

# FINANCIAL SUPPLEMENT

## As of March 31, 2013

Aspen Insurance Holdings Limited

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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**AHL: NYSE**





# 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, 2012 and December 31, 2011. Unless otherwise noted, all data is in U.S. dollars millions, except for per share amounts, percentages 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 and unrealized capital gains or losses, including net realized and unrealized gains and losses on interest rate swaps, and after-tax net foreign exchange gains or losses, including net realized and unrealized gains and losses on foreign exchange contracts.

Aspen excludes these items 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 would distort the analysis of trends in its operations. In addition to presenting net income 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 22 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 is calculated using operating income, as defined above, and average equity is calculated as the arithmetic average on a monthly basis for the stated periods of shareholders' equity excluding the aggregate value of the liquidation preferences of our preference shares net of issuance costs.

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 22 for a reconciliation of operating income to net income and page 7 for a reconciliation of average ordinary shareholders' equity to average shareholders' equity.

**Diluted operating earnings per share and basic operating earnings per share** (non-GAAP financial measures): 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 are calculated by dividing operating income by the diluted or basic weighted average number of shares outstanding for the period. See page 22 for a reconciliation of diluted and basic operating earnings per share to basic earnings per share.

**Diluted book value per ordinary share** (is not a non-GAAP financial measure): Aspen has included diluted book value per ordinary share as it illustrates the effect on basic book value per share of dilutive securities thereby providing a better benchmark for comparison with other companies. Diluted book value per share is calculated using the treasury stock method as defined on page 21.

**Growth in diluted book value per ordinary share ("Adjusted BVPS")** (is not a non-GAAP financial measure): The growth in Adjusted BVPS is defined as the annual change in diluted book value per share after adding back dividends paid to ordinary shareholders during the year.

**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, 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.



# ASPEN INSURANCE HOLDINGS LIMITED

## Financial Highlights

	<b>Three Months Ended March 31,</b>		
	<b>2013</b>	<b>2012</b>	<b>Change</b>
<b>(in US\$ millions except for percentages, share and per share amounts)</b>			
Gross written premium	<b>\$773.4</b>	\$782.1	(1.1%)
Net written premium	<b>\$597.0</b>	\$633.5	(5.8%)
Net earned premium	<b>\$510.9</b>	\$495.4	3.1%
Net income after tax	<b>\$91.8</b>	\$78.7	16.6%
Operating income after tax	<b>\$85.7</b>	\$70.5	21.6%
Net investment income	<b>\$48.3</b>	\$52.4	(7.8%)
Underwriting income	<b>\$51.0</b>	\$30.5	67.2%
<b>Earnings Per Share and Book Value Per Share</b>			
Basic earnings per ordinary share			
Net income adjusted for preference share dividend	<b>\$1.21</b>	\$1.03	17.5%
Operating income adjusted for preference share dividend	<b>\$1.12</b>	\$0.92	21.7%
Diluted earnings per ordinary share			
Net income adjusted for preference share dividend	<b>\$1.15</b>	\$0.99	16.2%
Operating income adjusted for preference share dividend	<b>\$1.06</b>	\$0.88	20.5%
Weighted average number of ordinary shares outstanding (in millions of shares)	<b>68.854</b>	70.944	(2.9%)
Diluted weighted average number of ordinary shares outstanding (in millions of shares)	<b>72.453</b>	73.832	(1.9%)
Book value per ordinary share	<b>\$43.14</b>	\$39.96	8.0%
Diluted book value per ordinary share	<b>\$40.68</b>	\$38.58	5.4%
Ordinary shares outstanding at March 31, 2013 and March 31, 2012 (in millions of shares)	<b>65.634</b>	71.496	
Diluted ordinary shares outstanding at March 31, 2013 and March 31, 2012 (in millions of shares)	<b>69.611</b>	74.064	
<b>Underwriting Ratios</b>			
Loss ratio			
Policy acquisition expense ratio	<b>52.6%</b>	57.3%	
General, administrative and corporate expense ratio	<b>20.5%</b>	19.4%	
Expense ratio	<b>17.0%</b>	17.1%	
Combined ratio	<b>37.5%</b>	36.5%	
<b>Return On Equity</b>			
Average equity <sup>(1)</sup>	<b>\$2,905.9</b>	\$2,829.9	
Return on average equity			
Net income adjusted for preference share dividend	<b>2.9%</b>	2.6%	
Operating income adjusted for preference share dividend	<b>2.7%</b>	2.3%	
Annualized return on average equity			
Net income	<b>11.6%</b>	10.4%	
Operating income	<b>10.8%</b>	9.2%	

See pages 7 and 22 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

(1) Average equity excludes preference shares.



