

2 April 2014

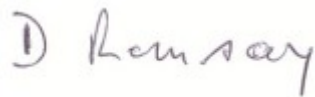
The Manager
Markets Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

2014 Annual General Meeting of Shareholders - addresses

Please find attached:

1. Chairman's address; and
2. Chief Executive Officer's address.



Duncan Ramsay
Company Secretary

Attachment



2014 AGM

Chairman's Address

2 April 2014

Chairman's Address

As we begin proceedings today, I would like to take the opportunity to introduce myself as Chairman of QBE. Subject to the carriage of resolution 4(a) today, it is a role that I am looking forward to fulfilling for the benefit of our shareholders, our customers, our people and the communities in which we operate.

I have been involved in the insurance industry in the US, Bermuda, Latin America and the United Kingdom for over 33 years as a CEO, Chairman and business owner. I've seen a fair bit over this journey, including several market cycles, successful and unsuccessful opportunities and programs, rating and regulatory change and challenges but most importantly a real appreciation for the value of our industry and the skills and professionalism of its people. I am delighted and honoured to now have the opportunity to apply my insurance industry experience to a fresh challenge as I Chair the QBE Board.

There is no question that this is an important time in our company's 127 year history. When I was approached to join the Board earlier in 2013, I was already aware that QBE was part way through a significant transition period – and that is something that attracted me to this role.

QBE is one of only a handful of insurance companies operating globally, a position it has earned following more than two decades of international growth, mostly through acquisition. This creates a unique set of both opportunities and challenges.

In the past two years, QBE has begun to leverage its global franchise in order to rationalise its operating footprint so it can provide a better service to its customers, optimise its operations as well as position itself for growth in the future.

The transition that John Neal and his team are now managing is no small task. However, we have a multi-year strategic plan and a cultural change program that, together, provide a solid platform for future profitable growth.

At the heart of the strategic plan is a drive for operational excellence, focused squarely on improved collaboration across the globe. We're committed to sharing best practice globally so that QBE operates more efficiently and effectively.

When I met with Belinda Hutchinson and John Neal prior to joining the Board, I could see the determination, focus and energy that the company was putting into the transformation. I also saw the opportunity to make a contribution by applying some of the lessons I have learned during my time in the industry. I believe that I bring a useful perspective in guiding where the company's energy is focused, where we might find low hanging fruit in our quest for profitable growth, and where there's risk of running into potholes.

Our strategy already has strong momentum. However, notwithstanding this energy and momentum, there is no denying the fact that 2013 was a difficult year for the company and one where QBE's performance fell well short of your and our expectations.

QBE does have a strong underwriting culture and I have witnessed it first-hand as I've visited some of our Operations around the world. It is a globally respected franchise and it has a strategic plan against which we can execute. I am confident, therefore, that the actions taken by John and the executive team to focus on the fundamentals of the business will get us back on track, particularly in North America.

We're taking a rigorous approach to ensure that we're maintaining price discipline in every market and are generating an improved return for the level of risk accepted. In situations where the business landscape has fundamentally shifted, we're making the changes necessary to ensure that our business is reconfigured to competitively service our customers and generate acceptable returns.

Since being nominated as the Chairman-elect in December, I have taken the opportunity to immerse myself in the business and I have spent a lot of time with John and the senior team. In my conversations with them, as well as in over 25 meetings with key institutional investors in Sydney, Melbourne, London and Singapore, we have spoken in detail about what I, and the Board, see as the three main priorities in 2014.

1. Earnings stability and predictability;

2. Completing the renewal of the board and executive team; and

3. Managing the balance sheet to meet all our stakeholder requirements and to provide flexibility

I'd like to take a moment today to give you a perspective on each of these areas as I believe these three things will help us achieve our goals in a measured and sustainable way.

1. Earnings stability and predictability

First, successful delivery of earnings stability and predictability is something I know will be very important to each of you here today. The Board is entirely aligned with John's mantra of "Say what we do, then do what we say". This is something that we simply must live up to each and every time we report to the market. This means being very transparent in helping our stakeholders understand how our earnings are derived and what we are doing to deliver more consistent results.

