



# Aspen Insurance Holdings Limited

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## Financial Supplement

**As of September 30, 2010**

This financial supplement is for information purposes only. It should be read in conjunction with other documents filed or to be filed by Aspen Insurance Holdings Limited with the United States Securities and Exchange Commission.

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## Aspen Insurance Holdings Limited

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## Aspen Insurance Holdings Limited

### Basis of Presentation

**Definitions and presentation:** All financial information contained herein is unaudited except for information for the fiscal year ended December 31, 2009 excluding the represented segmental analysis. Unless otherwise noted, all data is in U.S. dollars millions, except for per share, percentage and ratio information.

In presenting Aspen's results, management has included and discussed certain "non-GAAP financial measures" as such term is defined in Regulation G. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain Aspen's results of operations in a manner that allows for a more complete understanding of the underlying trends in Aspen's business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. The reconciliation of such non-GAAP financial measures to their respective most directly comparable GAAP financial measures in accordance with Regulation G is included in this financial supplement.

**Operating income** (a non-GAAP financial measure): Operating income is an internal performance measure used by Aspen in the management of its operations and represents after-tax operational results excluding, as applicable, after-tax net realized capital gains or losses and after-tax net foreign exchange gains or losses.

Aspen excludes after-tax net realized capital gains or losses and after-tax net foreign exchange gains or losses from its calculation of operating income because the amount of these gains or losses is heavily influenced by, and fluctuates in part, according to the availability of market opportunities. Aspen believes these amounts are largely independent of its business and underwriting process and including them distorts the analysis of trends in its operations. In addition to presenting net income determined in accordance with GAAP, Aspen believes that showing operating income enables investors, analysts, rating agencies and other users of its financial information to more easily analyze Aspen's results of operations in a manner similar to how management analyzes Aspen's underlying business performance. Operating income should not be viewed as a substitute for GAAP net income. Please see page 28 for a reconciliation of operating income to net income.

**Annualized Operating Return on Average Equity ("Operating ROE")** (a non-GAAP financial measure): Annualized Operating Return on Average Equity 1) is calculated using operating income, as defined above and 2) excludes from average equity, the average after-tax unrealized appreciation or depreciation on investments and the average after-tax unrealized foreign exchange gains or losses and the aggregate value of the liquidation preferences of our preference shares. Unrealized appreciation (depreciation) on investments is primarily the result of interest rate movements and changes in credit spreads, and the resultant impact on fixed income securities, and unrealized appreciation (depreciation) on foreign exchange is the result of exchange rate movements between the U.S. dollar and the Group's non-functional currencies. Such appreciation (depreciation) is not related to management actions or operational performance (nor is it likely to be realized). Therefore, Aspen believes that excluding these unrealized appreciations (depreciations) provides a more consistent and useful measurement of operating performance, which supplements GAAP information. Average equity is calculated as the arithmetic average on a monthly basis for the stated periods.

Aspen presents Operating ROE as a measure that is commonly recognized as a standard of performance by investors, analysts, rating agencies and other users of its financial information. See page 28 for a reconciliation of operating income to net income and page 7 for a reconciliation of average equity to closing shareholders' equity.

**Diluted Operating Earnings Per Share and Basic Operating Earnings Per Share** (a non-GAAP financial measure): Aspen believes that the presentation of diluted operating earnings per share and basic operating earnings per share supports meaningful comparison from period to period and the analysis of normal business operations. Diluted operating earnings per share and basic operating earnings per share is calculated by dividing operating income by the diluted or basic weighted average number of shares outstanding for the period. See page 28 for a reconciliation of diluted and basic operating earnings per share to basic earnings per share.

**Diluted book value per ordinary share** (a non-GAAP financial measure): Aspen has included diluted book value per ordinary share as it takes into account the effect of dilutive securities; therefore, Aspen believes it is a better measure of calculating shareholder returns than book value per share. Please see page 26 for a reconciliation of diluted book value per share to basic book value per share.

**Underwriting ratios** (GAAP financial measures): Aspen, along with others in the industry, uses underwriting ratios as measures of performance. The loss ratio is the ratio of net claims and claims adjustment expenses to net premiums earned. The acquisition expense ratio is the ratio of underwriting expenses (commissions, premium taxes, licenses and fees, as well as other underwriting expenses) to net premiums earned. The general and administrative expense ratio is the ratio of general and administrative expenses to net premiums earned. The combined ratio is the sum of the loss ratio, the acquisition expense ratio and the general and administrative expense ratio. These ratios are relative measurements that describe for every \$100 of net premiums earned or written, the cost of losses and expenses, respectively. The combined ratio presents the total cost per \$100 of earned premium. A combined ratio below 100% demonstrates underwriting profit; a combined ratio above 100% demonstrates underwriting loss.

GAAP combined ratios differ from U.S. statutory combined ratios primarily due to the deferral of certain third-party acquisition expenses for GAAP reporting purposes and the use of net premiums earned rather than net premiums written in the denominator when calculating the acquisition expense and the general and administrative expense ratios.

**Accident Year Loss Ratios** (a non-GAAP financial measure): In addition to the underwriting ratios described above, management also uses accident year loss ratios to evaluate current underwriting performance. The accident year loss ratio excludes the effect of prior years' premium adjustments and reserve developments. This ratio focuses on the relationship between current premiums earned and losses incurred related to the current year. Please see pages 14 and 15 for a reconciliation of accident year loss ratios to underwriting ratios calculated in accordance with U.S. GAAP.



## Aspen Insurance Holdings Limited

### Financial Highlights

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2010	2009	Change	2010	2009	Change
<i>(in US\$ millions except for percentages, share and per share amounts)</i>						
Gross written premium	\$ 415.8	\$ 490.3	(15.2%)	\$1,664.0	\$1,661.4	0.2%
Net written premium	\$ 377.0	\$ 462.1	(18.4%)	\$1,495.9	\$1,453.4	2.9%
Net earned premium	\$ 451.7	\$ 470.9	(4.1%)	\$1,399.2	\$1,346.8	3.9%
Net income after tax	\$ 92.8	\$ 145.8	(36.4%)	\$ 220.0	\$ 347.6	(36.7%)
Operating income after tax	\$ 69.7	\$ 125.6	(44.5%)	\$ 180.7	\$ 335.1	(46.1%)
Net investment income	\$ 58.1	\$ 58.9	(1.4%)	\$ 175.0	\$ 190.3	(8.0%)
Underwriting income	\$ 25.3	\$ 92.5	(72.6%)	\$ 39.9	\$ 215.1	(81.5%)
<b><i>Earnings Per Share and Book Value Per Share</i></b>						
Basic earnings per ordinary share						
Net income adjusted for preference share dividend and cancellation of preference shares	\$ 1.14	\$ 1.69	(32.5%)	\$ 2.63	\$ 4.37	(39.8%)
Operating income adjusted for preference share dividend	\$ 0.84	\$ 1.44	(41.7%)	\$ 2.12	\$ 3.83	(44.6%)
Diluted earnings per ordinary share						
Net income adjusted for preference share dividend and cancellation of preference shares	\$ 1.08	\$ 1.63	(33.7%)	\$ 2.51	\$ 4.25	(40.9%)
Operating income adjusted for preference share dividend	\$ 0.79	\$ 1.40	(43.6%)	\$ 2.03	\$ 3.72	(45.4%)
Book value per ordinary share						
Diluted book value per ordinary share (treasury stock method)	\$ 40.28	\$ 34.40	17.1%	\$ 40.28	\$ 34.40	17.1%
Weighted average number of ordinary shares outstanding (in millions of shares)	76.723	83.057	(7.6%)	77.133	82.520	(6.5%)
Diluted weighted average number of ordinary shares outstanding (in millions of shares)	80.363	85.993	(6.5%)	80.777	84.952	(4.9%)
<b><i>Underwriting Ratios</i></b>						
Loss ratio						
Policy acquisition cost ratio	63.3%	49.9%		67.3%	53.5%	
Operating and administrative expense ratio	16.7%	16.9%		17.0%	17.7%	
Expense ratio	14.4%	13.5%		12.9%	12.8%	
Combined ratio	31.1%	30.4%		29.9%	30.5%	
	94.4%	80.3%		97.2%	84.0%	
<b><i>Return On Equity</i></b>						
Average equity <sup>(1)</sup>						
Return on average equity	\$2,625.7	\$2,516.8		\$2,597.4	\$2,386.5	
Net income adjusted for preference share dividend	3.3%	5.6%		7.8%	13.8%	
Operating income adjusted for preference share dividend	2.4%	4.8%		6.3%	13.3%	
Annualized return on average equity						
Net income	13.2%	22.4%		10.4%	18.4%	
Operating income	9.6%	19.2%		8.4%	17.7%	

See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

1. Average equity excludes the average after-tax unrealized appreciation or depreciation on investments, preference shares and average after-tax unrealized foreign exchange gains or losses.