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Statements of Operations - Quarterly Results

(in US\$ millions except for percentages and per share amounts)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
<b>UNDERWRITING REVENUES</b>					
Gross written premiums	\$773.4	\$576.2	\$558.4	\$666.6	\$782.1
Premiums ceded	(176.4)	(51.8)	(51.3)	(84.7)	(148.6)
Net written premiums	597.0	524.4	507.1	581.9	633.5
Change in unearned premiums	(86.1)	34.1	9.1	(68.5)	(138.1)
Net earned premiums	510.9	558.5	516.2	513.4	495.4
<b>UNDERWRITING EXPENSES</b>					
Losses and loss adjustment expenses	268.7	437.4	255.0	262.1	284.0
Policy acquisition expenses	104.6	80.0	103.1	102.0	96.1
General, administrative and corporate expenses	86.6	86.1	90.7	83.5	84.8
Total underwriting expenses	459.9	603.5	448.8	447.6	464.9
Underwriting income/(loss) including corporate expenses	51.0	(45.0)	67.4	65.8	30.5
<b>OTHER OPERATING REVENUE AND EXPENSES</b>					
Net investment income	48.3	51.1	48.6	52.8	52.4
Interest expense	(7.7)	(7.7)	(7.8)	(7.7)	(7.7)
Other income/(expense)	0.5	(6.2)	4.5	2.9	(0.3)
Total other operating revenue	41.1	37.2	45.3	48.0	44.4
<b>OPERATING INCOME/(LOSS) BEFORE TAX</b>					
Net realized and unrealized exchange (losses)/gains <sup>(1)</sup>	(10.2)	(0.4)	7.7	(13.0)	3.7
Net realized and unrealized investment gains/(losses) <sup>(2)</sup>	15.8	5.6	2.7	(10.0)	5.5
<b>INCOME/(LOSS) BEFORE TAX</b>	<b>97.7</b>	<b>(2.6)</b>	<b>123.1</b>	<b>90.8</b>	<b>84.1</b>
Income tax (expense)/recovery	(5.9)	4.6	(8.0)	(6.2)	(5.4)
<b>NET INCOME AFTER TAX</b>	<b>91.8</b>	<b>2.0</b>	<b>115.1</b>	<b>84.6</b>	<b>78.7</b>
Dividends paid on ordinary shares	(11.9)	(12.0)	(12.2)	(12.2)	(10.6)
Dividends paid on preference shares	(8.6)	(8.5)	(8.6)	(8.3)	(5.7)
Dividends paid to non-controlling interest	-	-	(0.1)	-	-
Proportion due to non-controlling interest	-	(0.1)	-	0.2	0.1
Retained income/(loss)	\$71.3	\$(18.6)	\$94.2	\$64.3	\$62.5
<b>Components of net income/(loss) after tax</b>					
Operating income/(loss)	\$85.7	\$(2.9)	\$106.5	\$105.8	\$70.5
Net realized and unrealized exchange (losses)/gains after tax <sup>(1)</sup>	(9.5)	(0.4)	6.1	(10.9)	3.0
Net realized and unrealized investment gains/(losses) after tax <sup>(2)</sup>	15.6	5.3	2.5	(10.3)	5.2
<b>NET INCOME AFTER TAX</b>	<b>\$91.8</b>	<b>\$2.0</b>	<b>\$115.1</b>	<b>\$84.6</b>	<b>\$78.7</b>
<b>Loss ratio</b>					
Policy acquisition expense ratio	20.5%	14.3%	20.0%	19.9%	19.4%
General, administrative and corporate expense ratio	17.0%	15.4%	17.6%	16.3%	17.1%
Expense ratio	37.5%	29.7%	37.6%	36.2%	36.5%
Combined ratio	90.1%	108.0%	87.0%	87.3%	93.8%
Basic earnings/(losses) per share <sup>(3)</sup>	\$1.21	\$(0.09)	\$1.50	\$1.07	\$1.03
Diluted earnings/(losses) per share <sup>(3)</sup>	\$1.15	\$(0.09)	\$1.45	\$1.03	\$0.99
Annualized return on average equity					
Net income/(loss)	11.6%	(0.8%)	14.4%	10.8%	10.4%
Operating income/(loss)	10.8%	(1.6%)	13.2%	13.6%	9.2%

See pages 7 and 22 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

(1) Includes the net realized and unrealized gains/(losses) from foreign exchange contracts.

(2) Includes the net realized and unrealized gains/(losses) from interest rate swaps.

(3) Adjusted for preference share dividends.



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Statements of Operations - Year To Date Results

(in US\$ millions except for percentages)	Three Months Ended March 31,		
	2013	2012	2011
<b>UNDERWRITING REVENUES</b>			
Gross written premiums	\$773.4	\$782.1	\$671.3
Premiums ceded	(176.4)	(148.6)	(161.7)
Net written premiums	\$597.0	633.5	509.6
Change in unearned premiums	(86.1)	(138.1)	(57.2)
Net earned premiums	<b>\$510.9</b>	495.4	452.4
<b>UNDERWRITING EXPENSES</b>			
Losses and loss adjustment expenses	268.7	284.0	528.9
Policy acquisition expenses	104.6	96.1	81.4
General, administrative and corporate expenses	86.6	84.8	62.5
Total underwriting expenses	<b>459.9</b>	464.9	672.8
Underwriting income/(loss) including corporate expenses	<b>51.0</b>	30.5	(220.4)
<b>OTHER OPERATING REVENUE AND EXPENSES</b>			
Net investment income	48.3	52.4	55.5
Interest expense	(7.7)	(7.7)	(7.7)
Other income/(expense)	0.5	(0.3)	(8.1)
Total other operating revenue	<b>41.1</b>	44.4	39.7
<b>OPERATING INCOME/(LOSS) BEFORE TAX</b>	<b>92.1</b>	74.9	(180.7)
Net realized and unrealized exchange (losses)/gains <sup>(1)</sup>	(10.2)	3.7	2.9
Net realized and unrealized investment gains/(losses) <sup>(2)</sup>	15.8	5.5	8.5
<b>INCOME/(LOSS) BEFORE TAX</b>	<b>97.7</b>	84.1	(169.3)
Income tax (expense)/recovery	(5.9)	(5.4)	16.5
<b>NET INCOME/(LOSS) AFTER TAX</b>	<b>91.8</b>	78.7	(152.8)
Dividends paid on ordinary shares	(11.9)	(10.6)	(10.6)
Dividends paid on preference shares	(8.6)	(5.7)	(5.7)
Proportion due to non-controlling interest	-	0.1	0.2
Retained income/(loss)	<b>\$71.3</b>	\$62.5	\$(168.9)
<b>Components of net income/(loss) after tax</b>			
Operating income/(loss)	<b>\$85.7</b>	\$70.5	\$(161.7)
Net realized and unrealized exchange (losses)/gains after tax <sup>(1)</sup>	(9.5)	3.0	1.8
Net realized and unrealized investment gains/(losses) after tax <sup>(2)</sup>	15.6	5.2	7.1
<b>NET INCOME/(LOSS) AFTER TAX</b>	<b>\$91.8</b>	\$78.7	\$(152.8)
<b>Loss ratio</b>	<b>52.6%</b>	57.3%	116.9%
Policy acquisition expense ratio	20.5%	19.4%	18.0%
General, administrative and corporate expense ratio	17.0%	17.1%	13.8%
Expense ratio	<b>37.5%</b>	36.5%	31.8%
Combined ratio	<b>90.1%</b>	93.8%	148.7%

See pages 7 and 22 for a reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures.

(1) Includes the net realized and unrealized gains/(losses) from foreign exchange contracts.

(2) Includes the net realized and unrealized gains/(losses) from interest rate swaps.



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Balance Sheets

(in US\$ millions except for per share amounts)	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011
<b>ASSETS</b>						
Investments						
Fixed income maturities	\$5,961.9	\$6,013.4	\$5,983.1	\$5,791.2	\$5,842.1	\$5,820.2
Equity securities	414.1	200.1	197.1	187.4	188.1	179.5
Other investments	45.0	45.0	34.8	33.1	33.1	33.1
Short-term investments	353.1	433.9	505.3	503.6	433.8	302.3
Total investments	<u>6,774.1</u>	<u>6,692.4</u>	<u>6,720.3</u>	<u>6,515.3</u>	<u>6,497.1</u>	<u>6,335.1</u>
Cash and cash equivalents	1,212.7	1,463.6	1,374.2	1,309.0	1,173.3	1,239.1
Reinsurance recoverables						
Unpaid losses	479.2	499.0	461.6	457.4	455.4	426.6
Ceded unearned premiums	217.4	122.6	151.3	190.8	175.3	87.8
Receivables						
Underwriting premiums	1,149.7	1,057.5	993.4	1,063.3	1,061.2	894.4
Other	66.0	68.5	76.4	75.1	70.2	69.7
Funds withheld	85.0	84.3	79.5	91.0	86.9	90.7
Deferred policy acquisition costs	238.5	223.0	232.0	233.2	215.3	184.5
Derivatives at fair value	2.0	2.0	5.8	3.3	0.9	1.3
Receivable for securities sold	20.7	0.2	14.6	9.5	2.0	1.1
Office properties and equipment	55.2	57.9	59.1	56.9	58.5	53.9
Income tax receivable	-	2.4	12.3	15.7	20.3	19.5
Other assets	17.0	18.2	38.1	39.3	31.1	36.8
Intangible assets	18.8	19.0	19.2	19.5	19.7	20.0
Total assets	<u>\$10,336.3</u>	<u>\$10,310.6</u>	<u>\$10,237.8</u>	<u>\$10,079.3</u>	<u>\$9,867.2</u>	<u>\$9,460.5</u>
<b>LIABILITIES</b>						
Insurance reserves						
Losses and loss adjustment expenses	\$4,683.8	\$4,779.7	\$4,639.6	\$4,556.4	\$4,585.7	\$4,525.2
Unearned premiums	1,295.7	1,120.8	1,184.0	1,223.8	1,146.3	916.1
Total insurance reserves	<u>5,979.5</u>	<u>5,900.5</u>	<u>5,823.6</u>	<u>5,780.2</u>	<u>5,732.0</u>	<u>5,441.3</u>
Payables						
Reinsurance premiums	209.7	154.1	71.1	109.5	192.2	155.8
Taxation	14.7	11.8	23.7	22.5	22.9	18.5
Accrued expenses and other payables	285.6	249.3	261.4	230.3	208.9	187.8
Liabilities under derivative contracts	8.0	7.4	4.7	2.7	1.3	2.1
Total payables	<u>518.0</u>	<u>422.6</u>	<u>360.9</u>	<u>365.0</u>	<u>425.3</u>	<u>364.2</u>
Long-term debt	499.2	499.1	499.1	499.0	499.0	499.0
Total liabilities	<u>6,996.7</u>	<u>6,822.2</u>	<u>6,683.6</u>	<u>6,644.2</u>	<u>6,656.3</u>	<u>6,304.5</u>
<b>SHAREHOLDERS' EQUITY</b>						
Ordinary shares	0.1	0.1	0.1	0.1	0.1	0.1
Non-controlling interest	0.2	0.2	(0.1)	0.1	0.3	0.4
Preference shares	-	-	-	-	-	-
Additional paid-in capital	1,318.2	1,516.7	1,521.9	1,523.2	1,390.8	1,385.0
Retained earnings	1,615.3	1,544.0	1,562.6	1,468.4	1,404.1	1,341.6
Accumulated other comprehensive income, net of taxes	405.8	427.4	469.7	443.3	415.6	428.9
Total shareholders' equity	<u>3,339.6</u>	<u>3,488.4</u>	<u>3,554.2</u>	<u>3,435.1</u>	<u>3,210.9</u>	<u>3,156.0</u>
Total liabilities and shareholders' equity	<u>\$10,336.3</u>	<u>\$10,310.6</u>	<u>\$10,237.8</u>	<u>\$10,079.3</u>	<u>\$9,867.2</u>	<u>\$9,460.5</u>
Book value per ordinary share	<u>\$43.14</u>	<u>\$42.12</u>	<u>\$42.90</u>	<u>\$41.41</u>	<u>\$39.96</u>	<u>\$39.66</u>
Book value per diluted ordinary share	<u>\$40.68</u>	<u>\$40.65</u>	<u>\$41.53</u>	<u>\$40.01</u>	<u>\$38.58</u>	<u>\$38.21</u>

See pages 7 and 22 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

(in US\$ except for number of shares)	Three Months Ended	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Basic earnings per ordinary share		
Net income adjusted for preference share dividend	\$1.21	\$1.03
Operating income adjusted for preference share dividend	\$1.12	\$0.92
Diluted earnings per ordinary share		
Net income adjusted for preference share dividend	\$1.15	\$0.99
Operating income adjusted for preference share dividend	\$1.06	\$0.88
Weighted average number of ordinary shares outstanding (in millions)	68.854	70.944
Weighted average number of ordinary shares outstanding and dilutive potential ordinary shares (in millions)	72.453	73.832
Book value per ordinary share	\$43.14	\$39.96
Diluted book value per ordinary share	\$40.68	\$38.58
Ordinary shares outstanding at end of the period (in millions)	65.634	71.496
Ordinary shares outstanding and dilutive potential ordinary shares at end of the period (in millions)	69.611	74.064

See pages 7 and 22 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	
	March 31, 2013	March 31, 2012
Average shareholders' equity	\$3,414.0	\$3,183.5
Average preference shares	(508.1)	(353.6)
Average ordinary shareholders' equity	<u>\$2,905.9</u>	<u>\$2,829.9</u>
Return on average equity:		
Net income adjusted for preference share dividend	2.9%	2.6%
Operating income adjusted for preference share dividend	2.7%	2.3%
Annualized return on average equity:		
Net income	11.6%	10.4%
Operating income	10.8%	9.2%
Components of return on average equity:		
Return on average equity from underwriting activity <sup>(1)</sup>	1.8%	1.1%
Return on average equity from investment and other activity <sup>(2)</sup>	1.1%	1.4%
Pre-tax operating income return on average equity	2.9%	2.4%
Post-tax operating income return on average equity <sup>(3)</sup>	2.7%	2.3%

See page 22 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 dividends.

(3) Calculated by using operating income after-tax adjusted for preference share dividends.