The Board's policy to pay up to 50% of cash profit in dividends is unchanged. A return to expected profit levels should see dividends increase. Of course, the performance of an insurance business will never be entirely predictable. However, there are actions we can take to ensure that the building blocks of our result are clearly articulated, and that the number of variables likely to introduce unexpected volatility is minimised.

Since John became Group CEO, we've overhauled our strategic planning, internal budgeting and business planning processes – ensuring that the process is as granular and rigorous as we can reasonably achieve. We've also taken a close look at our reinsurance program, and we've found innovative ways of gaining additional protection without increasing the overall cost to QBE.

Finally, and possibly most importantly, while the detailed actuarial reviews undertaken over the last 18 months have negatively impacted the company's underwriting results in the short term, we know that they have positioned the company for far greater certainty on the claims line, therefore reducing earnings volatility in the future. The action we've taken to strengthen our claim reserves and group risk margin means the liabilities side of the balance is now more robust which is entirely consistent with our objective of delivering earnings stability and predictability.

2. Completing the renewal of the board and executive team

Our second priority is completing renewal of the board and executive team, and I am pleased to report that this is largely complete. As you will see in John's presentation, the Group Executive team has undergone significant change in the past 18 months to better prepare for the future and to ensure we have the right composition of people and skills leading our business.

At a Board level, the renewal process – instituted by my predecessor Belinda Hutchinson – has also seen a number of appointments that ensure we have the requisite mix of experience, industry and region-specific knowledge and sound governance. Over the last two years, we have made a number of additions to strengthen the Board and reflect our global presence and strategic priorities. These appointments included my appointment, as well as the appointment of Margaret Leung in August 2013 and John Graf in 2012, who was introduced to you at the last year's AGM.

Margaret Leung is an outstanding non-executive director who brings with her a wealth of business acumen and experience in global banking and financial services, especially in the emerging markets of Asia where QBE has a growing presence.

Additionally, Margaret has strong relationships with a number of QBE's joint venture partners in the region that will prove invaluable over the coming years. We have already seen the significant contribution Margaret can make to our Board given her involvement in recent Board events and decisions.

Most recently, we announced that Sir Brian Pomeroy will join the Board in June 2014 and you will have the opportunity to vote on his election this time next year. Brian has served as non-executive Chairman of our main European insurance businesses for several years. His understanding of the insurance sector is deeply respected in the industry, as reflected in his role on the board of the UK Financial Conduct Authority and his previous role as a nominated member of the Council of Lloyd's.

We are very much looking forward to Brian's contribution to our Board.

Last year we had three new CEOs step into leadership positions in our divisions:

- Richard Pryce in European Operations;
- Dave Duclos in North American Operations; and
- David Fried in Asia Pacific Operations.

All of these CEOs have deep expertise in our industry and are proven leaders and performers. Having this level of experience at the top has already added immeasurably to our capability and direction in these divisions.

We have recently announced some new appointments to further bolster our Group Executive and I would draw particular attention to the appointment of Pat Regan, a highly experienced insurance and reinsurance CFO who most recently served as the Group CFO of Aviva Plc in the UK, a £14 billion multinational company

While discussing our people, it is appropriate to also discuss the remuneration arrangements at QBE. In 2013, the Rem Committee undertook a comprehensive strategic review of the pay structure across the QBE Group.

This review was driven by a refreshed ONE QBE vision, values and strategy and was constructed in a deliberate and considered manner with input from each member of the committee, its independent external adviser, a benchmarking of peer firms and a range of executives. During the review process, meetings were held with proxy advisers and other stakeholders to seek feedback on our proposed changes.