## Aspen Insurance Holdings Limited

### Consolidated Statements Of Operations – Quarterly

(in US\$ millions except for percentages and per share amounts)	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q3 2008
<b>UNDERWRITING REVENUES</b>								
Gross written premiums	\$415.8	\$545.4	\$702.8	\$405.7	\$490.3	\$534.3	\$636.8	\$441.3
Premiums ceded	(38.8)	(6.6)	(122.7)	(22.3)	(28.2)	(49.6)	(130.2)	(37.5)
Net written premiums	377.0	538.8	580.1	383.4	462.1	484.7	506.6	403.8
Change in unearned premiums	74.7	(58.9)	(112.5)	92.8	8.8	(56.1)	(59.3)	30.4
Net earned premiums	451.7	479.9	467.6	476.2	470.9	428.6	447.3	434.2
<b>UNDERWRITING EXPENSES</b>								
Losses and loss expenses	285.8	276.7	378.8	227.5	235.1	234.7	250.8	413.4
Acquisition expenses	75.6	77.8	84.5	95.1	79.6	80.8	78.6	70.4
General and administrative expenses	65.0	62.6	52.5	80.3	63.7	59.9	48.5	51.6
Total underwriting expenses	426.4	417.1	515.8	402.9	378.4	375.4	377.9	535.4
Underwriting income/(loss)	25.3	62.8	(48.2)	73.3	92.5	53.2	69.4	(101.2)
<b>OTHER OPERATING REVENUE</b>								
Net investment income	58.1	57.5	59.4	58.2	58.9	72.2	59.2	19.3
Interest expense	(3.9)	(4.0)	(3.8)	(3.8)	(3.9)	(4.0)	(3.9)	(3.8)
Total other operating revenue	54.2	53.5	55.6	54.4	55.0	68.2	55.3	15.5
Other (expense)/income	(1.9)	1.6	(0.9)	0.9	1.1	0.7	(2.7)	0.6
OPERATING INCOME BEFORE TAX	77.6	117.9	6.5	128.6	148.6	122.1	122.0	(85.1)
<b>OTHER</b>								
Net realized and unrealized exchange gains/(losses)	3.4	(2.6)	1.5	(6.7)	7.9	3.1	(2.3)	(2.7)
Net realized and unrealized investment gains/(losses)	22.1	5.7	12.3	4.2	14.6	4.8	(12.2)	(58.1)
INCOME BEFORE TAX	103.1	121.0	20.3	126.1	171.1	130.0	107.5	(145.9)
Income tax (expense)/recovery	(10.3)	(12.1)	(2.0)	0.2	(25.3)	(19.6)	(16.1)	19.8
NET INCOME AFTER TAX	92.8	108.9	18.3	126.3	145.8	110.4	91.4	(126.1)
Dividends paid on ordinary shares	(11.5)	(11.7)	(11.8)	(12.6)	(12.6)	(12.3)	(12.3)	(12.2)
Dividend paid on preference shares	(5.7)	(5.7)	(5.7)	(5.5)	(5.6)	(5.8)	(6.9)	(6.9)
Retained income	\$75.6	\$91.5	\$0.8	\$108.2	\$127.6	\$92.3	\$72.2	\$(145.2)
<b>Components of net income after tax</b>								
Operating income	\$69.7	\$104.9	\$6.1	\$129.2	\$125.6	\$103.8	\$105.7	\$(76.2)
Net realized and unrealized exchange gains/(losses) after tax	3.0	(1.3)	1.0	(6.7)	7.9	3.1	(2.3)	(2.7)
Net realized and unrealized investment gains/(losses) after tax	20.1	5.3	11.2	3.8	12.3	3.5	(12.0)	(47.2)
NET INCOME AFTER TAX	\$92.8	\$108.9	\$18.3	\$126.3	\$145.8	\$110.4	\$91.4	\$(126.1)
<b>Loss ratio</b>								
Policy acquisition expense ratio	16.7%	16.2%	18.1%	20.0%	16.9%	18.9%	17.6%	16.2%
Operating and administrative expense ratio	14.4%	13.0%	11.2%	16.9%	13.5%	14.0%	10.8%	11.9%
Expense ratio	31.1%	29.2%	29.3%	36.9%	30.4%	32.9%	28.4%	28.1%
Combined ratio	94.4%	86.9%	110.3%	84.7%	80.3%	87.7%	84.5%	123.3%
Basic earnings per share <sup>(1)</sup>	\$1.14	\$1.34	\$0.16	\$1.45	\$1.69	\$1.26	\$1.42	\$(1.63)
Diluted earnings per share	\$1.08	\$1.28	\$0.16	\$1.40	\$1.63	\$1.22	\$1.39	\$(1.63)
<b>Annualized return on average equity</b>								
Net income	13.2%	16.4%	2.0%	18.4%	22.4%	17.6%	14.8%	(23.2%)
Operating income	9.6%	15.6%	—	18.8%	19.2%	16.4%	17.6%	(14.4%)

See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

1. Adjusted for preference share dividend and cancellation of preference shares.



**Aspen Insurance Holdings Limited**  
**Consolidated Statements of Operations – Year To Date**

(in US\$ millions except for percentages)

UNDERWRITING REVENUES

Gross written premiums

Premiums ceded

Net written premiums

Change in unearned premiums

Net earned premiums

UNDERWRITING EXPENSES

Losses and loss expenses

Acquisition expenses

General and administrative expenses

Total underwriting expenses

Underwriting income

OTHER OPERATING REVENUE

Net investment income

Interest expense

Total other operating revenue

Other (expense)/income

OPERATING INCOME BEFORE TAX

OTHER

Net realized and unrealized exchange gains/(losses)

Net realized and unrealized investment gains/(losses)

INCOME BEFORE TAX

Income tax expense

NET INCOME AFTER TAX

Dividends paid on ordinary shares

Dividends paid on preference shares

Retained income

Components of net income after tax

Operating income

Net realized and unrealized exchange gains/(losses) after tax

Net realized and unrealized investment gains/(losses) after tax

NET INCOME AFTER TAX

Loss ratio

Policy acquisition expense ratio

Operating and administrative expense ratio

Expense ratio

Combined ratio

	Nine Months Ended September 30,		
	2010	2009	2008
<b>\$1,664.0</b>	\$1,661.4	\$1,566.3	
<b>(168.1)</b>	(208.0)	(136.9)	
<b>1,495.9</b>	1,453.4	1,429.4	
<b>(96.7)</b>	(106.6)	(206.3)	
<b>1,399.2</b>	1,346.8	1,223.1	
<b>941.3</b>	720.6	808.9	
<b>237.9</b>	239.0	211.8	
<b>180.1</b>	172.1	159.5	
<b>1,359.3</b>	1,131.7	1,180.2	
<b>39.9</b>	215.1	42.9	
<b>175.0</b>	190.3	128.9	
<b>(11.7)</b>	(11.8)	(11.7)	
<b>163.3</b>	178.5	117.2	
<b>(1.2)</b>	(0.9)	(1.6)	
<b>202.0</b>	392.7	158.5	
<b>2.3</b>	8.7	(3.4)	
<b>40.1</b>	7.2	(56.3)	
<b>244.4</b>	408.6	98.8	
<b>(24.4)</b>	(61.0)	(16.8)	
<b>220.0</b>	347.6	82.0	
<b>(35.0)</b>	(37.2)	(37.9)	
<b>(17.1)</b>	(18.3)	(20.8)	
<b>\$167.9</b>	\$292.1	\$23.3	
<b>\$180.7</b>	\$335.1	\$131.0	
<b>\$2.7</b>	8.7	(3.4)	
<b>\$36.6</b>	3.8	(45.6)	
<b>\$220.0</b>	\$347.6	\$82.0	
<b>67.3%</b>	53.5%	66.1%	
<b>17.0%</b>	17.7%	17.3%	
<b>12.9%</b>	12.8%	13.1%	
<b>29.9%</b>	30.5%	30.4%	
<b>97.2%</b>	84.0%	96.5%	

See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.



## Aspen Insurance Holdings Limited

### Consolidated Balance Sheets

(in US\$ millions, except for per share amounts)	<u>September 30, 2010</u>	<u>June 30, 2010</u>	<u>March 31, 2010</u>	<u>December 31, 2009</u>	<u>September 30, 2009</u>
<b>ASSETS</b>					
Investments					
Fixed income maturities	\$5,963.1	\$5,753.6	\$5,661.8	\$5,598.0	\$5,184.3
Other investments	28.7	27.8	27.5	27.3	25.9
Short-term investments	299.5	304.3	251.9	371.7	431.6
Total investments	<u>6,291.3</u>	<u>6,085.7</u>	<u>5,941.2</u>	<u>5,997.0</u>	<u>5,641.8</u>
Cash and cash equivalents	914.3	726.1	701.4	748.4	948.8
Reinsurance recoverables					
Unpaid losses	263.8	247.6	262.9	321.5	333.5
Ceded unearned premiums	43.4	106.2	210.2	103.8	114.9
Receivables					
Underwriting premiums	880.7	981.0	914.0	708.3	755.7
Other	81.9	73.4	62.2	64.1	65.5
Funds withheld	79.0	83.5	73.6	85.1	85.2
Deferred policy acquisition costs	194.6	201.2	202.7	165.5	180.1
Derivatives at fair value	1.5	4.3	4.9	6.7	3.6
Receivable for securities sold	2.1	16.9	13.5	11.9	47.3
Office properties and equipment	32.3	28.4	27.6	27.5	27.6
Other assets	20.3	16.0	14.9	9.2	14.8
Intangible assets	21.8	11.5	12.0	8.2	8.2
Total assets	<u><u>\$8,827.0</u></u>	<u><u>\$8,581.8</u></u>	<u><u>\$8,441.1</u></u>	<u><u>\$8,257.2</u></u>	<u><u>\$8,227.0</u></u>
<b>LIABILITIES</b>					
Insurance reserves					
Losses and loss adjustment expenses	\$3,672.2	\$3,485.7	\$3,452.0	\$3,331.1	\$3,314.0
Unearned premiums	951.6	1,061.2	1,107.8	907.6	1,006.3
Total insurance reserves	<u>4,623.8</u>	<u>4,546.9</u>	<u>4,559.8</u>	<u>4,238.7</u>	<u>4,320.3</u>
Payables					
Reinsurance premiums	141.9	159.3	193.2	110.8	121.3
Taxation	91.7	74.2	77.4	94.2	112.1
Accrued expenses and other payables	275.4	242.3	213.5	249.3	205.6
Liabilities under derivative contracts	3.8	5.6	7.4	9.2	6.0
Total payables	<u>512.8</u>	<u>481.4</u>	<u>491.5</u>	<u>463.5</u>	<u>445.0</u>
Long-term debt	249.7	249.6	249.6	249.6	249.6
Total liabilities	<u>5,386.3</u>	<u>5,277.9</u>	<u>5,300.9</u>	<u>4,951.8</u>	<u>5,014.9</u>
<b>SHAREHOLDERS' EQUITY</b>					
Ordinary shares	0.1	0.1	0.1	0.1	0.1
Minority interest	0.6	—	—	—	—
Preference shares	—	—	—	—	—
Additional paid-in capital	1,561.5	1,566.2	1,565.0	1,763.0	1,760.6
Retained earnings	1,452.9	1,377.3	1,285.8	1,285.0	1,176.8
Accumulated other comprehensive income, net of taxes	425.6	360.3	289.3	257.3	274.6
Total shareholders' equity	<u>3,440.7</u>	<u>3,303.9</u>	<u>3,140.2</u>	<u>3,305.4</u>	<u>3,212.1</u>
Total liabilities and shareholders' equity	<u><u>\$8,827.0</u></u>	<u><u>\$8,581.8</u></u>	<u><u>\$8,441.1</u></u>	<u><u>\$8,257.2</u></u>	<u><u>\$8,227.0</u></u>
Book value per ordinary share	<u>\$40.28</u>	<u>\$38.46</u>	<u>\$36.25</u>	<u>\$35.42</u>	<u>\$34.40</u>

See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.



