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5 May 2022

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

Dear Sir/Madam,

2022 Annual General Meeting of Shareholders - addresses

Please find attached the Chairman's and Group Chief Executive Officer's address.

This release has been authorised by the QBE Board of Directors.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Carolyn Scobie'.

Carolyn Scobie
Company Secretary

Attachment



Michael (Mike) Wilkins (AO)
Chairman, QBE Insurance Group
Address to the QBE Insurance Group Annual General Meeting
5 May 2022

Each year, this address provides me with an opportunity to look back at the key achievements and challenges of the past 12 months, while at the same time looking ahead to the future. Yet again, it seems we are living through extraordinary times and our ability to be resilient has never been more important.

The pandemic continues to have far-reaching consequences for governments, businesses and society more broadly and while we have all learnt to respond and adapt to the challenges, a level of ongoing uncertainty remains.

Around the world we continued to experience higher than normal catastrophe events throughout 2021, which has continued in 2022. We have seen storms, extreme wildfires and bushfires, hurricanes and typhoons and most recently along the east coast of Australia, devastating floods. The impact of these events can be overwhelming for families, businesses and communities.

Our teams have responded to these extreme weather events; expanding and scaling up teams to be there for our customers, paying claims efficiently and working with partners and suppliers to get people and businesses back to their lives as quickly as possible. As an insurer, this is fundamentally why we exist – to deliver for our customers when they need us most.

We are also deeply saddened and concerned by the tragic events in Ukraine and the humanitarian crisis facing the Ukrainian people at home and abroad. Indeed, the global geopolitical landscape is one of the most challenging in recent history.

Despite these challenging times, I am extraordinarily proud of the way QBE has responded and the role that we play in society. While many of our people have faced their own personal challenges related to the pandemic and natural catastrophes, they have remained focused on delivering for our customers, adapted to new ways of working and supported each other.

There is much talk at the moment around the relevant topics of increased community preparedness and resilience in the face of natural disasters and the importance of greater government commitment to mitigation funding to prevent a number of these events from having the devastating effect on communities, which they currently do.

I'm pleased to see that there is now an industry-wide call on governments of all types to better inform communities of the risks that are present in their environments, to commit to multi-year mitigation funding to reduce (if not eliminate) the effects of future events and to make our communities more resilient for the future. QBE supports these calls and believes that the time is right to have a proper national discussion of how we face into the future in a more confident and sustainable manner.



Performance

Against this unsettled backdrop, QBE returned to profitability and growth in 2021, reflecting the strength of our business and the ongoing hard work of our teams. In February, we released our full year results for 2021, demonstrating good momentum across the business. QBE delivered a statutory profit of \$750 million, with impressive top line growth of 21%, underpinned by rate increases, improved retention and solid growth in each of our divisions.

Our combined ratio of 93.7% was over 10% better than the prior year and the improved underwriting result supported a Group adjusted cash return on equity of 10.3% for the year, the strongest result the business has generated in over a decade.

The Board was pleased with the improvement and momentum evident in the financial year 2021 and declared a final dividend of 19 Australian cents per share, up from nil for the 2020 final dividend. The Board has reassessed the Group's dividend policy and now expects to pay out 40% to 60% of adjusted cash profit annually, providing greater flexibility to balance our desire to grow, to reward shareholders and to maintain a strong capital position. In this context, the dividend payout ratio was around 40%.

QBE's capital position strengthened during the year notwithstanding the very significant organic growth in our premium base. Our PCA multiple improved by three points to 1.75 times and remains in the upper bound of our target range of 1.6 to 1.8 times.

Our new Group CEO, Andrew Horton will provide a first quarter performance update in his address and I am very pleased to welcome him to his first QBE Annual General Meeting today.

