

QBE Insurance Group Limited ABN 28 008 485 014
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20 August 2014

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

Dear Sir/Madam

QBE announces successful completion of A\$650 million Institutional Share Placement

Please find attached an announcement for release to the market.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Peter Smiles".

Peter Smiles
Deputy Company Secretary

Encl.



QBE

MARKET RELEASE

20 August 2014

QBE announces successful completion of A\$650 million Institutional Share Placement

QBE has successfully completed an institutional placement of approximately 64.4 million ordinary shares at A\$10.10 per share to raise approximately A\$650 million (equivalent to US\$600 million) of new capital. The shares do not qualify for the forthcoming A\$0.15 per share 2014 interim dividend.

The placement was substantially oversubscribed and had strong broad based support from QBE's existing domestic and offshore institutional shareholders. Mr John Neal, QBE CEO said: *"I am delighted with the response to the institutional placement and we believe it demonstrates our shareholder's confidence in the Company and the package of capital initiatives announced yesterday"*.

Settlement is scheduled to occur on Tuesday, 26 August 2014, with the placement shares being allotted and quoted on the Australian Securities Exchange on Wednesday, 27 August 2014.

As previously announced, QBE intends to offer retail shareholders resident in Australia and New Zealand the opportunity to participate in a non-underwritten share purchase plan (SPP) to raise approximately A\$160 million (equivalent to US\$150 million).

Further details of the SPP will be provided to eligible shareholders in due course.

For further information, please contact:

Investor Relations

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is recognised as one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 43 countries.

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This market release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities referenced herein have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws.