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31 October 2018

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

Dear Sir/Madam

QBE ANNOUNCES CHANGES TO SIMPLIFY AND STREAMLINE ITS OPERATIONS

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Carolyn Scobie', written in a cursive style.

Carolyn Scobie
Company Secretary

Encl.



QBE

MARKET RELEASE

31 October 2018

QBE announces changes to simplify and streamline its operations

QBE has today announced changes to its structure in an important step towards further simplifying its operations and building a more streamlined, agile and customer-oriented business.

Following the underwriting remediation in Asia, which is now largely complete, Asia Pacific will no longer be a separate division.

Effective 1 January 2019, QBE's operations will comprise:

International – which will include European Operations and Asia. Richard Pryce, currently CEO European Operations, will become CEO International and a new senior leader for Asia will be appointed, reporting directly to Richard.

Australia Pacific – will include Australia, New Zealand, the Pacific and India. Vivek Bhatia, currently CEO Australian & New Zealand Operations, will become CEO Australia Pacific.

North America – will continue as is, led by CEO North America, Russ Johnston.

This change and resulting simplification will contribute to the Group's efficiency agenda with much of the administration and governance of the former standalone Asia Pacific operations absorbed by the significantly larger and better resourced International and Australia Pacific divisions.

QBE will update the market on its Group-wide cost-out agenda and 2019 outwards reinsurance placement in early December.

Further to these changes, we are pleased to announce that **Jason Brown** will move from the position of CEO Asia Pacific Operations to the new role of **Group Chief Underwriting Officer**. In this role Jason will have responsibility for underwriting, pricing and reinsurance placement and will play a critical role in driving our Brilliant Basics agenda globally.

Jason brings more than 20 years' experience in financial services working in Australia, the UK and Asia. Since joining QBE in 2002, Jason has held numerous senior positions including Group Chief Risk Officer and Executive General Manager, Technical & Operations for Australian & New Zealand Operations.

QBE's Chief Executive Officer, Pat Regan, said: "Today's announcement represents the next step in creating a stronger, simpler QBE. These changes enable QBE to enhance our customer proposition and build a stronger platform for long term, sustainable and profitable growth.

The Asia Pacific region remains important to QBE. Following a significant and successful program of work to remediate Asia Pacific Operations and its improved underwriting performance, we continue to see opportunities in these markets. Asia Pacific and European Operations are already collaborating in relation to underwriting opportunities and we expect to

see further benefits from leveraging our underwriting expertise, scale and global capabilities across these business divisions.

Aligning Asia with European Operations and the Pacific with Australian & New Zealand Operations will ensure we are best placed to support our customers and partners in those regions.

I would like to personally thank Jason and his team for the turnaround they have led in these markets over the past 12 months and look forward to Jason bringing the same level of focus and discipline to our Brilliant Basics agenda.”

- ENDS –

For further information, please contact:

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 35 countries.

IMPORTANT DISCLAIMER

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