## Aspen Insurance Holdings Limited

### Earnings Per Share and Book Value Per Share

	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
<b>(in US\$ except for number of shares)</b>				
Basic earnings per ordinary share				
Net income adjusted for preference share dividend and cancellation of preference shares	<b>\$1.14</b>	\$1.69	<b>\$2.63</b>	\$4.37
Operating income adjusted for preference share dividend	<b>\$0.84</b>	\$1.44	<b>\$2.12</b>	\$3.83
Diluted earnings per ordinary share				
Net income adjusted for preference share dividend and cancellation of preference shares	<b>\$1.08</b>	\$1.63	<b>\$2.51</b>	\$4.25
Operating income adjusted for preference share dividend	<b>\$0.79</b>	\$1.40	<b>\$2.03</b>	\$3.72
Weighted average number of ordinary shares outstanding (in millions)	<b>76.723</b>	83.057	<b>77.133</b>	82.520
Weighted average number of ordinary shares outstanding and dilutive potential ordinary shares (in millions)	<b>80.363</b>	85.993	<b>80.777</b>	84.952
Book value per ordinary share	<b>\$40.28</b>	\$34.40	<b>\$40.28</b>	\$34.40
Diluted book value per ordinary share (treasury stock method)	<b>\$38.22</b>	\$33.16	<b>\$38.22</b>	\$33.16
Ordinary shares outstanding at end of the period (in millions)	<b>76.642</b>	83.095	<b>76.642</b>	83.095
Ordinary shares outstanding and dilutive potential ordinary shares at end of the period (treasury stock method) (in millions)	<b>80.765</b>	86.193	<b>80.765</b>	86.193

See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.





## Aspen Insurance Holdings Limited

### Return On Average Equity

(in US\$ millions except for percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Average shareholders' equity for the quarter and the year to date	\$3,372.3	\$3,092.3	\$3,282.5	\$2,935.4
Average preference shares for the quarter and the year to date	(353.6)	(353.6)	(353.6)	(373.3)
Average cumulative foreign currency translation adjustments, net of taxes, for the quarter and the year to date	(108.3)	(85.9)	(108.7)	(82.1)
Average unrealized (appreciation)/depreciation on investments, net of taxes, for the quarter and the year to date	(284.7)	(136.0)	(222.8)	(93.5)
Average equity	<u>\$2,625.7</u>	<u>\$2,516.8</u>	<u>\$2,597.4</u>	<u>\$2,386.5</u>
Return on average equity:				
Net income adjusted for preference share dividend	3.3%	5.6%	7.8%	13.8%
Operating income adjusted for preference share dividend	2.4%	4.8%	6.3%	13.3%
Annualized return on average equity:				
Net income	13.2%	22.4%	10.4%	18.4%
Operating income	9.6%	19.2%	8.4%	17.7%
Components of return on average equity:				
Return on average equity from underwriting activity <sup>(1)</sup>	1.0%	3.7%	1.5%	9.0%
Return on average equity from investment and other activity <sup>(2)</sup>	1.8%	2.0%	5.6%	6.7%
Pre-tax operating income return on average equity	2.7%	5.7%	7.1%	15.7%
Post-tax operating income return on average equity <sup>(3)</sup>	2.4%	4.8%	6.3%	13.3%

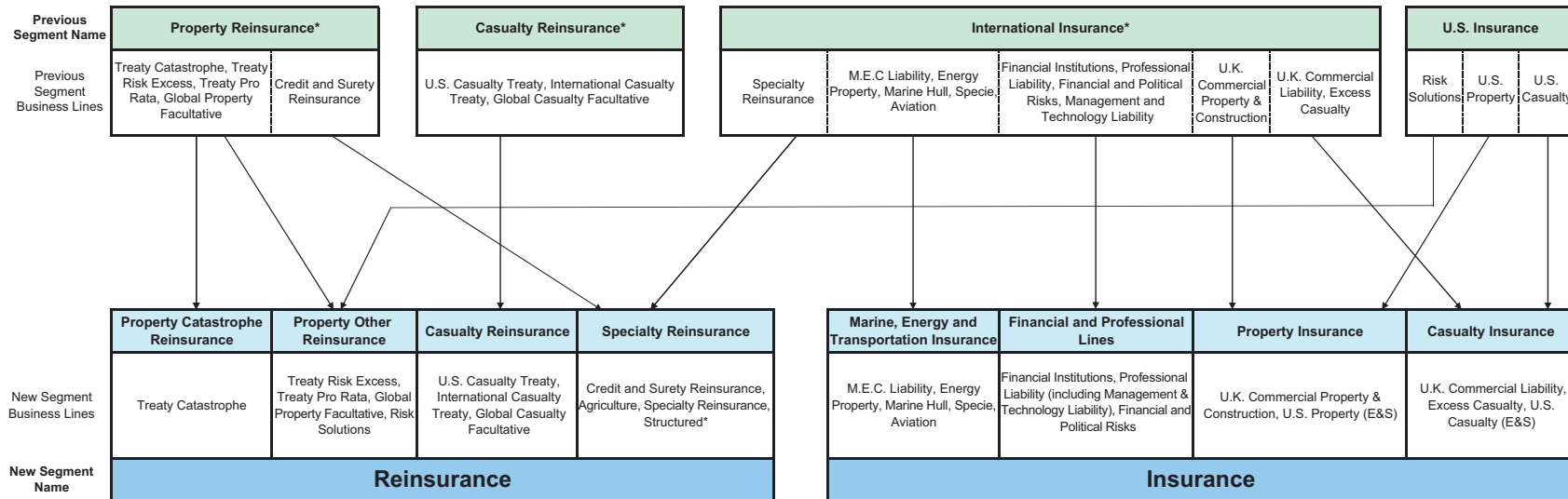
See pages 7, 26 and 28 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

1. Calculated by using underwriting income.
2. Calculated by using total other operating revenue and other income/expense adjusted for preference share dividend.
3. Calculated by using operating income after-tax adjusted for preference share dividend.



## Aspen Insurance Holdings Limited

### Changes to Segmental Reporting



As a result of a shift in the Company's operating structure and the implementation of a number of strategic initiatives in 2010, the Company changed the composition of its business segments to reflect the manner in which the business is managed. The Company is currently organized into two underwriting segments: insurance and reinsurance, with an additional segment for corporate and other. These segments form the basis of how the Company monitors the performance of its operations.

\* Structured business was previously allocated to Property Reinsurance, Casualty Reinsurance and International Insurance on an individual contract basis. In the new basis, all structured business will be included in Specialty Reinsurance within the reinsurance segment.



## Aspen Insurance Holdings Limited

### Consolidated Underwriting Results by Operating Segment

Management has changed the composition of its business segments as a result of a shift in the Company's operating structure in 2010. An explanation of the changes to the segments is included on page 8. The results under the previous segments are shown in the appendix, pages A1 to A7. Information related to prior periods has been re-presented to conform to the current period presentation. There was no effect on net income as a result of these changes.

(in US\$ millions except for percentages)	Three Months Ended September 30, 2010			Three Months Ended September 30, 2009		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
Gross written premiums	\$236.0	\$179.8	\$415.8	\$296.1	\$194.2	\$490.3
Net written premiums	229.6	147.4	377.0	289.3	172.8	462.1
Gross earned premiums	277.9	225.4	503.3	301.4	220.8	522.2
Net earned premiums	267.5	184.2	451.7	288.4	182.5	470.9
Losses and loss expenses	143.5	142.3	285.8	127.1	108.0	235.1
Policy acquisition expenses	43.9	31.7	75.6	49.3	30.3	79.6
Operating and administrative expenses	27.1	23.6	50.7	25.7	23.3	49.0
Underwriting income/(loss)	<u>\$53.0</u>	<u>\$(13.4)</u>	<u>\$39.6</u>	<u>\$86.3</u>	<u>\$20.9</u>	<u>\$107.2</u>
Net investment income			58.1			58.9
Net realized gains/(losses)			22.1			14.6
Corporate (expenses)			(14.3)			(14.7)
Other (expenses)/income			(1.9)			1.1
Interest (expenses)			(3.9)			(3.9)
Net foreign exchange gains/(losses)			3.4			7.9
Income before income taxes			<u>103.1</u>			<u>171.1</u>
Income tax (expense)			<u>(10.3)</u>			<u>(25.3)</u>
<b>Net income</b>			<u><u>\$92.8</u></u>			<u><u>\$145.8</u></u>
<b>Ratios</b>						
Loss ratio	53.6%	77.3%	63.3%	44.1%	59.2%	49.9%
Policy acquisition expense ratio	16.4%	17.2%	16.7%	17.1%	16.6%	16.9%
Operating and administrative expense ratio	10.1%	12.8%	14.4%	8.9%	12.8%	13.5%
Expense ratio	26.5%	30.0%	31.1%	26.0%	29.4%	30.4%
Combined ratio	80.1%	107.3%	94.4%	70.1%	88.6%	80.3%



## Aspen Insurance Holdings Limited

### Consolidated Underwriting Results by Operating Segment

Management has changed the composition of its business segments as a result of a shift in the Company's operating structure in 2010. An explanation of the changes to the segments is included on page 8. The results under the previous segments are shown in the appendix, pages A1 to A7. Information related to prior periods has been re-presented to conform to the current period presentation. There was no effect on net income as a result of these changes.