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Underwriting Results by Operating Segment

(in US\$ millions except for percentages)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Reinsurance	Insurance	Total	Reinsurance	Insurance	Total
Gross written premiums	\$439.6	\$333.8	\$773.4	\$474.2	\$307.9	\$782.1
Net written premiums	400.5	196.5	597.0	429.5	204.0	633.5
Gross earned premiums	271.9	312.9	584.8	290.2	266.9	557.1
Net earned premiums	256.7	254.2	510.9	271.0	224.4	495.4
Losses and loss adjustment expenses	114.3	154.4	268.7	135.6	148.4	284.0
Policy acquisition expenses	55.3	49.3	104.6	51.8	44.3	96.1
General and administrative expenses	32.2	42.4	74.6	29.0	41.4	70.4
Underwriting income/(loss)	<u>\$54.9</u>	<u>\$8.1</u>	<u>\$63.0</u>	<u>\$54.6</u>	<u>\$(9.7)</u>	<u>\$44.9</u>
Net investment income			48.3			52.4
Net realized and unrealized investment gains <sup>(1)</sup>			15.8			5.5
Corporate (expenses)			(12.0)			(14.4)
Other income/(expenses)			0.5			(0.3)
Interest (expense)			(7.7)			(7.7)
Net realized and unrealized foreign exchange (losses)/gains <sup>(2)</sup>			(10.2)			3.7
Income before income taxes			<u>\$97.7</u>			<u>\$84.1</u>
Income tax (expense)			<u>(5.9)</u>			<u>(5.4)</u>
<b>Net income</b>			<u><u>\$91.8</u></u>			<u><u>\$78.7</u></u>
<b>Ratios</b>						
Loss ratio	44.5%	60.7%	52.6%	50.0%	66.1%	57.3%
Policy acquisition expense ratio	21.5%	19.4%	20.5%	19.1%	19.7%	19.4%
General and administrative expense ratio <sup>(3)</sup>	12.5%	16.7%	17.0%	10.7%	18.4%	17.1%
Expense ratio	34.0%	36.1%	37.5%	29.8%	38.1%	36.5%
Combined ratio	78.5%	96.8%	90.1%	79.8%	104.2%	93.8%

(1) Includes the net realized and unrealized gains/(losses) from interest rate swaps.

(2) Includes the net realized and unrealized gains/(losses) from foreign exchange contracts.

(3) The total group general and administrative expense ratio includes the impact from corporate expenses.



# ASPEN INSURANCE HOLDINGS LIMITED

## Reinsurance Segment - Quarterly Results

(in US\$ millions except for percentages)

	<u>Q1 2013</u>	<u>Q4 2012</u>	<u>Q3 2012</u>	<u>Q2 2012</u>	<u>Q1 2012</u>
Gross written premiums	<b>\$439.6</b>	\$194.4	\$259.5	\$299.8	\$474.2
Net written premiums	<b>400.5</b>	193.7	256.9	276.8	429.5
Gross earned premiums	<b>271.9</b>	317.2	299.8	300.8	290.2
Net earned premiums	<b>256.7</b>	299.8	279.6	282.0	271.0
Net losses and loss adjustment expenses	<b>114.3</b>	248.9	117.1	133.7	135.6
Policy acquisition expenses	<b>55.3</b>	41.0	55.7	59.3	51.8
General and administrative expenses	<b>32.2</b>	31.3	33.6	30.0	29.0
Underwriting income/(loss)	<b>\$54.9</b>	\$(21.4)	\$73.2	\$59.0	\$54.6
<b>Ratios</b>					
Loss ratio	<b>44.5%</b>	83.0%	41.9%	47.4%	50.0%
Policy acquisition expense ratio	<b>21.5%</b>	13.7%	19.9%	21.0%	19.1%
General and administrative expense ratio	<b>12.5%</b>	10.4%	12.0%	10.6%	10.7%
Expense ratio	<b>34.0%</b>	24.1%	31.9%	31.6%	29.8%
Combined ratio	<b>78.5%</b>	107.1%	73.8%	79.0%	79.8%



# ASPEN INSURANCE HOLDINGS LIMITED

## Insurance Segment - Quarterly Results

(in US\$ millions except for percentages)

	<u>Q1 2013</u>	<u>Q4 2012</u>	<u>Q3 2012</u>	<u>Q2 2012</u>	<u>Q1 2012</u>
Gross written premiums	<b>\$333.8</b>	\$381.8	\$298.9	\$366.8	\$307.9
Net written premiums	<b>196.5</b>	330.7	250.2	305.1	204.0
Gross earned premiums	<b>312.9</b>	328.2	302.0	279.9	266.9
Net earned premiums	<b>254.2</b>	258.7	236.6	231.4	224.4
Net losses and loss adjustment expenses	<b>154.4</b>	188.5	137.9	128.4	148.4
Policy acquisition expenses	<b>49.3</b>	39.0	47.4	42.7	44.3
General and administrative expenses	<b>42.4</b>	41.9	42.8	42.1	41.4
Underwriting income/(loss)	<b>\$8.1</b>	<b>\$(10.7)</b>	<b>\$8.5</b>	<b>\$18.2</b>	<b>\$(9.7)</b>
<b>Ratios</b>					
Loss ratio	<b>60.7%</b>	72.9%	58.3%	55.5%	66.1%
Policy acquisition expense ratio	<b>19.4%</b>	15.1%	20.0%	18.5%	19.7%
General and administrative expense ratio	<b>16.7%</b>	16.2%	18.1%	18.2%	18.4%
Expense ratio	<b>36.1%</b>	31.3%	38.1%	36.7%	38.1%
Combined ratio	<b>96.8%</b>	104.2%	96.4%	92.2%	104.2%