Our guiding principles in conducting the review were as follows:

1. Develop a pay structure that reflects our ONE QBE values;
2. A clear link to our strategy;
3. Is simple and globally competitive but not excessive;
4. Aligns the remuneration plan with the interests of our shareholders

Due to our disappointing result for 2013, no incentives under the QBE cash or deferred equity award were made to the Group Chief Executive Officer or other head office executives. Our new plan has a greater emphasis on deferred compensation to ensure the results 'mature' as well as they were initially reported.

3. Managing the balance sheet to meet all our stakeholder requirements and to provide flexibility

The final focus area is managing the balance sheet to meet all our stakeholder requirements and to provide flexibility. This is an ongoing priority for the board, and we will welcome Pat Regan's fresh perspective when he joins us as Group CFO.

Our disciplined approach to balance sheet management to date has meant that QBE's insurer financial strength ratings issued by our primary rating agencies have been maintained despite recent challenges. However, we know that there is more we can do to ensure balance sheet flexibility and the Board remains highly focused on further improving all of our key capital ratios in 2014.

In sharing these three areas of priority with you, I trust that I have been able to provide an insight into what I, along with your Board, believe will help us deliver more consistent results to the market and position QBE for sustained profitable growth into the future.

Before I hand over to John for the CEO report, I would like to thank a number of people and groups who have provided support, direction and assistance to QBE over time.

First to each of you, our shareholders. We thank you for your continued support in what is a challenging but also an exciting time for QBE. The last few years have represented a pause in QBE's extraordinary success story while we reset our baseline for continued growth. Of our five business platforms, only North America has presented us with any challenges that have required material restructuring. I believe we enter 2014 in good shape and your Board is confident that we can meet our targets this year.

I would also like to thank our recently retired Chairman, Belinda Hutchinson, who leaves the QBE board after 16 years of dedicated service – the last three as Chairman. Belinda has been a terrific advocate for QBE and has had an influence well beyond the boardroom. In the short time I have had the pleasure of working with her, I have been the beneficiary of her experience and counsel and applaud the renewal process she initiated at the executive and board level.

We are thankful for Belinda's contribution and we wish her well with her future endeavours.

My final thanks go to each and every one of the 17,000 people at QBE. We are asking a lot of our people during our transformation program and we will continue to do so as we strive to return to delivering the results we know we are capable of. It is through their hard work, dedication and focus that we will deliver on our promises. We always have to remember that insurance is a talent business and our people are our most important resource.

I will now hand over to John to take us through the CEO report for 2013.



2014 AGM

Group CEO Address

2 April 2014

Group CEO 2014 AGM Speech

2 April 2014

Thank you Marty.

2013 was a year of contrasts for QBE. We made significant progress in repositioning and right sizing underperforming businesses, made excellent progress with our operational transformation program and introduced some necessary and important changes to key management.

However, we have had to ask you, our shareholders, to be patient through a period of significant change whilst we have dealt with legacy issues in our business and in particular taking the necessary but painful action to right size our North American Operations to allow this important QBE division to return to profitability in 2014.

Today I want to talk through key aspects of our 2013 performance. I will explain how the underlying 2013 result gives me confidence that we can achieve our 2014 targets and I will also share with you the significant progress we're making towards building a business that will deliver profitable growth.

The 2013 result released on 25 February was largely foreshadowed in our announcement to the market in December last year.

Whilst we are disappointed by the 2013 result, we have taken the necessary steps to deal with underperforming portfolios, complete extensive management changes and succession planning across the group and are well on the way to implementing transformation programs, all of which we believe will provide a solid base for our business in 2014.

There are a few points here which I think are particularly worthy of highlight:

1. We reported a net loss after tax of \$254m which was predominantly attributable to significant upgrades to prior accident year claim reserves and the write down of intangibles and other assets in our North American Operations. Cash profit (net profit after tax but before non-cash charges for amortisation and impairment of intangibles) was \$761m compared with \$1,042m last year.
2. We took the decision to significantly strengthen our outstanding claims provision, particularly for prior year reserves. Moreover, in the past two years, we have increased our risk margins in outstanding claims by an additional \$354m, lifting our reserving probability of adequacy to 90.7%, a level not seen since 2007.
3. While our combined operating ratio deteriorated only slightly to 97.8% from 97.1% last year, the result fell well short of our 92% combined operating ratio guidance. However, our underlying

insurance profit margin was in excess of 10%, underpinned by an underlying combined operating ratio of 92.5%.