(in US\$ millions except for percentages)	Nine Months Ended September 30, 2010			Nine Months Ended September 30, 2009		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
Gross written premiums	\$1,009.4	\$654.6	\$1,664.0	\$1,006.3	\$655.1	\$1,661.4
Net written premiums	970.0	525.9	1,495.9	958.4	495.0	1,453.4
Gross earned premiums	882.5	661.4	1,543.9	857.9	648.8	1,506.7
Net earned premiums	849.7	549.5	1,399.2	819.1	527.7	1,346.8
Losses and loss expenses	546.7	394.6	941.3	352.0	368.6	720.6
Policy acquisition expenses	143.6	94.3	237.9	152.5	86.5	239.0
Operating and administrative expenses	79.5	65.9	145.4	67.2	70.7	137.9
Underwriting income/(loss)	<u>\$79.9</u>	<u>\$(5.3)</u>	<u>\$74.6</u>	<u>\$247.4</u>	<u>\$1.9</u>	<u>\$249.3</u>
Net investment income			175.0			190.3
Net realized gains/(losses)			40.1			7.2
Corporate (expenses)			(34.7)			(34.2)
Other (expenses)/income			(1.2)			(0.9)
Interest (expenses)			(11.7)			(11.8)
Net foreign exchange gains/(losses)			2.3			8.7
Income before income taxes			<u>244.4</u>			<u>408.6</u>
Income tax (expense)			<u>(24.4)</u>			<u>(61.0)</u>
<b>Net income</b>			<u><u>\$220.0</u></u>			<u><u>\$347.6</u></u>
<b>Ratios</b>						
Loss ratio	64.3%	71.8%	67.3%	43.0%	69.9%	53.5%
Policy acquisition expense ratio	16.9%	17.2%	17.0%	18.6%	16.4%	17.7%
Operating and administrative expense ratio	9.4%	12.0%	12.9%	8.2%	13.4%	12.8%
Expense ratio	26.3%	29.2%	29.9%	26.8%	29.8%	30.5%
Combined ratio	90.6%	101.0%	97.2%	69.8%	99.7%	84.0%



## Aspen Insurance Holdings Limited

### Reinsurance Segment – Quarterly Results

(in US\$ millions except for percentages)	<u>Q3 2010</u>	<u>Q2 2010</u>	<u>Q1 2010</u>	<u>Q4 2009</u>	<u>Q3 2009</u>	<u>Q2 2009</u>	<u>Q1 2009</u>
Gross written premiums	<b>\$236.0</b>	\$283.3	\$490.1	\$169.7	\$296.1	\$257.4	\$452.8
Net written premiums	<b>229.6</b>	279.1	461.3	158.3	289.3	255.8	413.3
Gross earned premiums	<b>277.9</b>	302.7	301.9	306.5	301.4	268.8	287.7
Net earned premiums	<b>267.5</b>	291.2	291.0	289.0	288.4	255.5	275.2
Net losses and loss expenses	<b>143.5</b>	146.4	256.8	115.3	127.1	102.8	122.1
Policy acquisition expenses	<b>43.9</b>	47.3	52.4	62.1	49.3	51.8	51.4
Operating and administrative expenses	<b>27.1</b>	30.1	22.3	30.3	25.7	23.1	18.4
Underwriting income/(loss)	<b><u>\$53.0</u></b>	<u>\$67.4</u>	<u>\$(40.5)</u>	<u>\$81.3</u>	<u>\$86.3</u>	<u>\$77.8</u>	<u>\$83.3</u>
<b>Ratios</b>							
Loss ratio	<b>53.6%</b>	50.3%	88.2%	39.9%	44.1%	40.2%	44.4%
Policy acquisition expense ratio	<b>16.4%</b>	16.2%	18.0%	21.5%	17.1%	20.3%	18.7%
Operating and administrative expense ratio	<b>10.1%</b>	10.3%	7.7%	10.5%	8.9%	9.0%	6.7%
Expense ratio	<b>26.5%</b>	26.5%	25.7%	32.0%	26.0%	29.3%	25.4%
Combined ratio	<b>80.1%</b>	76.8%	113.9%	71.9%	70.1%	69.5%	69.8%



## Aspen Insurance Holdings Limited

### Insurance Segment – Quarterly Results

(in US\$ millions except for percentages)	<u>Q3 2010</u>	<u>Q2 2010</u>	<u>Q1 2010</u>	<u>Q4 2009</u>	<u>Q3 2009</u>	<u>Q2 2009</u>	<u>Q1 2009</u>
Gross written premiums	<b>\$179.8</b>	\$262.1	\$212.7	\$236.0	\$194.2	\$276.9	\$184.0
Net written premiums	<b>147.4</b>	259.7	118.8	225.1	172.8	228.9	93.3
Gross earned premiums	<b>225.4</b>	220.8	215.2	222.2	220.8	222.5	205.5
Net earned premiums	<b>184.2</b>	188.7	176.6	187.2	182.5	173.1	172.1
Net losses and loss expenses	<b>142.3</b>	130.3	122.0	112.2	108.0	131.9	128.7
Policy acquisition expenses	<b>31.7</b>	30.5	32.1	33.0	30.3	29.0	27.2
Operating and administrative expenses	<b>23.6</b>	21.9	20.4	30.0	23.3	27.1	20.3
Underwriting (loss)/income	<b><u>\$(13.4)</u></b>	<u>\$6.0</u>	<u>\$2.1</u>	<u>\$12.0</u>	<u>\$20.9</u>	<u>\$(14.9)</u>	<u>\$(4.1)</u>
<b>Ratios</b>							
Loss ratio	<b>77.3%</b>	69.1%	69.1%	59.9%	59.2%	76.2%	74.8%
Policy acquisition expense ratio	<b>17.2%</b>	16.2%	18.2%	17.6%	16.6%	16.8%	15.8%
Operating and administrative expense ratio	<b>12.8%</b>	11.6%	11.6%	16.0%	12.8%	15.7%	11.8%
Expense ratio	<b>30.0%</b>	27.8%	29.8%	33.6%	29.4%	32.5%	27.6%
Combined ratio	<b>107.3%</b>	96.9%	98.9%	93.5%	88.6%	108.7%	102.4%



## Aspen Insurance Holdings Limited

### Gross Written Premiums By Segment And Line Of Business

(in US\$ millions)	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
<b>Gross Written Premium</b>							
<b>Reinsurance</b>							
Property Catastrophe Reinsurance	\$51.3	\$91.2	\$146.2	\$0.9	\$58.1	\$78.5	\$116.7
Other Property Reinsurance	66.3	80.7	73.7	63.9	75.5	85.8	88.8
Casualty Reinsurance	70.0	51.5	174.5	50.3	79.1	46.7	175.8
Specialty Reinsurance	48.4	59.9	95.7	54.6	83.4	46.4	71.5
<b>Total Reinsurance</b>	<b>\$236.0</b>	<b>\$283.3</b>	<b>\$490.1</b>	<b>\$169.7</b>	<b>\$296.1</b>	<b>\$257.4</b>	<b>\$452.8</b>
<b>Insurance</b>							
Property Insurance	\$37.0	\$69.3	\$36.7	\$28.5	\$30.5	\$54.9	\$25.3
Casualty Insurance	23.6	44.7	37.2	47.9	53.1	52.9	42.2
Marine, Energy and Transportation Insurance	70.1	118.1	110.6	124.9	75.0	149.4	94.1
Financial and Professional Lines Insurance	49.1	30.0	28.2	34.7	35.6	19.7	22.4
<b>Total Insurance</b>	<b>\$179.8</b>	<b>\$262.1</b>	<b>\$212.7</b>	<b>\$236.0</b>	<b>\$194.2</b>	<b>\$276.9</b>	<b>\$184.0</b>
<b>Total Gross Written Premiums</b>	<b>\$415.8</b>	<b>\$545.4</b>	<b>\$702.8</b>	<b>\$405.7</b>	<b>\$490.3</b>	<b>\$534.3</b>	<b>\$636.8</b>
<b>Net Written Premium</b>							
<b>Reinsurance</b>							
Property Catastrophe Reinsurance	\$45.4	\$88.1	\$130.9	\$(3.7)	\$48.3	\$76.6	\$87.2
Other Property Reinsurance	65.3	79.6	65.5	57.6	76.1	86.1	80.0
Casualty Reinsurance	70.0	51.3	169.6	51.0	81.5	46.6	174.8
Specialty Reinsurance	48.9	60.1	95.3	53.4	83.4	46.5	71.3
<b>Total Reinsurance</b>	<b>\$229.6</b>	<b>\$279.1</b>	<b>\$461.3</b>	<b>\$158.3</b>	<b>\$289.3</b>	<b>\$255.8</b>	<b>\$413.3</b>
<b>Insurance</b>							
Property Insurance	\$30.7	\$62.4	\$14.9	\$19.5	\$23.9	\$45.4	\$(1.9)
Casualty Insurance	20.6	41.7	27.4	36.7	45.2	45.1	36.4
Marine, Energy and Transportation Insurance	57.5	130.8	70.3	125.4	68.9	144.4	55.4
Financial and Professional Lines Insurance	38.6	24.8	6.2	43.5	34.8	(6.0)	3.4
<b>Total Insurance</b>	<b>\$147.4</b>	<b>\$259.7</b>	<b>\$118.8</b>	<b>\$225.1</b>	<b>\$172.8</b>	<b>\$228.9</b>	<b>\$93.3</b>
<b>Total Net Written Premiums</b>	<b>\$377.0</b>	<b>\$538.8</b>	<b>\$580.1</b>	<b>\$383.4</b>	<b>\$462.1</b>	<b>\$484.7</b>	<b>\$506.6</b>
<b>Net Earned Premium</b>							
<b>Reinsurance</b>							
Property Catastrophe Reinsurance	\$66.5	\$66.2	\$70.6	\$49.8	\$55.3	\$52.7	\$49.4
Other Property Reinsurance	61.0	67.8	63.5	79.3	67.4	68.9	81.2
Casualty Reinsurance	84.8	90.3	89.0	93.3	94.6	87.7	96.6
Specialty Reinsurance	55.2	66.9	67.9	66.6	71.1	46.2	48.0
<b>Total Reinsurance</b>	<b>\$267.5</b>	<b>\$291.2</b>	<b>\$291.0</b>	<b>\$289.0</b>	<b>\$288.4</b>	<b>\$255.5</b>	<b>\$275.2</b>
<b>Insurance</b>							
Property Insurance	\$33.2	\$30.1	\$25.8	\$17.3	\$21.9	\$19.1	\$18.9
Casualty Insurance	24.9	39.8	38.9	42.7	43.6	43.2	46.2
Marine, Energy and Transportation Insurance	94.6	97.4	94.3	103.8	98.1	99.7	88.0
Financial and Professional Lines Insurance	31.5	21.4	17.6	23.4	18.9	11.1	19.0
<b>Total Insurance</b>	<b>\$184.2</b>	<b>\$188.7</b>	<b>\$176.6</b>	<b>\$187.2</b>	<b>\$182.5</b>	<b>\$173.1</b>	<b>\$172.1</b>
<b>Total Net Earned Premiums</b>	<b>\$451.7</b>	<b>\$479.9</b>	<b>\$467.6</b>	<b>\$476.2</b>	<b>\$470.9</b>	<b>\$428.6</b>	<b>\$447.3</b>



