing commitment to continuously improve the company's governance.

One key finding was that investors would welcome further diversification of the Board's geographic experience and insurance market expertise.

In response to this finding, we have appointed a US-based insurance and financial services expert, John Graf.

You will have the opportunity to hear from John, and to vote on his election to the Board, later in this meeting.

At last year's AGM, I foreshadowed Frank O'Halloran's planned retirement after 36 years with QBE.

Frank formally stepped down as Group CEO in August 2012.

In September, we farewelled a long-serving non-executive director, Len Bleasel.

This is also the last AGM for Charles Irby, who will be retiring at the end of March.

We acknowledge and thank Frank, Len and Charles for their many years of service and contribution to QBE.

The board believes that orderly succession and renewal of board positions contributes to strong corporate governance and this is achieved through careful planning and continual review.

We maintain a matrix of the competencies and experience of board members and use this as a basis to identify any gaps emerging for new appointments.

We are planning to announce two non-executives director appointments in 2013, one of which will be to replace Charles Irby, with the other to be a new appointment to reflect the size and complexity of our global business.

Over 2014 and 2015 we will aim to further renew our board .

HAND BACK TO CEO AND THANK YOU

Before I hand over to John for a more detailed discussion of the 2012 financial performance, strategy and outlook for 2013, I would like to thank all QBE employees, the Group Executive Committee and my fellow non-executive directors for their support, hard work and commitment to QBE in a very challenging year.

The QBE team is focused on repositioning the company for improved and sustainable profitability.

We are grateful to you, our shareholders, for your continuing support.

QBE 2013 AGM CEO address – Wednesday 27 March 2013

Thank you Belinda.

Ladies and gentlemen, I am pleased to address you today at my first Annual General Meeting as CEO of the QBE Group.

Thank you for your continued support of the company and for taking the time to participate in today's meeting.

The Chairman provided details of the net profit for the 2012 year so I won't repeat them. I will however spend a few minutes on the underwriting results and I'll summarise the performance of each of our operating divisions. I'll also talk a bit about some of the things we did last year that give us confidence in our 2013 outlook.

Then I would like to share with you our refreshed vision and strategy, and describe how we'll get from where we are now to where we want to be, including a number of changes we've announced to our executive management team.

Insurance profit for 2012 was $1,262 million, and the combined operating ratio was 97.1%, a result which disappointed the whole management team. On behalf of the Group Executive, I want to apologise to shareholders for missing our original 2012 targets, but I also want to explain how we have now set the business on a solid foundation for future success.

The underwriting result for the year was marred by $464 million of adverse prior accident year claims development. We also elected to strengthen the Group's risk margins by $88 million, thereby improving the probability of adequacy of outstanding claims. Together these items

increased our combined operating ratio by 3.5% and reduced our net profit after tax by $475 million.

The headline net profit after tax was also adversely impacted by an increase in amortisation and impairment charges. This followed changes to the structure and operation of our business, predominantly in the US, where we took a decision to implement a single QBE brand and rationalise distribution channels.

The North American business, which accounts for 36% of QBE's gross written premium, also faced challenges in the form of abnormally high catastrophe losses. In fact, 90% of worldwide insured catastrophe losses occurred in the United States in 2012.

The worst drought conditions for over 50 years severely impacted crop yields, and this was closely followed by Superstorm Sandy, the second largest hurricane in US history, hitting the East Coast in October. In addition, we took action to strengthen our North America claims central estimates on prior year. This further adversely impacted performance, and as a result, our largest division recorded a COR of 106.8% and an insurance loss of $170 million.

This year, our Australia & New Zealand division delivered a substantially improved result, reflecting an increased focus on technical pricing discipline, risk selection and portfolio management.

Our management team in North America is now applying similar remediation disciplines to our US program business. We have established a standalone unit to manage the run-off of $1.2 billion of gross claims provisions with an experienced team proactively managing this portfolio and reporting regularly to Group head office.

The Group's $22.8 billion gross claims provision was thoroughly review by our in-house divisional and head-office actuarial teams, and was also subject to a co-ordinated, global review by a single firm of independent actuaries. This provided a valuable external perspective, and an independent assessment that our claims central estimate is appropriate.

