

EXHIBIT A-1

**QBE HOLDINGS, INC. (pre acquisitions)
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2006 Actual	2007 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast
Assets						
Cash and financial assets	\$ 1,136	\$ 1,221	\$ 1,291	\$ 1,370	\$ 1,454	\$ 1,542
Receivables	402	422	443	465	489	513
Reinsurance recoveries	256	268	282	296	311	326
Deferred insurance costs	117	123	129	136	142	150
Other	98	103	108	112	118	124
Investment property	-	-	-	-	-	-
Intangibles / Goodwill	75	77	79	79	79	79
Total assets	\$ 2,084	\$ 2,214	\$ 2,332	\$ 2,458	\$ 2,592	\$ 2,734
Liabilities						
Trade and other payables	\$ 135	\$ 142	\$ 149	\$ 156	\$ 164	\$ 172
Unearned premium	357	375	394	414	434	456
Other liabilities	5	23	24	25	26	28
Gross outstanding claims	824	865	908	954	1,001	1,051
Interest bearing liabilities	133	133	133	133	133	133
Total Liabilities	1,454	1,538	1,608	1,682	1,759	1,841
Net Assets	630	676	724	776	833	893
Shareholders' equity	\$ 630	\$ 676	\$ 724	\$ 776	\$ 833	\$ 893
Debt to equity ratio	21%	20%	18%	17%	16%	15%

**PRAETORIAN FINANCIAL GROUP
BALANCE SHEETS
AS AT DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2007	2008	2009	2010	2011
	Budget	Forecast	Forecast	Forecast	Forecast
Assets					
Cash and financial assets	\$ 2,076	\$ 2,458	\$ 2,607	\$ 2,759	\$ 2,924
Receivables	272	283	297	312	327
Reinsurance recoveries	841	858	901	946	993
Deferred insurance costs	361	363	381	400	420
Other	84	93	98	102	108
Investment property	-	-	-	-	-
Intangibles / Goodwill	70	56	59	59	59
Total assets	\$ 3,704	\$ 4,111	\$ 4,343	\$ 4,578	\$ 4,831
Liabilities					
Trade and other payables	\$ 96	\$ 87	\$ 91	\$ 96	\$ 100
Unearned premium	770	811	852	895	939
Other liabilities	444	554	582	611	641
Gross outstanding claims	1,540	1,739	1,826	1,917	2,013
Interest bearing liabilities	82	82	86	86	86
Total Liabilities	2,932	3,273	3,437	3,604	3,780
Net Assets	774	838	906	974	1,051
Shareholders' equity	\$ 774	\$ 838	\$ 906	\$ 974	\$ 1,051
Debt to equity ratio	11%	10%	9%	9%	8%

**WINTERTHUR US HOLDINGS
BALANCE SHEETS
AS AT DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2007	2008	2009	2010	2011
	Budget	Forecast	Forecast	Forecast	Forecast
Assets					
Cash and financial assets	\$ 2,649	\$ 2,781	\$ 2,922	\$ 3,069	\$ 3,224
Receivables	481	495	520	546	573
Reinsurance recoveries	140	140	147	154	162
Deferred insurance costs	117	121	127	134	141
Other	333	311	324	341	358
Investment property	25	25	25	26	27
Intangibles / Goodwill	-	-	-	-	-
Total assets	\$ 3,745	\$ 3,874	\$ 4,065	\$ 4,269	\$ 4,485
Liabilities					
Trade and other payables	\$ 80	\$ 85	\$ 89	\$ 94	\$ 98
Unearned premium	642	665	699	734	770
Other liabilities	93	81	85	90	94
Gross outstanding claims	1,692	1,750	1,837	1,929	2,026
Interest bearing liabilities	21	20	21	22	23
Total Liabilities	2,528	2,601	2,731	2,868	3,011
Net Assets	1,217	1,273	1,334	1,401	1,474
Shareholders' equity	\$ 1,217	\$ 1,273	\$ 1,334	\$ 1,401	\$ 1,474
Debt to equity ratio	2%	2%	2%	2%	2%

QBE HOLDINGS, INC. (post acquisitions)
BALANCE SHEETS
AS AT DECEMBER 31
FINANCIAL PROJECTIONS