## Aspen Insurance Holdings Limited

### Accident Year Loss Ratios

	Three Months Ended September 30, 2010			Three Months Ended September 30, 2009		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
<b><i>Before Accident Year Adjustment</i></b>						
Loss ratio	53.6%	77.3%	63.3%	44.1%	59.2%	49.9%
Policy acquisition expense ratio	16.4%	17.2%	16.7%	17.1%	16.6%	16.9%
Operating and administrative expense ratio	10.1%	12.8%	14.4%	8.9%	12.8%	13.5%
Expense ratio	<u>26.5%</u>	<u>30.0%</u>	<u>31.1%</u>	<u>26.0%</u>	<u>29.4%</u>	<u>30.4%</u>
Combined ratio	<u>80.1%</u>	<u>107.3%</u>	<u>94.4%</u>	<u>70.1%</u>	<u>88.6%</u>	<u>80.3%</u>
<b><i>Accident Year Adjustment</i></b>						
Loss ratio	2.7%	(4.1%)	—	10.5%	6.7%	9.0%
Policy acquisition expense ratio	(0.2%)	(0.4%)	(0.3%)	(0.5%)	—	(0.4%)
Operating and administrative expense ratio	0.3%	0.4%	0.4%	(0.2%)	0.1%	(0.1%)
Expense ratio	<u>0.1%</u>	<u>—</u>	<u>0.1%</u>	<u>(0.7%)</u>	<u>0.1%</u>	<u>(0.5%)</u>
Combined ratio	<u>2.8%</u>	<u>(4.1%)</u>	<u>0.1%</u>	<u>9.8%</u>	<u>6.8%</u>	<u>8.5%</u>
<b><i>Accident Year Ratios</i></b>						
Current accident year loss ratio	56.3%	73.2%	63.3%	54.6%	65.9%	58.9%
Policy acquisition expense ratio	16.2%	16.8%	16.4%	16.6%	16.6%	16.5%
Operating and administrative expense ratio	10.4%	13.2%	14.8%	8.7%	12.9%	13.4%
Expense ratio	<u>26.6%</u>	<u>30.0%</u>	<u>31.2%</u>	<u>25.3%</u>	<u>29.5%</u>	<u>29.9%</u>
Combined ratio	<u>82.9%</u>	<u>103.2%</u>	<u>94.5%</u>	<u>79.9%</u>	<u>95.4%</u>	<u>88.8%</u>





## Aspen Insurance Holdings Limited

### Accident Year Loss Ratios

	Nine Months Ended September 30, 2010			Nine Months Ended September 30, 2009		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
<b><i>Before Accident Year Adjustment</i></b>						
Loss ratio	64.3%	71.8%	67.3%	43.0%	69.9%	53.5%
Policy acquisition expense ratio	16.9%	17.2%	17.0%	18.6%	16.4%	17.7%
Operating and administrative expense ratio	9.4%	12.0%	12.9%	8.2%	13.4%	12.8%
Expense ratio	<u>26.3%</u>	<u>29.2%</u>	<u>29.9%</u>	<u>26.8%</u>	<u>29.8%</u>	<u>30.5%</u>
Combined ratio	<u>90.6%</u>	<u>101.0%</u>	<u>97.2%</u>	<u>69.8%</u>	<u>99.7%</u>	<u>84.0%</u>
<b><i>Accident Year Adjustment</i></b>						
Loss ratio	5.4%	(3.0%)	2.1%	9.5%	0.4%	5.9%
Policy acquisition expense ratio	(0.1%)	(0.1%)	(0.1%)	(0.4%)	0.1%	(0.2%)
Operating and administrative expense ratio	0.3%	0.2%	0.3%	(0.0%)	0.4%	0.1%
Expense ratio	<u>0.2%</u>	<u>0.1%</u>	<u>0.2%</u>	<u>(0.4%)</u>	<u>0.5%</u>	<u>(0.1%)</u>
Combined ratio	<u>5.6%</u>	<u>(2.9%)</u>	<u>2.3%</u>	<u>9.1%</u>	<u>0.9%</u>	<u>5.8%</u>
<b><i>Accident Year Ratios</i></b>						
Current accident year loss ratio	69.7%	68.8%	69.4%	52.5%	70.3%	59.4%
Policy acquisition expense ratio	16.8%	17.1%	16.9%	18.2%	16.5%	17.5%
Operating and administrative expense ratio	9.7%	12.2%	13.2%	8.2%	13.8%	12.9%
Expense ratio	<u>26.5%</u>	<u>29.3%</u>	<u>30.1%</u>	<u>26.4%</u>	<u>30.3%</u>	<u>30.4%</u>
Combined ratio	<u>96.2%</u>	<u>98.1%</u>	<u>99.5%</u>	<u>78.9%</u>	<u>100.6%</u>	<u>89.8%</u>



**Aspen Insurance Holdings Limited**  
**Consolidated Statements of Changes in Shareholders' Equity**

(in US\$ millions)	Nine Months Ended September 30,	
	2010	2009
Ordinary shares		
Beginning and end of period	<b>\$0.1</b>	\$ 0.1
Preference shares		
Beginning and end of period	—	—
Minority Interest		
Beginning of period	—	—
Change for the period	<b>0.6</b>	—
End of period	<b>0.6</b>	—
Additional paid-in capital		
Beginning of period	<b>1,763.0</b>	1,754.8
New shares issued	—	25.1
Ordinary shares repurchased	<b>(208.0)</b>	—
Preference shares repurchased	—	(34.1)
Share-based compensation	<b>6.5</b>	14.8
End of period	<b>1,561.5</b>	1,760.6
Retained earnings		
Beginning of period	<b>1,285.0</b>	884.7
Net income for the period	<b>220.0</b>	347.6
Dividends paid on ordinary and preference shares	<b>(52.1)</b>	(55.5)
End of period	<b>1,452.9</b>	1,176.8
Accumulated other comprehensive income:		
Cumulative foreign currency translation adjustments, net of taxes:		
Beginning of period	<b>103.4</b>	87.6
Change for the period	<b>6.7</b>	5.7
End of period	<b>110.1</b>	93.3
Loss on derivatives:		
Beginning of period	<b>(1.2)</b>	(1.4)
Reclassification to interest payable	<b>0.2</b>	0.1
End of period	<b>(1.0)</b>	(1.3)
Unrealized appreciation (depreciation) on investments, net of taxes:		
Beginning of period	<b>155.1</b>	53.3
Change for the period	<b>161.4</b>	129.3
End of period	<b>316.5</b>	182.6
Total accumulated other comprehensive income	<b>425.6</b>	274.6
Total shareholders' equity	<b>\$3,440.7</b>	\$3,212.1



## Aspen Insurance Holdings Limited

### Consolidated Statements of Comprehensive Income

(in US\$ millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income	<u>\$92.8</u>	<u>\$145.8</u>	<u>\$220.0</u>	<u>\$347.6</u>
Other comprehensive income/(loss), net of taxes:				
Available for sale investments:				
Reclassification adjustment for net realized (gains)/losses included in net income	(2.3)	4.6	(10.7)	15.0
Change in net unrealized gains and losses on available for sale securities held	63.8	86.1	172.1	114.3
Loss on derivatives reclassified to interest expense	—	—	—	0.1
Change in foreign currency translation adjustment	<u>3.6</u>	<u>14.8</u>	<u>6.7</u>	<u>5.7</u>
Other comprehensive income/(loss)	<u>65.1</u>	<u>105.5</u>	<u>168.1</u>	<u>135.1</u>
Comprehensive income	<u>\$157.9</u>	<u>\$251.3</u>	<u>\$388.1</u>	<u>\$482.7</u>



## Aspen Insurance Holdings Limited

### Condensed Consolidated Statements of Cash Flows

(in US\$ millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net cash from/(used in) operating activities	\$255.9	\$186.8	\$503.8	\$489.1
Net cash from/(used in) investing activities	(48.7)	23.1	(82.7)	(336.6)
Net cash from/(used in) financing activities	(24.5)	(18.2)	(259.4)	(64.5)
Effect of exchange rate movements on cash and cash equivalents	5.5	38.8	4.2	51.7
Increase/(decrease) in cash and cash equivalents	188.2	230.5	165.9	139.7
Cash at beginning of period	726.1	718.3	748.4	809.1
Cash at end of period	\$914.3	\$948.8	\$914.3	\$948.8



## Aspen Insurance Holdings Limited

### Reserves For Losses And Loss Expenses

(in US\$ millions)	<u>As at September 30, 2010</u>	<u>As at December 31, 2009</u>
Provision for losses and loss expenses at start of period	\$3,331.1	\$3,070.3
Reinsurance recoverables	<u>(321.5)</u>	<u>(283.3)</u>
Net loss and loss expenses at start of period	<u>3,009.6</u>	<u>2,787.0</u>
Net loss and loss expenses disposed	<u>(43.3)</u>	<u>(10.0)</u>
Provision for losses and loss expenses for claims incurred		
Current period	950.1	1,032.5
Prior period release	<u>(8.8)</u>	<u>(84.4)</u>
Total incurred	<u>941.3</u>	<u>948.1</u>
Losses and loss expense payments for claims incurred	<u>(483.3)</u>	<u>(808.6)</u>
Foreign exchange (gains)/losses	<u>(15.9)</u>	<u>93.1</u>
Net loss and loss expense reserves at end of period	<u>3,408.4</u>	3,009.6
Reinsurance recoverables on unpaid losses at end of period	<u>263.8</u>	<u>321.5</u>
Gross loss and loss expense reserves at end of period	<u><u>\$3,672.2</u></u>	<u><u>\$3,331.1</u></u>



## Aspen Insurance Holdings Limited

### Reserves By Operating Segment

	As at September 30, 2010			As at December 31, 2009		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
(in US\$ millions)						
Reinsurance	\$2,307.9	\$(65.0)	\$2,242.9	\$2,069.4	\$(81.0)	\$1,988.4
Insurance	<u>1,364.3</u>	<u>(198.8)</u>	<u>1,165.5</u>	<u>1,261.7</u>	<u>(240.5)</u>	<u>1,021.2</u>
Total losses and loss expense reserves	<u>\$3,672.2</u>	<u>\$(263.8)</u>	<u>\$3,408.4</u>	<u>\$3,331.1</u>	<u>\$(321.5)</u>	<u>\$3,009.6</u>



