



Press Release

BULLETIN: QBE Insurance, PMI Australia Ratings And Outlooks Unchanged After Completion Of Acquisition

Melbourne, Oct. 23, 2008—Standard & Poor's Ratings Services said today that its 'A-' rating on QBE Insurance Group Ltd. (QBE) and its 'A+' ratings on QBE's core operating entities remain unchanged following QBE's announcement that it had completed the acquisition of Australia-based lenders' mortgage insurer PMI Mortgage Insurance Ltd. (PMI Australia). Given that there is no change in the operational and financial characteristics of the transaction from that originally proposed, the rating outlooks on QBE and its operating companies are stable. At the same time, our 'AA-' rating on PMI Australia remains unchanged at one notch higher than the rating on QBE's core operating entities because PMI Australia had satisfied various financial and operational measures that support its ability to be segmented from the 'A+' rating. The rating outlook on PMI Australia is negative. At this stage, the acquisition of Hong Kong-based PMI Asia Mortgage Insurance Ltd. (PMI Asia; not rated) is expected to be completed only in November 2008.

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