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27 May 2015

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

Dear Sir/Madam

**QBE GROUP RATINGS AFFIRMED BY STANDARD & POOR'S AND OUTLOOK  
REVISED TO STABLE**

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink, appearing to be "P Horton", written over a light blue horizontal line.

Peter Horton  
**Company Secretary**

Attachment



## MARKET RELEASE

27 May 2015

### QBE GROUP RATINGS AFFIRMED BY STANDARD & POOR'S AND OUTLOOK REVISED TO STABLE

Standard & Poor's today revised the rating outlook on QBE Insurance Group Ltd (QBE), QBE's core operating entities, and its other subsidiaries to "Stable" from "Negative".

At the same time, Standard & Poor's affirmed the 'A+' financial strength ratings (FSR) on QBE's core operating companies and 'A-' issuer credit rating (ICR) on QBE.

Commenting on the rating agency's release, John Neal, QBE Group CEO said: "We are pleased with Standard & Poor's decision to revise our rating outlook to "Stable" from "Negative". The revised outlook recognises the very substantial strengthening of our capital base and S&P have acknowledged our capital adequacy as 'AA' equivalent."

Mr Neal added: "The Standard & Poor's announcement follows a similar decision by AM Best to remove QBE from "Negative" outlook in January 2015 and we would hope for a similar move by Fitch in due course."

A summary of the insurer financial strength ratings of QBE's main operating subsidiaries and QBE Insurance Group Limited's issuer credit rating (as disclosed on the ratings agency websites) is as follows:

Agency	Insurer Financial Strength Rating (FSR)		Issuer Credit Rating (ICR)		
	Rating	Outlook	Rating	Outlook	Effective Date
<b>Standard &amp; Poor's</b> <sup>1</sup>	A+	Stable	A-	Stable	27/05/2015
<b>AM Best</b> <sup>2</sup>	A	Stable	bbb	Stable	15/01/2015
<b>Fitch Ratings</b> <sup>3</sup>	A+	Negative	A-	Negative	22/08/2014
<b>Moody's</b> <sup>4</sup>	-	-	Baa2	Stable	10/12/2013

<sup>1</sup> [www.standardandpoors.com](http://www.standardandpoors.com)

<sup>2</sup> [www.ambest.com](http://www.ambest.com)

<sup>3</sup> [www.fitchratings.com](http://www.fitchratings.com)

<sup>4</sup> [www.moodys.com](http://www.moodys.com)

**Note for readers:**

Please find a brief and general description of the difference between insurer financial strength ratings and issuer credit ratings as well as a general description of a rating outlook:

**(a) Insurer financial strength ratings (FSR)** – an FSR is a forward-looking opinion about the financial security characteristics of an insurance organisation. It is this rating that buyers of insurance and reinsurance (and some service providers) focus on as it describes the ability of an insurer to meet its obligations (e.g. the ability to pay its claims).

**(b) Issuer credit ratings (ICR)** – an ICR is a forward-looking opinion about overall creditworthiness in order to pay financial obligations. This opinion focuses on the capacity and willingness to meet financial commitments as they come due. Fitch's equivalent term for the ICR is an Issuer Default Rating (IDR). For example, when QBE is issuing debt or bonds, then lenders (banks) or other potential investors (in debt) will focus on this rating as it is designed to assess our ability generally or specifically (in the instance of a debt raising) to meet our financial obligations.

**(c) Rating outlook** – rating outlooks indicate the direction a rating is likely to move over a one to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue.

For the more specific definitions used by each rating agency, please see their websites.

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 38 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; 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; 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.