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QBE RANKS NO. 1 IN GENERAL INSURANCE IN HONG KONG Leading Employee's Compensation and Mortgage Insurer in Hong Kong

QBE Insurance was ranked No.1 in the general insurance business in terms of underwriting profit in Hong Kong with a market share of 11%¹, according to the provisional full-year 2014 figures from the Office of the Commissioner of Insurance (OCI).

By net written premium ('NWP'), QBE has been ranked the No.2 general insurer in Hong Kong for two years consecutively.

QBE Insurance was also ranked No. 1 in the employee's compensation business and No. 2 in the mortgage insurance business by NWP with a market share of 18%² and 23% respectively in Hong Kong for last year.

The gross written premiums of the general insurance business of the Hong Kong market as a whole increased by 4% per cent to US\$5.6 billion in 2014. The QBE operations in Hong Kong also recorded a GWP growth rate of more than 20%⁴.

Hong Kong continues to be a key premium and profit contributor in the QBE Emerging Markets – Asia Pacific Region. The Emerging Markets Division, created in August 2014 to bring Asia Pacific and Latin America together, has been identified as a profitable growth engine for the worldwide QBE Insurance Group. The QBE Insurance Group is one of the top 20 insurers and reinsurers worldwide.

In 2014, QBE Asia Pacific Region generated US\$785 million of gross written premium ('GWP'), representing an underlying growth of 21%³.

David Fried, Chief Executive Officer, Emerging Markets, QBE Insurance Group said: "We are proud to be ranked number one in Hong Kong this year. Our significant expansion in Hong Kong and around the region reflects the successful and continued implementation of our Asia Pacific profitable growth strategy. Our strategy had enabled us to achieve a compound annual growth of 16% in GWP over the past two years."

"We expect our growth momentum will be maintained as we continue to work with our distribution partners to provide bespoke insurance solutions to meet our customers' needs," Fried added.

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QBE Insurance has three operating entities in Hong Kong: QBE Hongkong & Shanghai Insurance Limited ('QBE-HKSI'); QBE General Insurance (Hong Kong) Limited ('QBE-GI'); and QBE Mortgage Insurance (Asia) Limited ('QBE-MI').

QBE-HKSI is a joint venture between QBE Insurance Group and China Construction Bank (Asia) Corporation Limited. QBE-HKSI delivers insurance solutions to deal with complex risk exposures in accident and health, liability, commercial property, marine cargo and marine hull. QBE-HKSI has been ranked the No. 1 leader in Employee's Compensation business for three consecutive years, from 2012 to 2014.

QBE-GI, formerly Hang Seng General Insurance (Hong Kong), is a strategic partner of Hang Seng Bank Limited in Hong Kong and mainland China through an exclusive bancassurance agreement. Riding on this exclusive relationship, QBE-GI has access to the Bank's corporate customers as well as more than three million personal customers through Hang Seng Bank's service outlets in Hong Kong.

QBE-MI has been the second largest mortgage insurer in Hong Kong from 2013 to 2014 with a significant market share of 23% in the sector in 2014. QBE-MI has been providing mortgage insurance services in Hong Kong since 1999, offering home buyers insurance on over 60% Loan-To-Value (LTV) mortgages from banks, reducing the loan risks for banks while also alleviating the financial burden on homebuyers. QBE-MI's business partners include Bank of China (HK), Fubon Bank, Hang Seng Bank, and Standard Chartered Bank.

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Notes:

1. Combined market share of QBE-HKSI, QBE-GI and QBE-MI
2. Combined market share of QBE-HKSI and QBE-GI
3. Excluding the impact of US\$63 million of premium associated with the 2013 multi-year Hong Kong Mass Transit Railway Corporation (MTRC) contract and a US\$15 million adverse foreign exchange impact, the underlying Gross Written Premium (GWP) growth on the constant currency basis was 21%
4. On constant currency basis
5. Source: OCI
6. Combined growth rate of QBE-HKSI and QBE-GI

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7. Top 5 general insurers in Hong Kong in 2014 as ranked by market share in terms of Gross Written Premium (GWP), Net Written Premium (NWP) and Underwriting Profit (U/W Profit) :

	1st	2nd	3rd	4th	5th
Gross Written Premium	AXA	Zurich	QBE	Bupa	China Taiping
US\$ / market share	468m / 8.3%	341m / 6.1%	310m / 5.5%	302m / 5.4%	262m / 4.7%
Net Written Premium	AXA	QBE	Bupa	Bank of China	China Taiping
US\$ / market share	372m / 9.6%	260m / 6.7%	246m / 6.3%	209m / 5.4%	178m / 4.6%
Underwriting Profit	QBE	CNOOC Insurance	HK Mortgage Corporation	AXA	Lloyd's
US\$ / market share	41m / 11%	37m / 9.6%	33m / 8.5%	24m / 6.2%	16m / 4.1%

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QBE Asia Pacific Region is part of the Emerging Markets Division of QBE Insurance Group Limited, one of the top 20 insurers and reinsurers worldwide. QBE Insurance Group's 2014 results can be found at www.group.qbe.com. Headquartered in Sydney, Australia, QBE operates out of 38 countries and territories around the globe, with a presence in every key insurance market. The Emerging Markets Division has a presence in 23 markets in Asia Pacific and Latin America.

QBE-HKSI is a joint venture between QBE Insurance Group and China Construction Bank (Asia) Corporation Limited. QBE-HKSI delivers insurance solutions to deal with complex risk exposures in accident and health, liability, commercial property, marine cargo and marine hull. QBE was ranked the No. 1 General Insurer in Hong Kong in 2014; and QBE-HKSI was No. 1 in Employee's Compensation business from 2012 to 2014.

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