Leadership

Andrew joined QBE on 1 September 2021, moving to Australia from the UK shortly after commencing. Since joining QBE, Andrew has demonstrated he is a leader focused on bringing the enterprise together, committed to continually investing in people, improving culture and driving a future focused agenda. In January this year, Andrew and the Group Executive Committee shared a new vision, purpose and strategic priorities for QBE, providing a strong sense of direction for the future, which Andrew will outline in detail in his address.

Andrew succeeded Richard Pryce who provided important continuity and stable leadership as Interim Group Chief Executive Officer for the better part of 2021 and we extend our sincere thanks to Richard and wish him well in his retirement.

Our rebuilding of the Group Executive Committee is now complete with key new appointments and internal promotions throughout 2021 now bringing together a team with great industry knowledge and experience, broader commercial experience and strong leadership in all its facets.

We have continued to invest in our people and foster talent, with a particular focus on succession planning and building future-ready leaders across our organisation.

Diversity in its broadest sense continues to be a priority for QBE and I'm pleased to report that our Group Executive Committee now comprises 45.5% women and we continued to make progress on



our target of having 40% women in leadership by 2025, with an increase over last year from 34.8% to 35.9%.

Board renewal

In March we announced some changes to our board and today, we welcome Yasmin Allen as Non-Executive Director, effective from 1 July 2022. Non-Executive Directors John Green and Stephen Fitzgerald have made the decision to retire from the QBE Board, effective at the conclusion of this Annual General Meeting.

The Board is grateful to John and Stephen for their many years of service and commitment to QBE. Their support and advice have been invaluable to both the Board and senior management and their stewardship as Chairs and members of their respective committees have been critically important.

On behalf of our shareholders and all of the people of QBE, I thank John and Stephen for their valuable contribution and we wish them every success in the future.

These changes are part of our ongoing Board renewal process and Ms Allen's appointment also supports a commitment to diversity, with our Board now comprising 44% women.

Culture

The Board remains committed to continually investing in our culture. In early 2021, we began a Board sponsored Culture Accelerator program and have pleasingly made significant progress during this time. We have a clear view of our target-state culture and a blueprint for change which will guide us over coming years. Our people are the heart of our culture and they have shaped the pathway forward, with the support of the Group Executive Committee and the Board, including Board sponsors Tan Le and John Green.

Some of the key initiatives we are implementing include a refreshed QBE DNA and shared language, a new recognition program, a new approach to how we listen to our people and critically, culture is a key strategic priority for our business, reflecting its importance and our commitment to focus on this over the long term. Aligned with this we have identified our target state risk culture and the behaviours that we expect to see demonstrated by our people with a dashboard to monitor progress.

Central to our cultural efforts has been an ongoing focus on inclusion and diversity. We conducted a global maturity assessment and refreshed our Inclusion of Diversity Policy, which we released in January 2022. The new policy emphasises the importance of inclusion as an enabler to unlocking the value of diversity and creating an environment where our people feel safe to speak up and share their ideas. As a global employer, we want to celebrate diversity in all its ways and the enormous benefits it brings to our people and our culture.

Earlier this year QBE was included in the Bloomberg Gender-Equality (GEI) Index for the fifth consecutive year and recognised for leading the way to progress workplace gender equality. While we recognise there is more to do, we are proud of the progress we have made and the positive outcomes this has for our people.



Resolution

Once again, this year we are asked to consider a resolution that was requisitioned by a small number of shareholders. This refers to resolution 6 on the Notice of Meeting and the substantive part of this resolution, part 6(b), can only be formally considered if shareholders vote in favour of resolution 6(a) which seeks to amend the QBE constitution.

I would like to summarise the Board's position in relation to this resolution.

QBE is very clear regarding our position. We acknowledge climate change is a material risk to our business and we take it seriously. Climate change is a significant global challenge that requires the collaborative efforts of many stakeholders to deliver an orderly transition to a net zero emissions economy.

We are proud of our commitment towards addressing climate change – we are committed to transitioning to net-zero emissions across our operations, investment and underwriting portfolios.