## Aspen Insurance Holdings Limited

### Prior Year Reserve Releases

(in US\$ millions)	<u>Three Months Ended September 30, 2010</u>			<u>Three Months Ended September 30, 2009</u>		
	<u>Gross</u>	<u>Reinsurance Recoverables</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsurance Recoverables</u>	<u>Net</u>
Reinsurance	\$2.8	\$0.5	\$3.3	\$28.5	\$4.7	\$33.2
Insurance	(9.1)	(0.4)	(9.5)	2.7	8.3	11.0
(Strengthening)/release in reserves for prior years during the period	<u>\$(6.3)</u>	<u>\$0.1</u>	<u>\$(6.2)</u>	<u>\$31.2</u>	<u>\$13.0</u>	<u>\$44.2</u>
	<u>Nine Months Ended September 30, 2010</u>			<u>Nine Months Ended September 30, 2009</u>		
	<u>Gross</u>	<u>Reinsurance Recoverables</u>	<u>Net</u>	<u>Gross</u>	<u>Reinsurance Recoverables</u>	<u>Net</u>
Reinsurance	\$32.1	\$(2.6)	\$29.5	\$75.6	\$5.5	\$81.1
Insurance	(25.0)	4.3	(20.7)	(42.2)	32.1	(10.1)
Release in reserves for prior years during the period	<u>\$7.1</u>	<u>\$1.7</u>	<u>\$8.8</u>	<u>\$33.4</u>	<u>\$37.6</u>	<u>\$71.0</u>



## Aspen Insurance Holdings Limited

### Ratings Of Reinsurers

(in US\$ millions except for percentages)

	<u>As at September 30, 2010</u>		<u>As at December 31, 2009</u>	
<u>S&amp;P</u>				
AAA	\$—	—	\$11.8	3.7%
AA+	15.9	6.0%	—	—
AA-	63.1	23.9%	76.0	23.6%
A+	125.5	47.6%	173.9	54.1%
A	12.5	4.7%	10.9	3.3%
A-	15.5	5.9%	12.5	3.9%
Fully collateralized	—	—	0.5	0.2%
Not rated	31.3	11.9%	35.9	11.2%
	<u>\$263.8</u>	<u>100.0%</u>	<u>\$321.5</u>	<u>100.0%</u>
<u>A.M. Best</u>				
A++	\$15.9	6.0%	\$13.2	4.1%
A+	66.5	25.2%	57.0	17.7%
A	157.0	59.5%	226.2	70.4%
A-	17.1	6.5%	21.3	6.6%
Fully collateralized	—	—	0.5	0.2%
Not rated	7.3	2.8%	3.3	1.0%
	<u>\$263.8</u>	<u>100.0%</u>	<u>\$321.5</u>	<u>100.0%</u>





## Aspen Insurance Holdings Limited

### Consolidated Investment Portfolio

	As At September 30, 2010				As At September 30, 2010	As At June 30, 2010	As At March 31, 2010	As At December 31, 2009	As At December 31, 2008
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value					
<b>(in US\$ millions except for percentages)</b>									
<b>Marketable Securities — Available For Sale</b>									
U.S. government securities	\$747.0	\$47.5	\$—	\$794.5	10.9%	10.4%	9.7%	7.5%	10.9%
U.S. agency securities	312.0	32.0	—	344.0	4.8%	5.0%	5.2%	5.7%	6.6%
Municipal securities	32.2	1.9	—	34.1	0.4%	0.6%	0.4%	0.3%	0.1%
Corporate securities	2,241.9	175.4	(0.1)	2,417.2	33.3%	33.8%	33.4%	33.3%	23.8%
Foreign government securities	567.9	26.2	(0.1)	594.0	8.2%	7.9%	8.4%	7.7%	6.4%
Asset-backed securities	70.3	6.1	(0.1)	76.3	1.1%	1.1%	1.3%	1.7%	3.4%
Mortgage-backed securities	1,220.1	72.9	(0.1)	1,292.9	17.8%	19.6%	20.7%	21.1%	22.9%
Total fixed income maturities	5,191.4	362.0	(0.4)	5,553.0	76.5%	78.4%	79.1%	77.3%	74.1%
Short-term investments	297.5	—	—	297.5	4.1%	4.4%	3.8%	5.4%	3.8%
<b>Total Available For Sale</b>	<b>\$5,488.9</b>	<b>\$362.0</b>	<b>\$(0.4)</b>	<b>\$5,850.5</b>	<b>80.6%</b>	<b>82.8%</b>	<b>82.9%</b>	<b>82.7%</b>	<b>77.9%</b>
<b>Marketable Securities — Trading</b>									
U.S. government securities	\$42.2	\$0.6	—	\$42.8	0.6%	0.4%	0.1%	0.1%	—
U.S. agency securities	0.5	0.1	—	0.6	—	—	—	—	—
Municipal securities	2.8	0.2	—	3.0	—	—	—	—	—
Corporate securities	323.0	26.3	(0.1)	349.2	4.8%	4.8%	5.1%	4.8%	—
Foreign government securities	8.9	0.6	—	9.5	0.1%	0.1%	0.1%	0.1%	—
Asset-backed securities	5.0	—	—	5.0	0.1%	0.1%	0.1%	0.1%	—
Mortgage-backed securities	—	—	—	—	—	—	—	—	—
Total fixed income maturities	382.4	27.8	(0.1)	410.1	5.6%	5.4%	5.4%	5.1%	—
Short-term investments	2.0	—	—	2.0	—	—	—	—	—
<b>Total Trading</b>	<b>\$384.4</b>	<b>\$27.8</b>	<b>\$(0.1)</b>	<b>\$412.1</b>	<b>5.6%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>5.1%</b>	<b>—</b>
<b>Other investments</b>									
Cash				\$28.7	0.4%	0.4%	0.4%	0.4%	4.9%
Accrued interest				914.3	12.6%	10.6%	10.5%	11.0%	13.5%
<b>Total Cash and Accrued Interest</b>				<b>57.2</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>3.7%</b>
<b>Total Cash and Investments</b>				<b>\$971.5</b>	<b>13.4%</b>	<b>11.4%</b>	<b>11.3%</b>	<b>11.8%</b>	<b>17.2%</b>
				<b>\$7,262.8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



**Aspen Insurance Holdings Limited**  
**Consolidated Investment Portfolio**

**Maturity of Available For Sale Portfolio**

Due in one year or less
Due after one year through five years
Due after five years through ten years
Due after ten years
Subtotal
Non-agency residential mortgage-backed securities
Non-agency commercial mortgage-backed securities
Agency mortgage-backed securities
Other asset-backed securities
Total

<u>As At September 30, 2010</u>		<u>As At December 31, 2009</u>	
<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Amortized Cost</u>	<u>Fair Market Value</u>
\$ 335.2	\$ 341.5	\$ 296.4	\$ 301.4
2,325.2	2,460.0	2,057.1	2,133.2
1,139.5	1,268.7	1,094.2	1,143.5
101.1	113.6	121.0	124.9
<u>3,901.0</u>	<u>4,183.8</u>	<u>3,568.7</u>	<u>3,703.0</u>
30.3	40.4	34.2	42.2
140.1	150.5	178.5	180.0
1,049.7	1,102.0	1,172.9	1,209.6
70.3	76.3	110.0	115.1
<u><u>\$5,191.4</u></u>	<u><u>\$5,553.0</u></u>	<u><u>\$5,064.3</u></u>	<u><u>\$5,249.9</u></u>



## Aspen Insurance Holdings Limited

### Investment Analysis

(in US\$ millions except for percentages)

	<u>Q3 2010</u>	<u>Q2 2010</u>	<u>Q1 2010</u>	<u>Q4 2009</u>	<u>Q3 2009</u>	<u>Q2 2009</u>	<u>Q1 2009</u>
Net investment income from fixed income investments and cash	\$58.1	\$57.5	\$59.4	\$58.6	\$58.9	\$56.0	\$55.2
Net investment income/(loss) from funds of hedge funds	—	—	—	(0.4)	—	16.2	4.0
Net investment income	58.1	57.5	59.4	58.2	58.9	72.2	59.2
Net realized investment gains	22.1	5.7	12.6	7.5	16.4	7.7	3.1
Other-than-temporary impairment charges	—	—	(0.3)	(3.3)	(1.8)	(2.9)	(15.3)
Change in unrealized gains/(losses) on investments (gross of tax)	68.3	82.4	25.3	(33.1)	106.3	41.7	3.3
Total return on investments	<u>\$148.5</u>	<u>\$145.6</u>	<u>\$97.0</u>	<u>\$29.3</u>	<u>\$179.8</u>	<u>\$118.7</u>	<u>\$50.3</u>
<b>Portfolio Characteristics</b>							
Fixed income portfolio book yield	3.91%	4.05%	4.23%	4.22%	4.13%	4.43%	4.42%
Fixed income portfolio duration	3.1 years	3.0 years	3.3 years	3.3 years	3.3 years	3.2 years	2.9 years



## Aspen Insurance Holdings Limited

### Book Value Per Ordinary Share

<b>(in US\$ millions except for number of shares and per share amounts)</b>	<b>September 30, 2010</b>	<b>June 30, 2010</b>	<b>March 31, 2010</b>	<b>December 31, 2009</b>	<b>September 30, 2009</b>	<b>June 30, 2009</b>	<b>March 31, 2009</b>
Net assets	<b>\$3,440.7</b>	\$3,303.9	\$3,140.2	\$3,305.4	\$3,212.1	\$2,972.5	\$2,832.4
Less: Preference shares	<b>(353.6)</b>	(353.6)	(353.6)	(353.6)	(353.6)	(353.6)	(353.6)
Total	<b><u>\$3,087.1</u></b>	<u>\$2,950.3</u>	<u>\$2,786.6</u>	<u>\$2,951.8</u>	<u>\$2,858.5</u>	<u>\$2,618.9</u>	<u>\$2,478.8</u>
Ordinary shares outstanding (in millions)	<b><u>76.642</u></b>	<u>76.701</u>	<u>76.865</u>	<u>83.328</u>	<u>83.095</u>	<u>83.022</u>	<u>82.763</u>
Ordinary shares and dilutive potential ordinary shares (in millions)	<b><u>80.765</u></b>	<u>79.831</u>	<u>80.495</u>	<u>86.465</u>	<u>86.193</u>	<u>85.985</u>	<u>84.832</u>
Book value per ordinary share	<b><u>\$40.28</u></b>	<u>\$38.46</u>	<u>\$36.25</u>	<u>\$35.42</u>	<u>\$34.40</u>	<u>\$31.54</u>	<u>\$29.95</u>
Diluted book value per ordinary share (treasury stock method)	<b><u>\$38.22</u></b>	<u>\$36.96</u>	<u>\$34.62</u>	<u>\$34.14</u>	<u>\$33.16</u>	<u>\$30.46</u>	<u>\$29.22</u>

The dilutive effect of options has been calculated using the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of options will be used to purchase the Company's ordinary shares at the average market price during the period of calculation.