# ASPEN INSURANCE HOLDINGS LIMITED

## Written and Earned Premiums by Segment and Line of Business

(in US\$ millions)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
<b>Gross Written Premiums</b>					
<b>Reinsurance</b>					
Property Catastrophe Reinsurance	\$145.5	\$23.8	\$42.7	\$91.9	\$152.9
Other Property Reinsurance	79.5	61.3	92.6	81.0	78.5
Casualty Reinsurance	125.3	55.7	76.3	66.6	138.9
Specialty Reinsurance	89.3	53.6	47.9	60.3	103.9
<b>Total Reinsurance</b>	<b>\$439.6</b>	<b>\$194.4</b>	<b>\$259.5</b>	<b>\$299.8</b>	<b>\$474.2</b>
<b>Insurance</b>					
Property Insurance	\$54.6	\$53.7	\$51.5	\$82.1	\$52.4
Casualty Insurance	43.7	61.3	49.9	53.0	28.6
Marine, Energy and Transportation Insurance	136.8	145.4	102.2	133.7	149.6
Financial and Professional Lines Insurance Programs	65.8	89.8	63.8	68.3	49.7
	32.9	31.6	31.5	29.7	27.6
<b>Total Insurance</b>	<b>\$333.8</b>	<b>\$381.8</b>	<b>\$298.9</b>	<b>\$366.8</b>	<b>\$307.9</b>
<b>Total Gross Written Premiums</b>	<b>\$773.4</b>	<b>\$576.2</b>	<b>\$558.4</b>	<b>\$666.6</b>	<b>\$782.1</b>
<b>Net Written Premiums</b>					
<b>Reinsurance</b>					
Property Catastrophe Reinsurance	\$124.0	\$23.9	\$43.7	\$76.0	\$123.5
Other Property Reinsurance	65.6	62.3	89.2	76.8	64.8
Casualty Reinsurance	123.1	53.9	76.1	66.5	137.3
Specialty Reinsurance	87.8	53.6	47.9	57.5	103.9
<b>Total Reinsurance</b>	<b>\$400.5</b>	<b>\$193.7</b>	<b>\$256.9</b>	<b>\$276.8</b>	<b>\$429.5</b>
<b>Insurance</b>					
Property Insurance	\$16.3	\$41.4	\$37.9	\$72.1	\$21.0
Casualty Insurance	24.6	43.6	35.5	42.1	20.0
Marine, Energy and Transportation Insurance	126.4	142.2	93.1	103.4	140.7
Financial and Professional Lines Insurance Programs	2.9	82.0	57.9	59.0	(3.1)
	26.3	21.5	25.8	28.5	25.4
<b>Total Insurance</b>	<b>\$196.5</b>	<b>\$330.7</b>	<b>\$250.2</b>	<b>\$305.1</b>	<b>\$204.0</b>
<b>Total Net Written Premiums</b>	<b>\$597.0</b>	<b>\$524.4</b>	<b>\$507.1</b>	<b>\$581.9</b>	<b>\$633.5</b>
<b>Net Earned Premiums</b>					
<b>Reinsurance</b>					
Property Catastrophe Reinsurance	\$58.7	\$83.3	\$62.3	\$60.8	\$62.9
Other Property Reinsurance	71.0	68.0	72.7	68.2	68.2
Casualty Reinsurance	66.6	88.1	82.3	88.1	66.9
Specialty Reinsurance	60.4	60.4	62.3	64.9	73.0
<b>Total Reinsurance</b>	<b>\$256.7</b>	<b>\$299.8</b>	<b>\$279.6</b>	<b>\$282.0</b>	<b>\$271.0</b>
<b>Insurance</b>					
Property Insurance	\$45.7	\$42.8	\$36.9	\$38.4	\$38.4
Casualty Insurance	34.6	32.5	29.6	29.9	26.3
Marine, Energy and Transportation Insurance	101.6	126.3	108.2	110.9	102.6
Financial and Professional Lines Insurance Programs	51.0	47.0	45.4	39.9	51.5
	21.3	10.1	16.5	12.3	5.6
<b>Total Insurance</b>	<b>\$254.2</b>	<b>\$258.7</b>	<b>\$236.6</b>	<b>\$231.4</b>	<b>\$224.4</b>
<b>Total Net Earned Premiums</b>	<b>\$510.9</b>	<b>\$558.5</b>	<b>\$516.2</b>	<b>\$513.4</b>	<b>\$495.4</b>



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Statements of Changes in Shareholders' Equity