For our operations, we have set a science-based emissions reduction target which is in line with a 1.5 degrees Celsius trajectory. We have also maintained our carbon neutrality for our operations.

In 2021 we set our intermediate targets for our investment portfolio in line with our commitment to the UN convened Net-Zero Asset Owner Alliance (NZAOA).

In January this year, we were proud to join the UN-convened Net-Zero Insurance Alliance (NZIA). For our underwriting portfolio, and subject to the satisfaction of any regulatory requirements, we will work in line with our commitment to the NZIA.

Working with NZIA members who comprise some of the largest insurers globally, and in conjunction with the Partnership for Carbon Accounting Financials, we will define the methodology needed to assess carbon intensity of underwriting portfolios as the first step. Following setting the methodology, we will independently set intermediate targets within six months of the publication of the Net-Zero Insurance Alliance target-setting protocol and these targets will be made public. This is a significant piece of work that will be carried out over the next 12 to 18 months.

Our pathway to net-zero emissions will be based on the latest available scientific knowledge, including the findings of the Intergovernmental Panel on Climate Change (IPCC).

This year, our enhanced Environmental and Social Risk Framework came into effect. Through our positions in the framework, we have committed to reduce our exposure to higher transition risks in the energy sector including no new thermal coal and oil sands projects, and only supporting oil sands and Arctic drilling where the company is on a pathway consistent with achieving the Paris Agreement objectives. QBE currently has no direct investments in coal, oil or gas companies.

QBE has a diverse and international portfolio of customers in the energy sector, and we are committed to working with our customers to support a shift to more sustainable business models. This year QBE launched a sustainable energies unit to support customers as they transition to lower carbon energy. The unit will align our underwriting capabilities with the growing range of companies



and energy systems that form part of a rapidly changing energy mix throughout the world including solar, wind, hydrogen and carbon capture and storage.

We believe that only adopting an exclusionary approach to all fossil fuel-related activity on a categorical basis does not represent an orderly or practical transition pathway. We are moving towards a net-zero emissions economy but also have to balance the need for energy that is reliable, safely produced and affordable, as well as clean. As we are seeing play out globally, energy stability is a significant geopolitical challenge.

The Board believes it is essential that we work through the development of our net-zero emissions pathway in a methodical and orderly way, in line with global industry initiatives and their scope and timeframes.

QBE has a proven track record in delivering on its commitments in this important area. In light of the significant progress we have made in recent years and our existing commitments with both the Net Zero Asset Owner Alliance and the Net-Zero Insurance Alliance, the Board recommends shareholders vote **AGAINST** this resolution.

Conclusion

In conclusion, I am enormously proud of QBE. It is a privilege to serve as Chairman of this organisation.

I would like to thank all our 11,000 people around the world for their dedication in supporting our customers every day. In particular, I would like to thank Andrew and the Group Executive Committee for their leadership and for their ongoing commitment to QBE.

I extend my gratitude to my fellow directors for their support, commitment and stewardship of QBE.

Finally, thank you to you, our shareholders for your support of QBE.

I will now ask Andrew Horton to address this meeting.



*Andrew Horton
Chief Executive Officer, QBE Insurance Group
Address to the QBE Insurance Group Annual General Meeting
5 May 2022*

Thank you, Mike and good morning to everyone here today.

I'd also like to acknowledge the Traditional Owners of the lands from where we are joining today, and pay my respects to Elders past, present and emerging.

I was honoured to join QBE last September and I am pleased to be here today at my first QBE AGM.

Since joining QBE, I've had the opportunity to meet colleagues, customers and partners both in person and virtually in many of our global locations. This has provided me with many great insights and perspectives of the QBE business and helped me develop a deeper understanding of QBE.

I have been impressed with the strong foundations of the organisation. We have a great footprint and portfolio which is diversified in terms of breadth of product, our brand resonates well in our target markets and we have strong relationships with our customers and partners.