The results we announced were in line with guidance provided in November last year – a broadly flat premium line, cash profit up 32% and an insurance profit margin of 8%. Although the final outcome was unsatisfactory, it does mask a number of individual highs and lows. I've spoken about North America, so just running quickly through each of the other divisions in turn.

In Latin America, our GWP was up by 59%, largely fuelled by our acquisition of HSBC Argentina's general insurance business and Optima in Puerto Rico. A strong claims ratio of 55.7%, balanced by increased costs in relation to the acquisition integration, resulted in a COR of 94.7%.

Our European Operations Division saw GWP up 5%, almost solely due to the acquisition of the renewal rights for Brit's UK regional business. Continued difficult trading conditions meant that COR remained relatively static at 94.6%, with an improvement in the claims ratio more than offset by an increase in expenses to complete the IT transformation, the integration of the Brit UK acquisition and preparation for Solvency II compliance.

In Australia & New Zealand Operations, excellent trading conditions and the remediation initiatives described earlier resulted in a COR of 90.6% and an insurance profit margin close to 19%. It is important to

note that despite being tough in terms of pricing discipline, this did not affect our focus on customer service with Colin Fagen and the Australian team awarded the NIBA General Insurer of the Year award for the 11th year in succession.

Our Asia Pacific business grew by 24%, most of which was organic, with the full benefits of the Hang Seng acquisition yet to crystallise in 2013. The actions we took to reduce exposure to flood prone zones combined with a more benign claims year was reflected in a COR of 85.8%. Recognising the potential opportunities in this fast emerging market, we have developed a growth strategy which is now being implemented across the region, leveraging off our specialist underwriting expertise and strong distribution network.

Equator, our wholly owned captive reinsurer, showed a 5.8% improvement in insurance profit margin compared with 2011. It is important to note that the 2012 result was also adversely impacted by the captive’s share of losses from our North America division, non-US casualty claims and general strengthening of claims provisions.

So, in summary, it was a year of some bright spots and some problem areas. Taken together, this resulted in a COR of 97.1% and an insurance margin of 8% and I am confident that the underlying business is in good shape for future success.

I wanted to show you how our published 8% insurance profit margin equates to an underlying 11.8% margin. Our reported margin needs to be viewed in the context of the prior year deterioration, risk margin strengthening and discount rate impact as shown in the slide.

We then had commission and expenses 0.6% higher than expected, reflecting integration of our Balboa and Hang Seng acquisitions, and also some preliminary work on our global operational transformation program.

The strong investment performance in 2012 added 1.2% to the insurance margin, which we do not expect to be repeated in 2013, given prevailing market conditions.

So taking all these drivers into account, we are confident that we should apply an underlying insurance margin of 11.8% as a fair basis on which to forecast our 2013 performance.

Subject to the usual caveats, we have set our 2013 targets. We expect GWP and NEP to show only modest growth with no material acquisitions during the year.

We expect our claims ratio to improve as premium rates continue to firm throughout the year, rising by around 5% in Australia, New Zealand and North America. This drives a target COR of 92% and an insurance margin of 11% of NEP for 2013. And just to pick up again on the slide we saw earlier, this demonstrates how we expect to move from our 2012 underlying margin to our expected margin for 2013.

Looking at the right hand side of the slide, we have allowed 1% for the costs of our global operational transformation program and a 0.9% reduction in performance on our investments.

On the positive side, continuing rate and remediation improvements give us a 1.1% upturn, resulting in an estimated margin of 11%. We believe these are achievable targets which reflect the market

conditions as well as the improvements we made in 2012 to strengthen and re-position our business.

Moving on, I want to describe what we're doing to set ourselves up for success in the future. Recognising the changing business environment and the ever increasing demands of our stakeholders, we refreshed our vision. You saw it for the first time in the 2011 Annual Report and the Group Executive team has now had a chance to work though what that means for us, and what we have to do to make it a reality.

I'll share with you a model that we use internally and one which I think will give you the confidence that we have a sensible, practical and achievable plan.

This picture reflects our vision at the top and how that translates down through the pyramid into the actions we are taking internally and externally to transform our business – our values and behaviours, our strategic levers, and our value creation model.

I'm now going to pick up on each of these aspects in a little more detail. So if we take each component in turn:

We believe that our people and the way they interact are fundamental to our success. We have refreshed and modernised the way we describe our unique culture under the banner of ONE QBE, and our internal rallying cry "Make it happen".

