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7 May 2020

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

Dear Sir/Madam,

2020 Annual General Meeting of Shareholders - addresses

Please find attached:

1. Chairman's address; and

2. Chief Executive Officer's address.

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

Yours faithfully

Carolyn Scobie
Company Secretary

Attachments

Michael (Mike) Wilkins
Chairman, QBE Insurance Group
Address to the QBE Insurance Group Annual General Meeting
7 May 2020

I want to open my formal remarks today by acknowledging the more than 11,000 people who make up the QBE family, right around the world.

The rapid emergence and spread of the COVID-19 pandemic has meant that many of our people have been forced to rapidly adapt to changes in where and how they work.

That has only been possible because of our robust business continuity arrangements and the technology tools that we have developed and deployed across the business, to build the QBE of the future.

It means that right across the 27 countries in which we work, we have been able to support the health, safety and wellbeing of our people. In turn, our teams have responded magnificently and on behalf of the board, I would like to take this opportunity to extend my thanks to them for their hard work, customer focus and resilience through these challenging times.

No business will be immune from the unprecedented health and economic crisis sparked by COVID-19.

However, your Board together with Pat Regan and his leadership team, have recently taken a number of important and prudent steps so that QBE is well placed to withstand the economic challenges ahead and to thrive in the future.

On March 30, we withdrew our previously published combined operating ratio target and net investment return target for 2020. This was a responsible and sensible step in light of the significant uncertainties within the global economy and investment markets right now.

We also executed a comprehensive capital plan designed to bolster the Group's capital position and improve our earnings resilience.
This included:

- the issuance of US$500 million of Additional Tier 1 Capital Notes to wholesale investors, completed yesterday, which is a good result and a clear endorsement of our plan;
- raising an additional ~US$750 million in equity from institutional shareholders in April, which was also well supported; and
- an offer for existing shareholders to participate in a Share Purchase Plan to raise up to ~US$75 million.

In developing this plan, the Board has been careful to ensure our retail shareholders are treated fairly and their holdings are not unduly or unfairly diluted.

Our intention is to ensure that almost all participating retail shareholders receive at least their pro rata allocation - with a better outcome possible, subject to the level of overall demand.

Indeed, with the maximum allowable SPP allocation capped at AU$30,000, there is fortunately very few retail investors on our register who will receive less than their pro rata allocation and I should note that many of those would be QBE staff or members of the Board.

Applications to participate in the SPP are open until May 11.

Our capital plan takes us to well above our own target for capital and comfortably within 'AA' S&P capital levels. It will make QBE even stronger in the face of the challenging environment in which we all find ourselves and will position the business to be able to take advantage of opportunities that might arise as the world recovers.

Pat will talk some more about these measures shortly.

While the economic consequences of this pandemic will be significant, we must remember that this is first and foremost a human tragedy for those sick with the virus or those who have lost loved ones, jobs, livelihoods or businesses. It is a tragedy for the whole world which will reverberate for generations for come.

When the recovery does inevitably come, QBE will be there to support our customers and our communities, true to our purpose.

Just as we were earlier this year when so many of our Australian customers were impacted by the unprecedented bushfires that swept across large parts of the country, leaving a trail of destruction and devastation.

Touching briefly on the Group's performance in FY2019, unseasonal weather in parts of the United States did impact QBE's results in 2019. However, the Group's statutory net profit after tax of $550 million represented a 41% increase on 2018, while the adjusted cash return on equity was 8.9%, up from 8.0% in the prior year.

The Board took this into account when determining a final dividend of 27 Australian cents per share which was paid last month. When combined with the 25 Australian cents per share dividend declared at the half year, this represents a 2019 full year dividend of 52 Australian cents per share.

I would now like to address the resolutions requisitioned by a small group of shareholders that you have been asked to consider today. They are resolutions 5 and 6 on the Notice of Meeting.

In both cases, the substantive parts of those resolutions, parts 5(b) and 6(b) may only be formally considered if shareholders vote in favour of resolutions 5(a) and 6(a) which seek to amend the QBE constitution.

However, I would just like to summarise your Board's position with regards to both.

Resolution 5(b), relates to QBE's approach to climate change and calls on the company to publish exposure reduction targets for oil and gas.

I want to be very clear. Climate change is a material risk for QBE and we believe we must play a part in the global response to this challenge. We support the objectives of the Paris Agreement and we have made a number of important changes within our business to limit our own environmental impact. We have also made changes to our investment and underwriting portfolio, including our commitment to phase out all direct insurance services for all thermal coal customers by 1 January 2030, at the latest.

We’re making good progress on our climate change action plan - consistently delivering on the commitments we have made to our shareholders. This is being recognised externally, including by non-profit climate research provider, CDP, which scored QBE a ‘B’ for corporate transparency and action in 2019 – up two places on the prior year. QBE was also named the Finder Green Insurer of the Year earlier this year. All of this validates our comprehensive approach to this issue.

We have already committed to setting metrics and targets to measure and monitor climate-related risks and opportunities this year. The targets will be portfolio-wide – not just confined to oil and gas as the proposed resolution asks – and they will be published in our 2020 Annual Report - one-year earlier than the timing described in the proposed resolution.