It is my intention to focus on building on the strengths of QBE as we look to execute on our new strategic direction, which I will talk to in more detail shortly.

QBE's people are at the heart of our organisation and they are talented, experienced and committed to our customers, our business and importantly, our communities. I have been particularly proud of the way our people responded to communities impacted by the devastating floods we have had here in Australia and the heartbreaking situation in Ukraine.

Through our partnerships with Red Cross and Save the Children, we have been able to lean in and play our part in supporting people in need through our QBE Foundation grants, matching our employee donations and employee's volunteering for our partners.

Like many in this room, I have been in awe of the people and communities who have come together and supported each other, demonstrating their extraordinary resilience in the face of great challenge and significant loss. The power of resilience cannot be underestimated which is why it is at the core of our new purpose.

Moving now to recent performance.

Today we released a brief performance update to the market.

Despite a number of natural catastrophes and significant geopolitical events, positive momentum experienced through FY21 has continued into the first quarter of 2022.

I have been pleased with QBE's resilience in this turbulent operating environment.



Growth in gross written premium remained strong in the first quarter of 2022, up 19% on the prior corresponding period, or 22% in constant currency. Group-wide renewal rate increases averaged 7.9% in the first quarter, while growth ex-rate of 18% was substantial, albeit supported by growth in segments such as Crop and QBE Re where gross written premium is heavily weighted to the first quarter.

We have had a strong start to the year for gross written premium growth and will review FY22 outlook at the half-year result following the key mid-year renewal period.

Elevated catastrophe experience continued, including widespread flooding and storms across the east coast of Australia and Storm Eunice in the UK and Europe. Natural catastrophe claims for the quarter were however in line with the first quarter allowance.

I wanted to comment on the events unfolding in Ukraine, where the tragic loss of life is deeply concerning. QBE currently expects to have some exposure to the broader conflict through a number of lines such as political violence, political risk and aviation. While the situation remains dynamic, potential net impact is currently estimated at around \$75M, and the ultimate impact from the conflict will be reported in catastrophe costs.

While global investment markets remained volatile, interest rates increased materially over the quarter, resulting in the first quarter exit fixed income running yield improving to 1.52% from 0.68% at the end of FY21. We have made good progress in repositioning our investment portfolio, with risk assets representing 9% of total investment assets at quarter-end.

As discussed at the recent 2021 result, our strategy, centred around resilience and consistency should result in the business being capable of delivering a consistent low to mid-90s combined ratio. Based on our current view, in FY22 we continue to expect a Group combined operating ratio that demonstrates improvement on the FY21 exit combined operating ratio of ~94%.

I would now like to turn to the new strategic direction set for QBE.

Setting a new strategic direction

As I mentioned, QBE is a business with strong foundations and great potential; I want to build on this. My overarching goal is to establish QBE as a consistently high-performing enterprise that is united both culturally and operationally, with a clear strategic direction.

The Group Executive and I spent considerable time defining our strategic priorities for the medium to long term, as well as ensuring our purpose and vision reflects our ambitions and unites us to make a positive and meaningful contribution to our customers, people and communities.

As you saw in the opening video, we have launched a new purpose and vision and the six strategic priorities which will guide us for the medium to long term.



This has been an important milestone for QBE and has resonated well with our people across the organisation, who have embraced our new direction. We acknowledge it will take time to deliver on these ambitions, but the journey has well and truly begun.

QBE's purpose is enabling a more resilient future and our vision is to be the most consistent and innovative risk partner.

Our six strategic priorities are; portfolio optimisation, sustainable growth, bringing the enterprise together, modernising our business, our people and our culture.

Portfolio optimisation is about more actively managing the future direction of our business by making deliberate choices about the mix of products we offer, the business lines and geographies in which we operate and the customers we support.

We are focussed on developing new frameworks to optimise capital allocation and returns across the portfolio, whilst also better managing and ultimately reducing volatility in returns.