Let us look at the performance of each of our divisions in turn:

- The \$482 million underwriting loss in our North American business was the main influencer of our 2013 results. I spoke about this at length at our annual results presentation and in our Annual Report. An extensive investigation by internal and external actuaries has satisfied us that the claim reserves in North America are now appropriate. In addition, we have accelerated the charges for identified intangibles associated with our lender-placed insurance business and reviewed the carrying value of our North American goodwill. Through doing this, we are giving the new divisional management team the best opportunity to return to profitability. While we are only three months into 2014, this division is on track to meet its 2014 plan.
- In Latin America we saw good top line growth of 13% in GWP, mainly from the successful integration of acquisitions made in 2012. The marginal return in 2013 was heavily influenced by the economic and inflationary challenges in Argentina. Whilst these unique dynamics remain, we are confident that our Latin American Operations can achieve improved levels of profitability in 2014 and beyond.
- Our European Operations had to contend with a tough operating environment in 2013 but they still returned a strong result when all factors are taken into account. We recognise the challenging market conditions that prevail in this region and remain focused on retaining our best clients to ensure that acceptable margins are maintained.
- Closer to home, Australia and New Zealand recorded market leading results. The business was able to achieve a COR of 87.4% and grow GWP by 4% in local currency. This was achieved in a year where ANZO was implementing the operational transformation program which delivered a sustainable 2% reduction in their expense ratio. We believe that our home business is well positioned to sustain profitable growth over the medium term.
- Although coming off a smaller base, Asia Pacific had a great year with a COR of 84% and a 26% increase in GWP. These results have come from good organic growth with a renewed focus on our core products, and we continue to look for new opportunities in this exciting region.
- Our captive reinsurer, Equator Re, receives a share of premium income written in other divisions and writes excess of loss reinsurance business balancing the Group's risk appetite with that of a particular division. The division's performance was adversely impacted by losses occurring in other divisions, particularly in North America. With the expected improvement in profitability in North America, we anticipate improved results for Equator Re.

Our priority for 2014 is to deliver on our stated performance targets whilst clearly building towards our value creation objectives. The actions to date will allow us to deliver satisfactory returns to our shareholders.

You will see on this slide that we have set clear goals for 2014. Whilst we have encountered some risk losses from the UK floods, the opening three months of the year have been comparatively benign for catastrophe claims in both the Northern and Southern hemispheres.

We are in the business of managing insurance risks and while it is early days (subject to the usual caveats), we confirm our premium guidance, and are retaining a target combined operating ratio of around 93% and an underlying insurance profit margin of around 10%, for 2014.

It is important to share with you today how we are building for the future across QBE.

Last year, I introduced our “value creation model”, describing our strategy for driving profitable growth. At the centre lies performance and I’ve explained our objectives and targets for this year.

Today I want to talk about three aspects of the value creation model.

Let’s look in more detail at what we’re doing to achieve, or maintain, leadership positions in our core businesses.

During 2013, we concentrated our growth efforts on businesses where QBE has a strong market position and where the marketplace is attractive. For example, in Australia and New Zealand, our leading market position allowed us to achieve strong rate increases and, consequently, outstanding results. We’re also seeing attractive growth opportunities in Asia Pacific and Latin America.

Across our core businesses, we believe we can generate profitable organic premium growth over the medium term.

Our future acquisition strategy will be strategic in design and predominantly where we see an opportunity to consolidate a core position in a market place where we have proven expertise and leverage – we will not be looking for opportunistic growth through acquisition.

For those of you who were at last year’s AGM, you would recall that I talked about our operational transformation program.