It is on this basis that your Board strongly recommends shareholders vote against this resolution.

Shareholders have also been asked to vote on a resolution calling on QBE to develop a policy regarding World Heritage and Ramsar sites.

Again, the Board recommends that shareholders vote against this resolution and we have outlined our reasons in the Notice of Meeting.

However, I would note that the basis for this resolution appears to be a proposal here in New South Wales to raise the height of the Warragamba Dam wall, to provide flood mitigation for communities downstream. In particular, there are concerns about the potential impacts on the World Heritage, environmental and cultural heritage values.

I want to emphasise that QBE has absolutely no role in deciding whether this project proceeds. This is a matter for relevant state and federal authorities and I am confident they will carefully consider all of the potential impacts, including World Heritage values.

While we welcome the interest the proponents of this resolution have shown in QBE, there are other more relevant and appropriate forums for stakeholders to engage on this proposal, including the environmental impact studies currently underway, and I would encourage them to engage through this mechanism.

Ladies and gentlemen, to summarise and conclude:

- 2019 was a positive year for your company as we further embedded the important disciplines that are so fundamental to the long-term successful operation of a property and casualty insurance company;
- We made good progress on our sustainability journey and in particular on our Climate Change Action Plan and on behalf of the Board let me again say how proud we are of the positive external recognition this has received;
- We continued to invest in the development of our people and the systems that support our operations. Both of these resources are fundamental to the future success of our organisation; and
- As we confront the challenges of a global pandemic, we have strengthened the financial resources of the organisation to enable us to cope with a range of extreme scenarios and so that we can emerge strongly on the other side.

I again thank all of our people for their focus and dedication during 2019 and during this unprecedented period, particularly Pat and the Group Executive Committee for their leadership and untiring efforts for QBE.

I would also like to thank my Board colleagues for their support, wise counsel and commitment and for the privilege I have to serve as Chairman of this great company.

As shareholders would be aware, my predecessor, Marty Becker, decided to step down as Chairman and subsequently as a non-executive director earlier this year. I want to pay tribute to Marty's service to our company and the strong legacy he leaves.
Finally thank you, our shareholders, for your continued support and belief in our organisation.

I will now ask Pat Regan to address the meeting. Following Pat's remarks we will move on to the shareholder questions.

Pat Regan
Chief Executive Officer, QBE Insurance Group
Address to the QBE Insurance Group Annual General Meeting
7 May 2020

Almost overnight, COVID-19 has changed how we live and work. For some, this has created new hardships, particularly for those now experiencing unemployment because, for example, they simply cannot do their jobs from home.

It has also changed how we communicate, both professionally and personally.

I am very pleased that technology has allowed us to meet in this virtual way – just as the investments we have made in QBE's technology over the last couple of years are also ensuring that our global teams are well-equipped to meet the needs of our customers at this critical time.

Our workforce is of course largely office based and in every one of our businesses our people have made a smooth transition to home-based operations; working and collaborating remotely.

That technology enablement has been one of our four key focus areas over the past couple of years, which means QBE confronts the current health and economic crisis from a position of strength.

We have simplified the business, reducing our geographical footprint. This has streamlined how we manage the group and enabled significant cost reductions.

In addition, we have systemically overhauled our underwriting capability, culture and performance, primarily via the Brilliant Basics and cell review programs. This has enabled us to upgrade our core capabilities of pricing, risk selection and claims management, and achieve a consistent approach to doing business across the Group.

And we have revolutionised our culture right across the company, through the QBE DNA. At times like these, culture is more important than ever. As the saying goes – culture eats strategy for breakfast. Today we are a more agile, more innovative and more creative company – and this has well and truly been on display as our people have adapted to changes imposed on them by the global response to COVID-19.

This program of work both underpinned the strength of our financial performance in 2019 and will be vital to our ability to withstand and navigate the challenges ahead.

To recap briefly on our performance in FY19:

- We made good progress across all our Group-wide strategic priorities and achieved positive results in Australia Pacific and International, while also starting to see an improvement in the underlying fundamentals of our North American business;

- We continued to see improvements in both the quality and resilience of our earnings, underpinned by cell reviews and Brilliant Basics;
- We achieved rate increases across the Group of 6.3%, with increases in the second half (of 8.3%) the strongest we had seen in more than a decade;
- Our attritional claims ratio again improved by nearly 3% to 47.5%. Since peaking in the second half of 2017, the attritional claims ratio has now improved by almost 7%. It's worth highlighting that in Australia Pacific, the attritional claims ratio has now reduced by 11pts since we introduced the Cell Review and Brilliant Basics programs in Australia Pacific in the second half of 2016;
- In line with our cost commitments we saved over $100 million in 2019 (with $70 million of that underlying savings), nearly double our target for the year and well on the way to our $130 million target; and
- Our FY19 investment returns exceeded the upper end of our guidance, delivering a return of 3.6%, with returns for pretty much each asset class ahead of the relevant benchmarks.