US\$ millions	2006	2007	2008	2009	2010	2011
	Actual (1)	Budget	Forecast	Forecast	Forecast	Forecast
Assets						
Cash and financial assets	\$ 1,136	\$ 5,934	\$ 6,518	\$ 6,886	\$ 7,268	\$ 7,677
Receivables	402	1,175	1,221	1,282	1,346	1,414
Reinsurance recoveries	256	1,249	1,280	1,344	1,411	1,482
Deferred insurance costs	117	602	613	644	676	710
Other	98	520	512	534	561	589
Investment property	-	91	91	91	92	93
Intangibles / Goodwill	75	833	821	824	824	824
Total assets	\$ 2,084	\$ 10,404	\$ 11,056	\$ 11,605	\$ 12,178	\$ 12,789
Liabilities						
Trade and other payables	\$ 135	\$ 318	\$ 321	\$ 337	\$ 353	\$ 371
Unearned premium	357	1,787	1,871	1,964	2,063	2,166
Other liabilities	5	560	659	692	727	763
Gross outstanding claims	824	4,097	4,397	4,617	4,847	5,090
Interest bearing liabilities *	133	736	735	740	741	742
Total Liabilities	1,454	7,498	7,982	8,350	8,731	9,132
Net Assets	630	2,906	3,074	3,255	3,447	3,657
Shareholders' equity	\$ 630	\$ 2,906	\$ 3,074	\$ 3,255	\$ 3,447	\$ 3,657
Debt to equity ratio	21%	25%	24%	23%	22%	20%

	2006	2007	2008	2009	2010	2011
* Interest bearing liabilities comprise the following:	Actual (1)	Budget	Forecast	Forecast	Forecast	Forecast
Intercompany debt-QBE Insurance Group Limited	133	133	133	133	133	133
Subordinated debt-QBE International Holdings (UK) plc	-	500	500	500	500	500
Surplus notes/bank loans	-	103	102	107	108	109
Total interest bearing liabilities	133	736	735	740	741	742

(1) 2006 does not include the results from Praetorian and Winterthur.

**QBE HOLDINGS ELIMINATION
BALANCE SHEETS
AS AT DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2007	2008	2009	2010	2011
	Budget	Forecast	Forecast	Forecast	Forecast
Assets					
Cash and financial assets	\$ (13)	\$ (13)	\$ (13)	\$ (13)	\$ (13)
Receivables	-	-	-	-	-
Reinsurance recoveries	-	-	-	-	-
Deferred insurance costs	-	-	-	-	-
Other	-	-	-	-	-
Investment property	66	66	66	66	66
Intangibles / Goodwill	686	686	686	686	686
Total assets	\$ 739	\$ 739	\$ 739	\$ 739	\$ 739
Liabilities					
Trade and other payables	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned premium	-	-	-	-	-
Other liabilities	-	-	-	-	-
Gross outstanding claims	-	-	-	-	-
Interest bearing liabilities	500	500	500	500	500
Total Liabilities	500	500	500	500	500
Net Assets	239	239	239	239	239
Shareholders' equity	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239

**QBE HOLDINGS, INC. (pre acquisitions)
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2006	2007	2008	2009	2010	2011
	Actual	Budget	Forecast	Forecast	Forecast	Forecast
Revenues						
Net premiums earned	\$ 846	\$ 1,075	\$ 1,146	\$ 1,227	\$ 1,288	\$ 1,353
Net investment income	58	64	68	72	75	79
Total revenues	904	1,139	1,214	1,299	1,363	1,432
Expenses						
Net claims incurred	473	620	662	708	733	774
Net commission expense	190	233	249	266	285	295
Net premium taxes	23	27	29	30	32	33
Other underwriting expenses	71	102	107	115	118	124
Total expenses	757	982	1,047	1,119	1,168	1,226
Income before taxes	147	157	167	180	195	204
Income tax expense	38	55	58	62	67	71
Net income	\$ 109	\$ 102	\$ 109	\$ 118	\$ 128	\$ 133

Projected Dividends

Dividends to fund debt obligations	8	14	14	14	14
QBE Dividend Policy (1)	47	48	52	57	60
Total Dividends	55	62	66	71	74

(1) - QBE Dividend Policy - After servicing the debt obligations, the policy is to distribute 50% of remaining profits in the form of a dividend. This dividend policy contemplates ordinary dividends only from each of the U.S. domiciled insurance companies.