## Aspen Insurance Holdings Limited

### Diluted Share Analysis

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
<b>Weighted average ordinary shares outstanding (millions)</b>				
Basic	<b>76.723</b>	83.057	<b>77.133</b>	82.520
Dilutive share equivalents:				
Employee options	<b>0.845</b>	0.847	<b>0.865</b>	0.720
Options issued to Appleby Trust (Bermuda) Limited (Names Trust)	<b>0.411</b>	0.314	<b>0.396</b>	0.245
Performance shares	<b>2.066</b>	1.600	<b>2.111</b>	1.288
Restricted share units	<b>0.265</b>	0.175	<b>0.254</b>	0.179
PIERS*	<b>0.053</b>	—	<b>0.018</b>	—
<b>Weighted average diluted shares outstanding</b>	<b><u>80.363</u></b>	<b><u>85.993</u></b>	<b><u>80.777</u></b>	<b><u>84.952</u></b>

The dilutive effect of options has been calculated using the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of options will be used to purchase the Company's ordinary shares at the average market price during the period of calculation.

\* Preferred Income Equity Replacement Securities (PIERS)



## Aspen Insurance Holdings Limited

### Operating Income Reconciliation

Net income is adjusted to exclude after-tax net foreign exchange gains and losses, realized gains and losses in investments and preference share repurchase gains in the first quarter of 2009.

(in US\$ millions except where stated)	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Net income as reported	\$92.8	\$145.8	\$220.0	\$347.6
Preference share dividends	(5.7)	(5.6)	(17.1)	(18.3)
Preference share repurchase gain	—	—	—	31.5
Net income available to ordinary shareholders	87.1	140.2	202.9	360.8
Add (deduct) after tax income:				
Net foreign exchange (gains)/losses	(3.0)	(7.9)	(2.7)	(8.7)
Net realized (gains)/losses on investments	(20.1)	(12.3)	(36.6)	(3.8)
Preference share repurchase gain	—	—	—	(31.5)
Operating income after tax available to ordinary shareholders	64.0	120.0	163.6	316.8
Tax on operating income	7.9	23.0	21.3	57.6
Operating income before tax available to ordinary shareholders	\$71.9	\$143.0	\$184.9	\$374.4
<b>Weighted average ordinary shares outstanding</b> (millions)				
Basic	76.723	83.057	77.133	82.520
Dilutive share equivalents:				
Employee options	0.845	0.847	0.865	0.720
Options issued to Appleby Trust (Bermuda) Limited (Names Trust)	0.411	0.314	0.396	0.245
Performance shares	2.066	1.600	2.111	1.288
Restricted share units	0.265	0.175	0.254	0.179
PIERS*	0.053	—	0.018	—
Weighted average diluted shares outstanding	80.363	85.993	80.777	84.952
<b>Basic earnings per ordinary share</b>				
Net income adjusted for preference share dividend and preference share repurchase gain	\$1.14	\$1.69	\$2.63	\$4.37
Add (deduct) after tax income:				
Net foreign exchange (gains)/losses	(0.04)	(0.10)	(0.04)	(0.11)
Net realized (gains)/losses on investments	(0.26)	(0.15)	(0.47)	(0.04)
Preference share repurchase gain	—	—	—	(0.39)
Operating income adjusted for preference shares dividend	\$0.84	\$1.44	\$2.12	\$3.83
<b>Diluted earnings per ordinary share</b>				
Net income adjusted for preference share dividend and preference share repurchase gain	\$1.08	\$1.63	\$2.51	\$4.25
Add (deduct) after tax income:				
Net foreign exchange (gains)/losses	(0.04)	(0.09)	(0.03)	(0.10)
Net realized (gains)/losses on investments	(0.25)	(0.14)	(0.45)	(0.05)
Preference share repurchase gain	—	—	—	(0.38)
Operating income adjusted for preference shares dividend	\$0.79	\$1.40	\$2.03	\$3.72

\* Preferred Income Equity Replacement Securities (PIERS)



## Aspen Insurance Holdings Limited

### Appendix

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## Aspen Insurance Holdings Limited

### Consolidated Underwriting Results by Previous Operating Segment

(in US\$ millions except for percentages)	Three Months Ended September 30, 2010					Three Months Ended September 30, 2009				
	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total
Gross written premiums	\$137.2	\$72.3	\$179.8	\$26.5	\$415.8	\$171.2	\$96.5	\$183.9	\$38.7	\$490.3
Net written premiums	131.1	72.3	152.0	21.6	377.0	163.4	98.7	170.9	29.1	462.1
Gross earned premiums	154.7	89.0	226.9	32.7	503.3	155.4	113.4	214.3	39.1	522.2
Net earned premiums	146.0	87.8	193.3	24.6	451.7	140.9	115.2	187.8	27.0	470.9
Losses and loss expenses	60.4	72.0	138.2	15.2	285.8	36.5	72.6	113.2	12.8	235.1
Policy acquisition expenses	25.0	14.0	32.1	4.5	75.6	24.4	19.2	31.0	5.0	79.6
Operating and administrative expenses	21.5	9.0	26.2	8.3	65.0	21.0	9.9	24.5	8.3	63.7
Underwriting income/(loss)	<u>\$39.1</u>	<u>\$(7.2)</u>	<u>\$(3.2)</u>	<u>\$(3.4)</u>	<u>\$25.3</u>	<u>\$59.0</u>	<u>\$13.5</u>	<u>\$19.1</u>	<u>\$0.9</u>	<u>\$92.5</u>
<b>Ratios</b>										
Loss ratio	41.4%	82.0%	71.5%	61.8%	63.3%	25.9%	63.0%	60.3%	47.4%	49.9%
Policy acquisition expense ratio	17.1%	15.9%	16.6%	18.3%	16.7%	17.3%	16.7%	16.5%	18.5%	16.9%
Operating and administrative expense ratio	14.7%	10.3%	13.6%	33.7%	14.4%	14.9%	8.6%	13.0%	30.7%	13.5%
Expense ratio	31.8%	26.2%	30.2%	52.0%	31.1%	32.2%	25.3%	29.5%	49.2%	30.4%
Combined ratio	73.2%	108.2%	101.7%	113.8%	94.4%	58.1%	88.3%	89.8%	96.6%	80.3%





## Aspen Insurance Holdings Limited

### Consolidated Underwriting Results by Previous Operating Segment

	Nine Months Ended September 30, 2010					Nine Months Ended September 30, 2009				
	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total
(in US\$ millions except for percentages)										
Gross written premiums	\$576.7	\$310.3	\$650.8	\$126.2	\$1,664.0	\$571.7	\$342.3	\$617.3	\$130.1	\$1,661.4
Net written premiums	544.4	305.2	545.0	101.3	1,495.9	523.9	343.5	495.8	90.2	1,453.4
Gross earned premiums	485.9	295.4	647.2	115.4	1,543.9	451.5	324.7	622.4	108.1	1,506.7
Net earned premiums	458.4	292.0	558.4	90.4	1,399.2	412.0	325.9	533.0	75.9	1,346.8
Losses and loss expenses	269.3	235.7	374.6	61.7	941.3	97.3	213.8	357.4	52.1	720.6
Policy acquisition expenses	82.1	45.1	91.6	19.1	237.9	77.1	61.1	88.9	11.9	239.0
Operating and administrative expenses	59.1	28.9	65.3	26.8	180.1	51.3	30.0	65.9	24.9	172.1
Underwriting income/(loss)	<u>\$47.9</u>	<u>\$(17.7)</u>	<u>\$26.9</u>	<u>\$(17.2)</u>	<u>\$39.9</u>	<u>\$186.3</u>	<u>\$21.0</u>	<u>\$20.8</u>	<u>\$(13.0)</u>	<u>\$215.1</u>
<b>Ratios</b>										
Loss ratio	58.7%	80.7%	67.1%	68.3%	67.3%	23.6%	65.6%	67.1%	68.6%	53.5%
Policy acquisition expense ratio	17.9%	15.4%	16.4%	21.1%	17.0%	18.7%	18.7%	16.7%	15.7%	17.7%
Operating and administrative expense ratio	12.9%	9.9%	11.7%	29.6%	12.9%	12.5%	9.2%	12.4%	32.8%	12.8%
Expense ratio	30.8%	25.3%	28.1%	50.7%	29.9%	31.2%	27.9%	29.1%	48.5%	30.5%
Combined ratio	89.5%	106.0%	95.2%	119.0%	97.2%	54.8%	93.5%	96.2%	117.1%	84.0%



