

Divisions at a glance

As we simplify QBE and build a more streamlined, agile and customer-oriented business, effective 1 January 2019 QBE's operations comprise three divisions: International (consisting of European Operations and Asia), Australia Pacific (consisting of Australia, New Zealand, the Pacific Islands and India), and North America.

North American Operations

North American Operations is an integrated specialist insurer offering specialty, commercial, personal and reinsurance capabilities to meet customers' evolving needs. Its distinctive value is underpinned by global strength and applied expertise. This specialised approach delivers exceptional end-to-end solutions to customers.

Gross written premium

US\$ million
4,711 ↑ 3% from 2017

Net earned premium

US\$ million
3,569 ↑ 1% from 2017¹

Combined operating ratio²

97.9% 109.1% in 2017¹

Insurance profit (loss) margin

6.2% (6.7)% in 2017¹

European Operations

European Operations' insurance business provides a wide range of commercial and specialty products and risk management solutions across the globe through offices in the UK, Europe and Canada as well as through our Lloyd's syndicates. QBE Re is a global, multi-line reinsurance business.

Gross written premium

US\$ million
4,355 ↑ 8% from 2017

Net earned premium

US\$ million
3,505 ↑ 9% from 2017³

Combined operating ratio²

94.8% 95.2% in 2017³

Insurance profit margin

8.9% 10.4% in 2017³

Australian & New Zealand Operations

Australian & New Zealand Operations market leading position in commercial insurance and a targeted presence in personal lines, including home, motor and CTP. Our focus is to be the number one choice in commercial lines, build strength in personal lines and be innovative in SME.

Gross written premium

US\$ million
3,992 ↓ 1% from 2017

Net earned premium

US\$ million
3,519 ↑ 1% from 2017

Combined operating ratio²

91.9% 92.0% in 2017

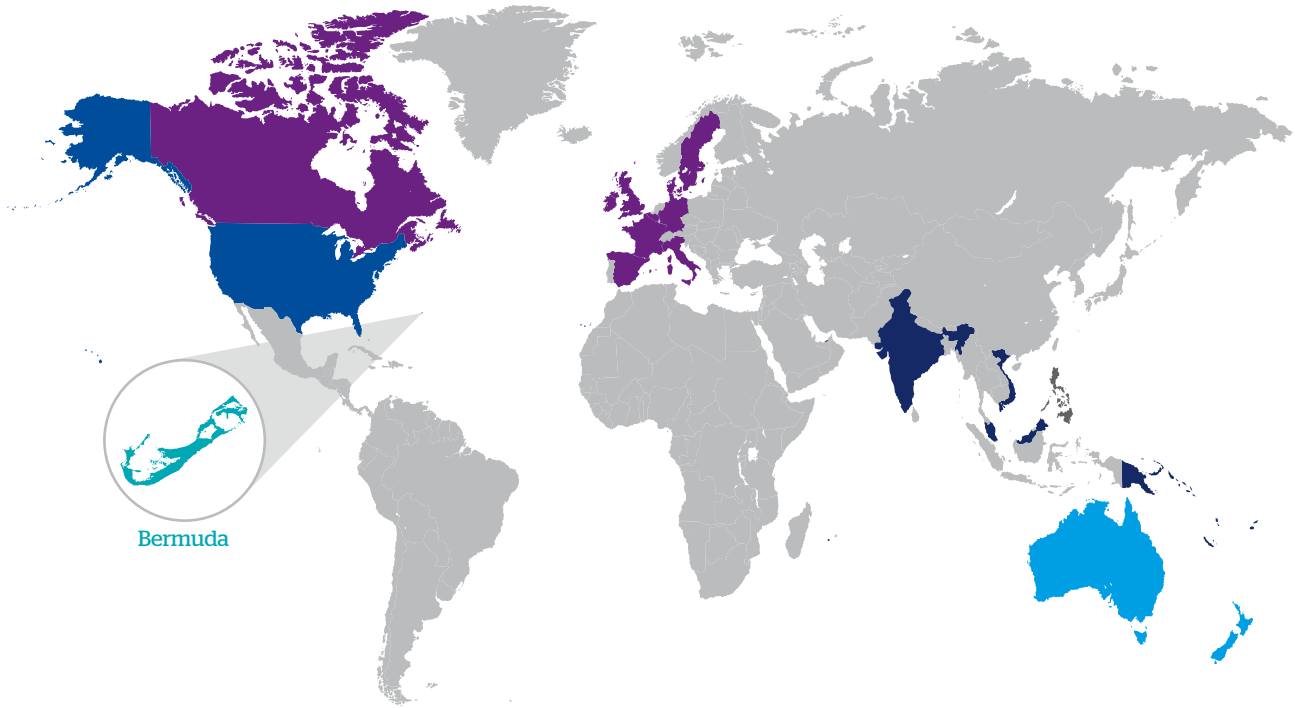
Insurance profit margin

11.9% 12.6% in 2017

1 Excludes transaction to reinsure US liabilities.

2 Excludes the impact of changes in risk-free rates used to discount net outstanding claims.

3 Excludes one-off impact on the Group's underwriting result due to the Ogden decision in the UK.



Bermuda

Asia Pacific Operations

We remain committed to our core Asian markets of Hong Kong, Singapore, Malaysia and Vietnam within our newly created International division and in our long established presence in the Pacific Islands within our newly created Australia Pacific division.

Gross written premium

US\$ million
633 \downarrow 14%
from 2017

Net earned premium

US\$ million
538⁴ \downarrow 18%
from 2017

Combined operating ratio²

104.2%⁴ **115.5%**
in 2017

Insurance (loss) margin

(2.2)%⁴ **(14.2)%**
in 2017

Equator Re

Equator Re is instrumental in managing the Group's exposure and reinsurance risk appetites and plays a pivotal role in optimising capital across the Group. In doing so, Equator Re works closely with the divisions to bridge the gap between their risk appetites and that of the Group.

Gross written premium

US\$ million
1,486 \downarrow 6%
from 2017

Net earned premium

US\$ million
664 \downarrow 22%
from 2017⁵

Combined operating ratio²

91.4% **140.9%**
in 2017⁵

Insurance profit (loss) margin

12.8% **(38.1)%**
in 2017⁵

⁴ Excludes transaction to reinsure Hong Kong construction workers' compensation liabilities.

⁵ Excludes LPT transactions with North American Operations.