ONE QBE is being implemented across our organisation via a global rollout program, which will see every one of our 17,000 employees attend a half day session where they will get a chance to think about what ONE QBE means for them and how they can contribute to our success.

In parallel, we have thought through what QBE stands for - our external brand. You'll have no doubt seen our new look Annual Report and the theme of "Made possible by QBE". We are standardising this message across the world through our advertising and external market communications.

So whilst each Division, or Product, or Distribution Channel may have a specific message based on the needs of their customers, we will aim to deliver these under a single global message.

And finally, we have considered our key differentiators in the market, and how we will add real value to our stakeholders. This "value creation model" will guide us in achieving the aspirations of our vision.

Let's look at how this model works.

Delivery of excellent performance sits at the heart of what we do, and we will strive to deliver against our stated targets consistently and in full. This is what we call our PERFORMANCE AGENDA. In parallel, we need to evolve the business as we pursue our ambitions through a CHANGE AGENDA.

We aspire to be leaders in our core businesses, where we are recognised as world class and can shape the market. We will prioritise our investment in those businesses, thereby maximising our growth and profit potential. We will review businesses and portfolios considered to be non-core and determine whether our capital could be better deployed elsewhere.

By collaborating across our worldwide businesses, we will achieve economies of scale and share best practice to ensure we operate more

efficiently and effectively than our peers. This will in turn enhance profit margins and further strengthen our leadership positions.

One example of this is the operational excellence initiative we are running which will simplify and standardise the way we do business and create a scalable platform for future growth.

Following further investigation during 2012, we are now in a position to confirm that we expect annual run rate benefits of at least $250M by 2015. Much of the cost of the investment in this project takes place during 2013 and 2014, with the majority expensed straight through to the P&L. Benefits will begin to emerge at the end of 2013, with net gains expected from 2014 onwards.

We are also expecting additional benefits from rationalising the costs of procurement of goods and services. These are difficult to quantify at this stage but are in addition to the $250M operational excellence benefits.

Moving around the circle, we will continue to manage our balance sheet to ensure we minimise risk and to maintain the financial strength we need to fund our growth, whilst at the same time meeting the requirements of all our stakeholders. And we will pursue our ambition for further growth and profitability by expanding into new products, markets and territories where we can achieve leadership positions.

The last element of our value creation model is our people, culture and leadership, underpinning everything we do. The individual elements of the model are not standalone, but support each other in a virtuous circle. It is important to emphasise that we will prioritise elements of the model according to the requirements of our business, offering us

the flexibility to change emphasise and focus in response to market conditions.

I thought it was worth describing the important changes we have recently announced to the Group Executive team, which is in keeping with our succession planning framework.

Our Chief Financial Officer ,Neil Drabsch will retire from the business in February 2014, after 22 years with QBE and 20 years as CFO. He will be succeeded by Steven Burns, currently CEO European Operations.

Richard Pryce, who joined us six months ago from ACE UK, will take over from Steven as CEO European Operations

We announced in January this year that David Fried would be joining us from Allianz Asia Pacific to lead the QBE Asia Pacific business.

And lastly, we have also made a change in our North American Operations to appoint David Duclos, a well-known US industry leader. He was previously COO and CEO of insurance operations at XL, and this in turn will see John Rumpler step down.

I'd like to thank the outgoing executives for their support in building the business, and welcome the new team members as we take the company forward into its next chapter of evolution.

In closing, the challenges of 2011 and 2012 have provided valuable lessons which we will use to our advantage. Whilst the 2012 result was unsatisfactory, I believe we enter 2013 in better shape, with a sharper vision for the future and a strategy to get us there.

In summary, we will be focusing our efforts in three areas:

Firstly, on performance – we will strive to set realistic targets that we can consistently achieve.

Secondly, QBE is a highly successful business, and we will evolve and modernise our business as we seek to continue that success. That will involve changes which you will see externally, as well as internal business development to build a platform for sustainable success.

And lastly, we recognise that our people, and the way they interact both internally and with our key stakeholders, is our only real differentiator and one that we will continue to nurture and grow.

In closing, I'd like to thank all of our stakeholders for their support as we progress on these three themes.

Now I'll hand back to Belinda for the rest of our agenda.