



23 May 2013

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

Dear Sir/Madam

S&P affirms QBE's Core Operating Entities' Insurer Financial Strength Ratings at "A+" and raises outlook from "Negative" to "Stable"

Please find attached an announcement for release to the market.

Yours faithfully,

A handwritten signature in blue ink that reads "D Ramsay".

Duncan Ramsay
Company Secretary

Encl.

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QBE

MARKET RELEASE

23 May 2013

S&P AFFIRMS QBE'S CORE OPERATING ENTITIES' INSURER FINANCIAL STRENGTH RATINGS AT "A+" AND RAISES OUTLOOK FROM "NEGATIVE" TO "STABLE"

Standard & Poor's Ratings Services ("S&P") has today released the first round of new ratings for insurance companies which have been reassessed under their revised rating criteria issued on 7 May 2013. The first round of announcements relates to global multi-line insurance companies and includes QBE.

S&P has affirmed the insurer financial strength ratings for QBE's core operating entities at 'A+' and raised the outlook to stable from negative.

As expected, S&P's new criteria for groups that do not have a material banking and/or unregulated businesses note that the issuer credit rating for non-operating holding companies should now be two notches lower than the rating for core operating entities. On this basis, the issuer credit rating for QBE Insurance Group Limited, since it is a non-operating holding company, has been revised down to 'A-' from 'A'.

Commenting on the S&P release, John Neal, QBE Group CEO, said "QBE is one of the few insurers in the world to have retained an unchanged insurer financial strength rating over the past decade. We recognise the importance of this rating in demonstrating the company's financial strength to our partners and customers."

Note for readers:

Please find a brief description of the difference between insurer financial strength ratings and issuer credit ratings:

a) Insurer financial strength ratings (FSR) – an FSR is a forward-looking opinion about the financial security characteristics of an insurance organisation with respect to its ability to pay under its insurance policies and contracts in accordance with their terms.

b) Issuer credit ratings (ICR) – an ICR is a forward-looking opinion about an obligor's overall creditworthiness in order to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due.

For further information, please contact:

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