The strong rate gains we saw at the end of FY19 continued into the first quarter of this year. In Q1, we achieved organic premium growth of more than 9% across the group and rate increases of nearly 7.5%. Retention across the group was also strong.

This was despite the challenges of COVID-19 and is testament to the hard work of our teams.

However, the world has obviously changed dramatically and I will now spend a few moments to update shareholders on how your business is responding to these unprecedented events.

First and foremost, our priority is to protect the health and wellbeing of our people. As this situation has evolved, we have responded rapidly to both the advice of the World Health Organisation and of local authorities.

I'm incredibly proud of the way our people have adapted to these new circumstances and the extraordinary work that has been done to make sure they have access to the tools, equipment and support they need to work effectively and productively and stay connected with their customers and colleagues.

Importantly, this has meant that we have been able to maintain our customer service levels and support our customers as they come to terms with the pressures of COVID-19 and changes in their own circumstances.

We have been proactive in seeking to alleviate some of those pressures with a range of tailored initiatives for our customers now in place across our business.

Here in Australia, we have launched our COVID-19 relief benefit which puts $50 back into the pockets of our motor car insurance customers – representing a 25% saving on the average private-use motor insurance policy from April to June.

This is a small but tangible way we can help and of course reflects the fact that COVID-19 travel restrictions have resulted in fewer vehicles on the road and fewer insurance claims.

We have also launched our small and medium business relief package which contains a suite of measures designed to assist this critical sector of the economy.

In North America our team are also directly supporting our customers, including through deferred premium collections for our US crop customers.

Our North American operations donated 95,000 face masks to hospitals and medical facilities facing shortages and the team have been working with many of our brokers to deliver masks to clients in need.

I also want to share an example from the UK.

Our underwriting and claims teams were recently approached by a large multi-national pharmaceutical business for which we provide Employer's Liability cover.

A number of that business's highly qualified research team were keen to volunteer to work alongside the NHS, testing suspected COVID-19 patients in hospitals and clinics across the UK. Naturally the business wanted to extend the EL cover for this out-of-remit activity.

By applying our underwriting discipline but balanced with a flexible approach, our team assessed the hazards and found ways to manage the risk so that the business could get the cover they needed to enable this important work at no additional cost to the customer.

At times like these, it is also vital that business steps up to assist those most in need. Which is why last month we directed $2.6 million to support the QBE Foundation's existing charity partners around the world in dealing with increased demand for their services due to COVID-19.

These funds are being deployed through a range of agencies including QBE's disaster relief partners Red Cross and Save the Children.

Just one example of where these funds will have immediate effect is in Save the Children's work in Papua New Guinea, Vanuatu, Solomon Islands and Fiji, where communities are at even greater risk in the wake of Tropical Cyclone Harold.

Our support will assist Save the Children with:

- Promoting social distancing and ensuring families can buy essential food and hygiene supplies by delivering cash transfers using mobile phones;
- delivering public health messaging through engagement with communities;
- supporting child protection initiatives; and
- rolling-out an online education platform.

Naturally our industry will not be immune from the impacts of COVID-19. The global economic recovery from this pandemic will be prolonged, however we are taking steps to ensure QBE is prepared for both the challenges and opportunities ahead.

I will talk shortly about how we are well insulated from a capital management point of view. However, at the same time as we are protecting the financial strength of the business, I believe it is also now more important than ever for us – and the entire industry– to accelerate the momentum on our digital transformation journey.

The digital disruption and related trends that were underway before the onset of this global pandemic will only become faster and more pronounced through the recovery. COVID-19 has turbo-charged how we use and engage with technology in an unprecedented and irreversible way. Our customers will expect that we keep pace with them.

For our industry, the pace of this change means there will inevitably be fast adopters – while others will get left behind. It is more important than ever that QBE accelerates our program of work to build best in class data and digital capabilities. To make sure we are better able to support our customers and position QBE for growth.

This will remain a core focus for us in 2020 and beyond.

Turning now to our capital position, as Mike discussed earlier, we have made responsible and prudent choices to put in place a comprehensive capital plan to protect the strength of our business in response to the current economic crisis.

We have significantly de-risked our investment book, including exiting all equities and lower grade credit risk. We have improved our reinsurance protections by purchasing additional crop reinsurance. We have also further reduced the North American wind and quake CAT retention ahead of the North American windstorm season.

We successfully completed a ~US$750 million equity raise, which I am pleased to say was overwhelmingly supported by our investors, with the level of demand for the Group's shares resulting in the book being heavily oversubscribed. We were able to allocate 100% of the issue to existing shareholders, and all shareholders who elected to participate were allocated at least pro-rata to their existing holdings.

Importantly, eligible retail shareholders also now have the opportunity to participate in a non-underwritten Share Purchase Plan which is also receiving strong interest.

This plan takes QBE's capital strength to an extremely strong position and above the top end of our internal benchmark range. It positions us to both withstand almost any foreseeable scenario and makes us well placed to take advantage of any opportunities that might arise.

While the road ahead remains very uncertain, QBE confronts the challenges ahead from a position of strength.

I want to thank shareholders for your ongoing support of QBE.