In early 2013, we established a Group Shared Services Centre in Manila which now has over 1,000 QBE employees. Our operational transformation program was initially spearheaded by our Australian & New Zealand Operations, with North America and Europe now increasingly involved.

We’re on track to deliver on the \$250 million in operating cost savings by the end of 2015. One year into the project, implementation and restructuring costs are running some 10% better than budget and

benefits are 20% ahead of plan – largely due to some benefits coming through more quickly than we had planned in our Australian and New Zealand Operations.

Our efforts to better leverage our global reach and scale extend beyond the operational transformation program. We are developing a Group-wide IT strategy to better leverage our technology spend, extracting better value through coordinated procurement processes and we're collaborating more across the business to ensure that best practice processes are shared and commercial opportunities pursued. We are also working with our global trading partners to ensure we properly understand how we can work together to add value to our customers.

Our commitment to developing world class talent and leadership at all levels in QBE remains a focus for us in 2014.

In order to build world class leadership and develop technical talent, in 2013 we launched our Leadership Academy. Designed in house and built with the support of Duke University, by 2015 it is our intention that 1,400 QBE leaders will have been through various bespoke programs. As at today, nearly 700 leaders have already been through our Leadership Academy.

Marty mentioned the three new divisional CEOs in his opening address. I would like to add to that list the other executives who have either been promoted or have joined QBE from outside the business.

Pat Regan will be joining us in June as the new Group CFO to succeed Neil Drabsch and Peter Horton will join as Group General Counsel and Company Secretary. Both executives bring with them significant skills and expertise and we are looking forward to them joining our ranks.

In addition to Mike Emmett who was recently promoted to the role of Group Executive, Operations, we announced two weeks ago that Jason Brown had been promoted to the role of Chief Risk Officer for the Group.

What is particularly pleasing about both these appointments is that Mike and Jason were part of our inaugural Executive Leader Program, through the QBE Leadership Academy I referred to earlier.

Given what I have shared with you today, I trust that you too will have confidence in our strategy, our people and our approach for 2014.

There are three reasons why we believe that confidence to be well-placed. First, in 2013 we emphatically strengthened the claims provisioning in our business, reset our North American Operations and strengthened our leadership teams globally, both to create greater certainty in our underwriting results and to position the business for future profitable growth.

Secondly, the underlying performance of the business in 2013 is a strong indicator of what we can achieve in 2014 and beyond.

We believe we can achieve further improvements in our attritional claims ratio and that our allowances for large individual risk and catastrophe claims (unchanged at 10.5% of net earned premium) are appropriate.

As Marty outlined in his address, returning to earnings stability and predictability is a focus for the board and the executive team and these fundamentals give us every confidence we can do just that.

Finally, the further implementation of our value creation model means that we are developing bench strength across our business – from strategy through to leadership and execution of our plans. QBE now has much greater depth of talent and industry expertise and that gives us all great confidence for 2014.

Before I close, I want to say thank you to two people who have helped me in my transition into the Group CEO role and continue to help me to this day.

First, my thanks go to Belinda Hutchinson, our recently retired Chairman and dedicated board member for 16 years. Belinda and I have spent many hours discussing the QBE strategy and approach that would see us return to profitable growth. Knowing that I have had her support and counsel in the past two years has been both invaluable and reassuring, particularly given the amount of change we have had to put in place.

Belinda's active participation and depth of understanding has been beneficial for me, and the whole of QBE, and we are deeply grateful for all she has done.

Secondly, I would also like to publically thank Neil Drabsch, our Group Chief Financial Officer who will soon be retiring. This is the last AGM for Neil and it is only fitting we mark the occasion on the record.

Neil has been an important part of QBE for over 23 years and his counsel and support have been of enormous value to me personally. I know all of QBE will miss his presence in our business.

Thank you Neil and we wish you well in the future.

My final thanks go to our shareholders.

We appreciate your patience and support as we make your company, QBE, as successful as we know it can be.

I will now hand back to our new Chairman, Marty Becker, to take us through the formal proceedings for the AGM.

(ENDS)