(in US\$ millions)	Three Months Ended March 31,	
	2013	2012
Ordinary shares		
Beginning and end of period	\$0.1	\$0.1
Preference shares		
Beginning and end of period	-	-
Non-controlling interest		
Beginning of period	0.2	0.4
Net (loss) for the period	-	(0.1)
End of period	0.2	0.3
Additional paid-in capital		
Beginning of period	1,516.7	1,385.0
New shares issued	6.0	1.3
Ordinary shares repurchased	(210.2)	-
Share-based compensation	5.7	4.5
End of period	1,318.2	1,390.8
Retained earnings		
Beginning of period	1,544.0	1,341.6
Net income for the period	91.8	78.7
Dividends paid on ordinary and preference shares	(20.5)	(16.3)
Proportion due to non-controlling interest	-	0.1
End of period	1,615.3	1,404.1
Accumulated other comprehensive income:		
Cumulative foreign currency translation adjustments, net of taxes:		
Beginning of period	112.7	124.2
Change for the period	(5.5)	(1.5)
End of period	107.2	122.7
Loss on derivatives:		
Beginning of period	(0.5)	(0.7)
Reclassification to interest payable	0.1	-
End of period	(0.4)	(0.7)
Unrealized (depreciation) on investments, net of taxes:		
Beginning of period	315.2	305.4
Change for the period	(16.2)	(11.8)
End of period	299.0	293.6
Total accumulated other comprehensive income	405.8	415.6
<b>Total shareholders' equity</b>	<b>\$3,339.6</b>	<b>\$3,210.9</b>



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Statements of Comprehensive Income

(in US\$ millions)	Three Months Ended March 31,	
	2013	2012
Net income	\$91.8	\$78.7
Other comprehensive income/(loss), net of taxes:		
Available for sale investments:		
Reclassification adjustment for net realized (gains) included in net income	(6.5)	(0.9)
Change in net unrealized gains and losses on available for sale securities held	(9.7)	(10.9)
Loss on derivatives reclassified to interest expense	0.1	-
Change in foreign currency translation adjustment	(5.5)	(1.5)
Other comprehensive (loss)	(21.6)	(13.3)
Comprehensive income	\$70.2	\$65.4



# ASPEN INSURANCE HOLDINGS LIMITED

## Condensed Consolidated Statements of Cash Flows

(in US\$ millions)

Net cash from operating activities  
Net cash (used in) investing activities  
Net cash (used in) financing activities  
Effect of exchange rate movements on cash and cash equivalents  
(Decrease) in cash and cash equivalents  
Cash at beginning of period  
Cash at end of period

Three Months Ended March 31,

	2013	2012
	\$103.5	\$99.4
	(128.5)	(156.3)
	(224.7)	(15.0)
	(1.2)	6.1
	(250.9)	(65.8)
	1,463.6	1,239.1
	\$1,212.7	\$1,173.3





# ASPEN INSURANCE HOLDINGS LIMITED

## Reserves for Losses and Loss Adjustment Expenses

(in US\$ millions)	For the Three Months Ended March 31, 2013	For the Twelve Months Ended December 31, 2012
Provision for losses and loss adjustment expenses at the start of the period	\$4,779.7	\$4,525.2
Reinsurance recoverables	(499.0)	(426.6)
Net loss and loss adjustment expenses at the start of the period	<u>4,280.7</u>	<u>4,098.6</u>
Net loss and loss adjustment expenses disposed	<u>-</u>	<u>(9.0)</u>
Provision for losses and loss adjustment expenses for claims incurred		
Current period	294.9	1,375.9
Prior period release	(26.2)	(137.4)
Total incurred	<u>268.7</u>	<u>1,238.5</u>
Losses and loss adjustment expenses payments for claims incurred	<u>(284.7)</u>	<u>(1,080.0)</u>
Foreign exchange (gains)/losses	<u>(60.1)</u>	<u>32.6</u>
Net loss and loss adjustment expenses reserves at the end of the period	<u>4,204.6</u>	<u>4,280.7</u>
Reinsurance recoverables on unpaid losses at the end of the period	<u>479.2</u>	<u>499.0</u>
Gross loss and loss adjustment expenses reserves at the end of the period	<u><u>\$4,683.8</u></u>	<u><u>\$4,779.7</u></u>



# ASPEN INSURANCE HOLDINGS LIMITED

## Reserves by Operating Segment

(in US\$ millions)	As At March 31, 2013			As At December 31, 2012		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
Reinsurance	\$2,908.4	\$(157.7)	\$2,750.7	\$2,983.7	\$(172.4)	\$2,811.3
Insurance	1,775.4	(321.5)	1,453.9	1,796.0	(326.6)	1,469.4
Total losses and loss adjustment expense reserves	<u>\$4,683.8</u>	<u>\$(479.2)</u>	<u>\$4,204.6</u>	<u>\$4,779.7</u>	<u>\$(499.0)</u>	<u>\$4,280.7</u>