**PRAETORIAN FINANCIAL GROUP
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2007 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast
Revenues					
Net premiums earned	\$ 750	\$ 1,133	\$ 1,189	\$ 1,249	\$ 1,311
Net investment income	58	65	67	70	74
Total revenues	808	1,198	1,256	1,319	1,385
Expenses					
Net claims incurred	462	660	675	719	744
Net commission expense	134	222	241	253	260
Net premium taxes	7	33	35	37	39
Other underwriting expenses	52	75	78	82	87
Total expenses	655	990	1,030	1,091	1,130
Income before taxes	153	208	226	228	255
Income tax expense	53	73	79	80	89
Net income	\$ 100	\$ 135	\$ 147	\$ 148	\$ 166
Projected Dividends					
Dividends to fund debt obligations	7	12	12	12	12
QBE Dividend Policy (1)	46	62	68	68	77
Total Dividends	53	73	79	80	89

(1) - QBE Dividend Policy - After servicing the debt obligations, the policy is to distribute 50% of remaining profits in the form of a dividend. This dividend policy contemplates ordinary dividends only from each of the U.S. domiciled insurance companies.

**WINTERTHUR US HOLDINGS
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2007 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast
Revenues					
Net premiums earned	\$ 805	\$ 1,448	\$ 1,520	\$ 1,596	\$ 1,676
Net investment income	78	132	139	146	153
Total revenues	883	1,580	1,659	1,742	1,829
Expenses					
Net claims incurred	511	941	980	1,021	1,072
Net commission expense	121	235	247	268	278
Net premium taxes	8	23	24	25	26
Other underwriting expenses	109	185	195	196	206
Total expenses	749	1,384	1,446	1,510	1,582
Income before taxes	134	196	213	232	247
Income tax expense	47	68	75	81	86
Net income	\$ 87	\$ 128	\$ 138	\$ 151	\$ 161
Projected Dividends					
Dividends to fund debt obligations	10	16	16	16	16
QBE Dividend Policy (1)	39	56	61	67	72
Total Dividends	48	71	77	83	88

(1) - QBE Dividend Policy - After servicing the debt obligations, the policy is to distribute 50% of remaining profits in the form of a dividend. This dividend policy contemplates ordinary dividends only from each of the U.S. domiciled insurance companies.

**QBE HOLDINGS, INC. (post acquisitions)
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2006	2007	2008	2009	2010	2011
	Actual (1)	Budget	Forecast	Forecast	Forecast	Forecast
Revenues						
Net premiums earned	\$ 846	\$ 2,629	\$ 3,727	\$ 3,936	\$ 4,133	\$ 4,340
Net investment income *	34	175	224	236	250	265
Total revenues	880	2,804	3,951	4,172	4,383	4,605
Expenses						
Net claims incurred	473	1,593	2,263	2,363	2,473	2,590
Net commission expense	190	488	706	754	806	833
Net premium taxes	23	42	85	89	94	98
Other underwriting expenses	71	263	368	388	397	417
Total expenses	757	2,386	3,422	3,594	3,770	3,938
Income before taxes	123	418	529	578	613	667
Income tax expense	38	154	199	216	228	246
Net income	\$ 85	\$ 264	\$ 330	\$ 362	\$ 385	\$ 421

	2007	2008	2009	2010	2011
	Budget	Forecast	Forecast	Forecast	Forecast
Projected Dividends					
Dividends to fund debt obligations	25	41	41	41	41
QBE Dividend Policy (2)	132	165	181	193	210
Total Dividends	157	206	222	234	251

* Net investment income includes interest expense on debt obligations as follows:

Year	Expense
2006	9
2007	25
2008	41
2009	41
2010	41
2011	41

(1) 2006 does not include the results from Praetorian and Winterthur.

(2) - QBE Dividend Policy - After servicing the debt obligations, the policy is to distribute 50% of remaining profits in the form of a dividend. This dividend policy contemplates ordinary dividends only from each of the U.S. domiciled insurance companies.

**QBE HOLDINGS ELIMINATION
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31
FINANCIAL PROJECTIONS**

US\$ millions	2006 Actual	2007 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast
Revenues						
Net premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	(24)	(25)	(41)	(41)	(41)	(41)
Total revenues	(24)	(25)	(41)	(41)	(41)	(41)
Expenses						
Net claims incurred	-	-	-	-	-	-
Net commission expense	-	-	-	-	-	-
Net premium taxes	-	-	-	-	-	-
Other underwriting expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
Income before taxes	(24)	(25)	(41)	(41)	(41)	(41)
Income tax expense	-	-	-	-	-	-
Net income	\$ (24)	\$ (25)	\$ (41)	\$ (41)	\$ (41)	\$ (41)

**QBE HOLDINGS, INC.
CONSOLIDATED CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31**

US\$ millions	2007 Budget	2008 Forecast	2009 Forecast	2010 Forecast	2011 Forecast
Net cash flows from operating activities	330	400	450	480	520