## Aspen Insurance Holdings Limited

### Gross Written Premiums By Previous Segment And Line Of Business

(in US\$ millions)	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
<b>Property Reinsurance</b>							
Treaty Catastrophe	\$50.8	\$90.7	\$145.8	\$2.3	\$63.8	\$78.4	\$116.7
Treaty Risk Excess	25.9	31.3	26.8	9.2	26.8	37.2	31.3
Treaty Pro Rata	25.9	33.2	41.0	48.2	40.5	44.5	48.2
Global Property Facultative	11.6	11.0	13.3	11.4	12.8	11.6	17.0
Credit and Surety Reinsurance	20.0	18.2	18.7	5.9	27.3	8.3	7.3
Agriculture	3.0	6.4	3.1	—	—	—	—
	<u>\$137.2</u>	<u>\$190.8</u>	<u>\$248.7</u>	<u>\$77.0</u>	<u>\$171.2</u>	<u>\$180.0</u>	<u>\$220.5</u>
<b>Casualty Reinsurance</b>							
U.S. Casualty Treaty	\$45.5	\$43.1	\$104.5	\$52.3	\$74.8	\$43.7	\$106.3
International Casualty Treaty	22.3	10.1	71.5	8.3	16.3	12.5	77.0
Global Casualty Facultative	4.5	3.9	4.9	5.2	5.4	2.8	3.5
	<u>\$72.3</u>	<u>\$57.1</u>	<u>\$180.9</u>	<u>\$65.8</u>	<u>\$96.5</u>	<u>\$59.0</u>	<u>\$186.8</u>
<b>International Insurance</b>							
M.E.C. Liability	\$14.7	\$53.6	\$61.3	\$36.7	\$19.7	\$70.2	\$50.8
Energy Property	23.0	23.5	14.3	9.6	16.5	41.0	16.4
Marine Hull	9.8	15.9	19.1	18.8	13.1	14.8	16.5
Aviation	20.4	21.6	13.5	57.3	23.5	21.6	10.4
U.K. Commercial Property & Construction	14.1	30.7	15.5	12.4	13.2	20.2	10.9
U.K. Commercial Liability	12.6	9.3	9.8	8.6	15.9	11.8	9.1
Global Casualty	8.6	18.1	15.7	24.5	20.8	21.9	14.5
Professional Liability	14.6	9.6	8.0	10.7	17.8	9.7	7.7
Financial Institutions	3.9	3.8	5.4	10.6	7.9	3.7	3.7
Financial and Political Risks	15.5	14.2	12.0	12.3	7.4	3.6	9.2
Specie	2.2	3.5	2.4	2.5	2.2	1.8	—
Specialty Reinsurance	23.6	31.1	59.1	26.4	25.9	18.4	45.5
	<u>\$163.0</u>	<u>\$234.9</u>	<u>\$236.1</u>	<u>\$230.4</u>	<u>\$183.9</u>	<u>\$238.7</u>	<u>\$194.7</u>
<b>U.S. Insurance</b>							
Property	\$22.9	\$38.6	\$21.2	\$16.1	\$17.3	\$34.7	\$14.4
Casualty	17.3	19.9	14.4	15.9	18.9	21.9	20.4
Risk Solutions	3.1	4.1	1.5	0.5	2.5	—	—
	<u>\$43.3</u>	<u>\$62.6</u>	<u>\$37.1</u>	<u>\$32.5</u>	<u>\$38.7</u>	<u>\$56.6</u>	<u>\$34.8</u>
<b>Total Gross Written Premiums</b>	<u>\$415.8</u>	<u>\$545.4</u>	<u>\$702.8</u>	<u>\$405.7</u>	<u>\$490.3</u>	<u>\$534.3</u>	<u>\$636.8</u>



## Aspen Insurance Holdings Limited

### Accident Year Loss Ratios

	Three Months Ended September 30, 2010					Three Months Ended September 30, 2009				
	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total
<i><b>Before Accident Year Adjustment</b></i>										
Loss ratio	41.4%	82.0%	71.5%	61.8%	63.3%	25.9%	63.0%	60.3%	47.4%	49.9%
Policy acquisition expense ratio	17.1%	15.9%	16.6%	18.3%	16.7%	17.3%	16.7%	16.5%	18.5%	16.9%
Operating and administrative expense ratio	14.7%	10.3%	13.6%	33.7%	14.4%	14.9%	8.6%	13.0%	30.7%	13.5%
Expense ratio	31.8%	26.2%	30.2%	52.0%	31.1%	32.2%	25.3%	29.5%	49.2%	30.4%
Combined ratio	<u>73.2%</u>	<u>108.2%</u>	<u>101.7%</u>	<u>113.8%</u>	<u>94.4%</u>	<u>58.1%</u>	<u>88.3%</u>	<u>89.8%</u>	<u>96.6%</u>	<u>80.3%</u>
<i><b>Accident Year Adjustment</b></i>										
Loss ratio	2.0%	5.6%	(3.3%)	(3.4%)	—	12.0%	8.3%	8.9%	1.6%	9.0%
Policy acquisition expense ratio	0.5%	(1.9%)	(0.3%)	—	(0.3%)	(0.9%)	(0.1%)	—	(1.3%)	(0.4%)
Operating and administrative expense ratio	0.0%	0.3%	0.7%	—	0.4%	0.5%	0.9%	(1.0%)	(1.1%)	(0.1%)
Expense ratio	0.5%	(1.6%)	0.4%	—	0.1%	(0.4%)	0.8%	(1.0%)	(2.4%)	(0.5%)
Combined ratio	<u>2.5%</u>	<u>4.0%</u>	<u>(2.9%)</u>	<u>(3.4%)</u>	<u>0.1%</u>	<u>11.6%</u>	<u>9.1%</u>	<u>7.9%</u>	<u>(0.8%)</u>	<u>8.5%</u>
<i><b>Accident Year Ratios</b></i>										
Current accident year loss ratio	43.4%	87.6%	68.2%	58.4%	63.3%	37.9%	71.3%	69.2%	49.0%	58.9%
Policy acquisition expense ratio	17.6%	14.0%	16.3%	18.3%	16.4%	16.4%	16.6%	16.5%	17.2%	16.5%
Operating and administrative expense ratio	14.7%	10.6%	14.3%	33.7%	14.8%	15.4%	9.5%	12.0%	29.6%	13.4%
Expense ratio	32.3%	24.6%	30.6%	52.0%	31.2%	31.8%	26.1%	28.5%	46.8%	29.9%
Combined ratio	<u>75.7%</u>	<u>112.2%</u>	<u>98.8%</u>	<u>110.4%</u>	<u>94.5%</u>	<u>69.7%</u>	<u>97.4%</u>	<u>97.7%</u>	<u>95.8%</u>	<u>88.8%</u>



## Aspen Insurance Holdings Limited

### Accident Year Loss Ratios

	Nine Months Ended September 30, 2010					Nine Months Ended September 30, 2009				
	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total	Property Reinsurance	Casualty Reinsurance	International Insurance	U.S. Insurance	Total
<b><i>Before Accident Year Adjustment</i></b>										
Loss ratio	58.7%	80.7%	67.1%	68.3%	67.3%	23.6%	65.6%	67.1%	68.6%	53.5%
Policy acquisition expense ratio	17.9%	15.4%	16.4%	21.1%	17.0%	18.7%	18.7%	16.7%	15.7%	17.7%
Operating and administrative expense ratio	12.9%	9.9%	11.7%	29.6%	12.9%	12.5%	9.2%	12.4%	32.8%	12.8%
Expense ratio	30.8%	25.3%	28.1%	50.7%	29.9%	31.2%	27.9%	29.1%	48.5%	30.5%
Combined ratio	<u>89.5%</u>	<u>106.0%</u>	<u>95.2%</u>	<u>119.0%</u>	<u>97.2%</u>	<u>54.8%</u>	<u>93.5%</u>	<u>96.2%</u>	<u>117.1%</u>	<u>84.0%</u>
<b><i>Accident Year Adjustment</i></b>										
Loss ratio	3.5%	3.8%	1.6%	(6.3%)	2.1%	11.4%	5.4%	3.9%	(6.8%)	5.9%
Policy acquisition expense ratio	(0.2%)	1.0%	(0.7%)	—	(0.1%)	(0.7%)	—	—	(0.3%)	(0.2%)
Operating and administrative expense ratio	0.1%	0.2%	0.5%	—	0.3%	0.4%	0.3%	(0.2%)	(0.3%)	0.1%
Expense ratio	(0.1%)	1.2%	(0.2%)	—	0.2%	(0.3%)	0.3%	(0.2%)	(0.6%)	(0.1%)
Combined ratio	<u>3.4%</u>	<u>5.0%</u>	<u>1.4%</u>	<u>(6.3%)</u>	<u>2.3%</u>	<u>11.1%</u>	<u>5.7%</u>	<u>3.7%</u>	<u>(7.4%)</u>	<u>5.8%</u>
<b><i>Accident Year Ratios</i></b>										
Current accident year loss ratio	62.2%	84.5%	68.7%	62.0%	69.4%	35.0%	71.0%	71.0%	61.8%	59.4%
Policy acquisition expense ratio	17.7%	16.4%	15.7%	21.1%	16.9%	18.0%	18.7%	16.7%	15.4%	17.5%
Operating and administrative expense ratio	13.0%	10.1%	12.2%	29.6%	13.2%	12.9%	9.5%	12.2%	32.5%	12.9%
Expense ratio	30.7%	26.5%	27.9%	50.7%	30.1%	30.9%	28.2%	28.9%	47.9%	30.4%
Combined ratio	<u>92.9%</u>	<u>111.0%</u>	<u>96.6%</u>	<u>112.7%</u>	<u>99.5%</u>	<u>65.9%</u>	<u>99.2%</u>	<u>99.9%</u>	<u>109.7%</u>	<u>89.8%</u>



## Aspen Insurance Holdings Limited

### Reserves By Previous Operating Segment

(in US\$ millions)	As At September 30, 2010			As At December 31, 2009		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
Property Reinsurance	\$519.4	\$(15.3)	\$504.1	\$390.6	\$(35.4)	\$355.2
Casualty Reinsurance	1,583.4	(2.3)	1,581.1	1,518.9	(6.4)	1,512.5
International Insurance	1,336.9	(202.1)	1,134.8	1,220.1	(227.7)	992.4
U.S. Insurance	232.5	(44.1)	188.4	201.5	(52.0)	149.5
Total losses and loss expense reserves	<u>\$3,672.2</u>	<u>\$(263.8)</u>	<u>\$3,408.4</u>	<u>\$3,331.1</u>	<u>\$(321.5)</u>	<u>\$3,009.6</u>



## Aspen Insurance Holdings Limited

### Prior Year Reserve Releases

(in US\$ millions)	Three Months Ended September 30, 2010			Three Months Ended September 30, 2009		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
Property Reinsurance	\$1.3	\$0.4	\$1.7	\$14.5	\$4.6	\$19.1
Casualty Reinsurance	2.7	—	2.7	9.5	—	9.5
International Insurance	(9.9)	(0.4)	(10.3)	16.5	(0.1)	16.4
U.S. Insurance	(0.4)	0.1	(0.3)	(9.3)	8.5	(0.8)
(Strengthening)/release in reserves for prior years during the period	<u>\$(6.3)</u>	<u>\$0.1</u>	<u>\$(6.2)</u>	<u>\$31.2</u>	<u>\$13.0</u>	<u>\$44.2</u>
	Nine Months Ended September 30, 2010			Nine Months Ended September 30, 2009		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
Property Reinsurance	\$12.7	\$0.8	\$13.5	\$42.0	\$4.6	\$46.6
Casualty Reinsurance	8.0	(3.3)	4.7	18.6	—	18.6
International Insurance	(3.3)	(0.2)	(3.5)	(3.5)	16.2	12.7
U.S. Insurance	(10.3)	4.4	(5.9)	(23.7)	16.8	(6.9)
Release in reserves for prior years during the period	<u>\$7.1</u>	<u>\$1.7</u>	<u>\$8.8</u>	<u>\$33.4</u>	<u>\$37.6</u>	<u>\$71.0</u>