

QBE Insurance Group Limited ABN 28 008 485 014
Level 27, 8 Chifley Square, SYDNEY NSW 2000 Australia
GPO Box 82, Sydney NSW 2001
telephone + 612 9375 4444 • facsimile + 612 9231 6104

www.qbe.com



11 May 2016

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

Dear Sir/Madam

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

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Carolyn Scobie", is written over a light blue horizontal line.

Carolyn Scobie
Company Secretary

Encl.



MARKET RELEASE

11 May 2016

QBE INSURANCE GROUP RATINGS AFFIRMED BY STANDARD & POOR'S AND OUTLOOK REVISED TO POSITIVE

S&P Global Ratings ("S&P") today revised the rating outlook on QBE Insurance Group Limited (QBE), QBE's core operating entities and other subsidiaries¹ to "Positive" from "Stable". At the same time, S&P 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: "I am very pleased that S&P recognises both the progress we have made in improving QBE's performance and the strength of our capital base.

The announcement reflects S&P's expectation that QBE's earnings profile will improve over the medium term, together with reduced earnings volatility, greater reserving stability and a return to top line growth. Notably, S&P has again acknowledged that our capital adequacy is 'AA' equivalent."

Mr Neal added: "Many, if not all, of the themes noted by S&P in support of their decision were detailed in QBE's Investor Update held in Sydney yesterday."

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 website) is as follows:

Agency	Insurer Financial Strength Rating (FSR)		Issuer Credit Rating (ICR)		Effective date
	Rating	Outlook	Rating	Outlook	
Standard & Poor's²	A+	Positive	A-	Positive	11/05/2016
AM Best³	A	Stable	bbb	Stable	10/03/2016
Fitch Ratings⁴	A+	Stable	BBB	Stable	29/07/2015
Moody's⁵	-	-	Baa1	Stable	24/11/2015

¹The Standard & Poor's Insurer Financial Strength rating and outlook for QBE's Lenders Mortgage Insurance subsidiaries remain unchanged.

² www.standardandpoors.com

³ www.ambest.com

⁴ www.fitchratings.com

⁵ www.moody's.com

- ENDS -



MARKET RELEASE

11 May 2016

For further information, please contact:

Investor Relations

Group Head of Investor Relations

Tony Jackson

Tel: +61 (2) 9375 4364

investor.relations@qbe.com

Media Enquiries

David Symons

Cell: +61 (0) 410 559 184

Email: david.symons@qbe.com

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QBE Insurance Group Limited is listed on the Australian Securities Exchange, is one of the top 20 global insurance and reinsurance companies as measured by net earned premium and has operations in 37 countries.