Beyond changing our portfolio mix, we need to achieve **Sustainable growth** in each of our regions, customer subsets, industries and channels. We have created an opportunity assessment framework for consistent use across the enterprise - this assessment tool encompasses an appropriately weighted mix of strategic, financial and operational considerations.

I am encouraged by the opportunities across the group to deliver growth in areas that are supported by clear and robust underwriting strategies, aligned to our overall vision and purpose.

We are actively looking at ways to enhance and improve our operating model as we look to better **Bring the enterprise together** and harness the power of the QBE Group. A set of fundamental operating principles have been developed to serve as a guide for enabling QBE to better leverage expertise and capabilities across markets and align activity with overall strategic value. A key goal is to simplify what we do by driving consistent processes and having clear governance. To embed these principles, some of our newly reset leadership cohorts will lead opportunities for implementation and change.

We are **Modernising our business** to ensure we are a future fit and a modern insurer. We will complete the modernisation of our foundational IT systems and processes and accelerate development and investment in our digital capabilities to make things easier for our customers, partners and people. This workstream has been collaborating with our Portfolio Optimisation and Sustainable Growth teams to ensure we invest in the right capabilities to achieve our target business model. At the same time, we have programs in place to build and encourage a future thinking mindset.

As a key measure of success for **Our people**, we are focused on becoming an employer of choice in our chosen markets and building a sustainable and diverse pipeline of leaders. We are launching an Enterprise Recognition program to reward and recognise our people in a way that drives positive



culture and enterprise performance. Separately, we have finalised our reset of enterprise leadership groups and rolled out our new incentive scheme, both of which will support the implementation of our six strategic priorities.

Finally, and very importantly, **our culture**. We are focused on becoming a more purpose led organisation. We want our purpose to be visible every day, in every interaction we have. We have defined our target culture and used that to create a Culture Dashboard. We have been tracking the progress to date and we are using the trends coming out of the dashboard to develop new initiatives and training programs.

Underpinning these priorities is a continuing focus on embedding sustainability into our business.

Mike in his remarks addressed the actions and commitments we have made in relation to the very important issue of climate. I would like to build on this and speak more broadly about sustainability, acknowledging the importance of all ESG considerations for our organisation.

Our aim is that sustainability will be integrated throughout our strategic priorities and business to become fundamental in all that we do. I have been impressed with the number of initiatives underway at QBE and proud we have committed to a net zero emissions target by 2050 for both our underwriting activities and our investment portfolio having recently become a member of the UN-convened Net Zero Insurance Alliance. We have also committed to net zero across our operations.

However, I recognise if we want to be a leader in this space, which is my hope and intention, we need to do more. Building on our sustainability credentials, we have refreshed our approach to establish a consistent and well understood sustainability strategy across the whole business, which extends to our employees, customers, partners, investments, communities, foundation partners plus our broader operations and procurement.

As we continue to enhance our capabilities, I will be personally focused on embedding our sustainability framework across our underwriting activities and I want to drive greater momentum on this front over the coming year. We want to ensure we have a consistent approach across all industries and regions which will include a role in supporting customers on their pathway to a net zero economy.

Conclusion

In closing, I am honoured to lead QBE.

The organisation delivered a strong result in 2021 and this performance has continued into 2022, demonstrating momentum across our organisation. Along with the leadership team and our people around the world, I am excited to build on QBE's strong foundations; with a clear vision and inspiring purpose.

Notwithstanding this, I acknowledge the operating environment will be challenging, particularly in respect to claims inflation and the geopolitical environment.



I am confident we have a strong business, the right strategic priorities and the right team to deliver for our customers and shareholders.

I extend my sincere thanks to my GEC colleagues and everyone at QBE for their warm welcome to me, their great support and for their efforts and passion for our company over the last twelve months.

Thank you to you, our shareholders, for your ongoing support of QBE.

I will now hand back to Mike.