# ASPEN INSURANCE HOLDINGS LIMITED

## Prior Year Reserve Releases

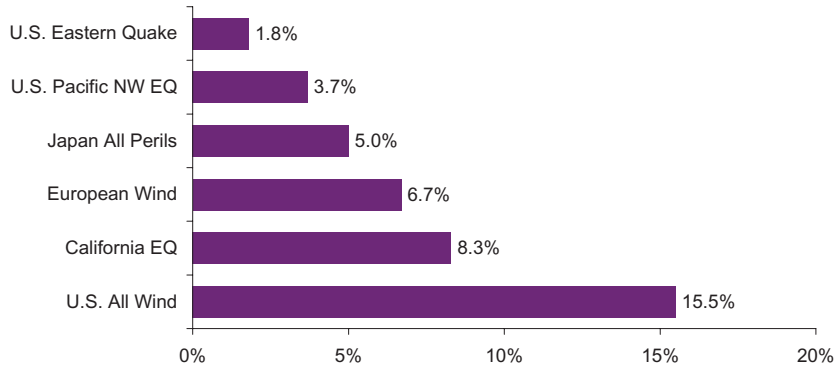
(in US\$ millions)

	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Gross	Reinsurance Recoverables	Net	Gross	Reinsurance Recoverables	Net
Reinsurance	\$20.1	\$ -	\$20.1	\$24.5	\$3.6	\$28.1
Insurance	1.9	4.2	6.1	3.4	5.5	8.9
Release in reserves for prior years during the period	<u>\$22.0</u>	<u>\$4.2</u>	<u>\$26.2</u>	<u>\$27.9</u>	<u>\$9.1</u>	<u>\$37.0</u>



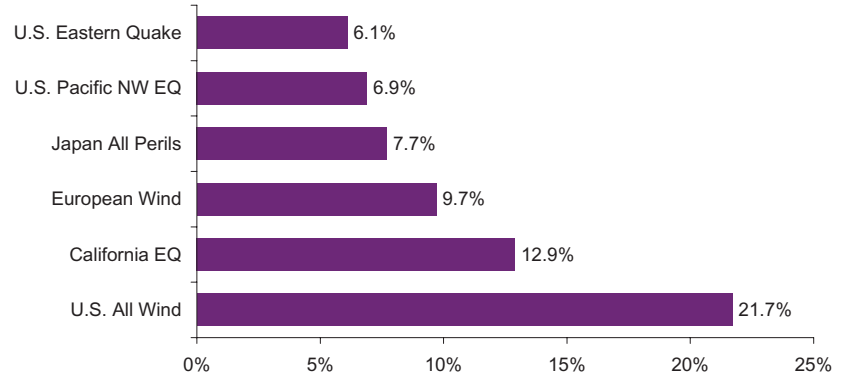
# ASPEN INSURANCE HOLDINGS LIMITED

## Worldwide Natural Catastrophe Exposures: Major Peril Zones



100 year return period as % of Total Shareholders' Equity

**1 in 100 year tolerance: 17.5% of total shareholders' equity**



250 year return period as % of Total Shareholders' Equity

**1 in 250 year tolerance: 25.0% of total shareholders' equity**

Based on shareholders' equity of \$3,339.6 million as at March 31, 2013. The estimates reflect Aspen's own view of the modelled maximum losses ("PML's") at the return periods shown which include input from various third party vendor models and our own proprietary adjustments to these models. Catastrophe loss experience may materially differ from the modelled PML's due to limitations in one or more of the models or uncertainties in the application of policy terms and limits.



# ASPEN INSURANCE HOLDINGS LIMITED

## Consolidated Investment Portfolio

(in US\$ millions)

	Fair Market Value				
	As At March 31, 2013	As At December 31, 2012	As At September 30, 2012	As At June 30, 2012	As At March 31, 2012
<b>Marketable Securities - Available For Sale</b>					
U.S. government securities	\$1,175.3	\$1,126.3	\$1,068.6	\$975.7	\$897.8
U.S. agency securities	314.0	308.6	311.7	309.2	331.3
Municipal securities	38.0	39.7	39.9	39.9	38.7
Corporate securities	2,006.0	2,038.5	1,929.7	1,896.7	1,889.1
Foreign government securities	644.6	641.0	628.5	596.3	619.5
Asset-backed securities	74.5	53.8	63.8	62.0	63.4
FDIC Guaranteed	-	-	3.0	3.0	63.6
Bonds backed by foreign government	85.3	101.1	139.1	119.8	158.5
Mortgage-backed securities	1,155.4	1,248.3	1,363.5	1,384.8	1,382.7
Total fixed income maturities	5,493.1	5,557.3	5,547.8	5,387.4	5,444.6
Short-term investments	352.3	431.5	494.7	489.6	423.5
Equity securities	209.1	200.1	197.1	187.4	188.1
<b>Total Available For Sale</b>	<b>\$6,054.5</b>	<b>\$6,188.9</b>	<b>\$6,239.6</b>	<b>\$6,064.4</b>	<b>\$6,056.2</b>
<b>Marketable Securities - Trading</b>					
U.S. government securities	\$27.7	\$9.4	\$38.8	\$38.8	\$37.4
U.S. agency securities	0.2	0.2	2.0	1.9	1.8
Municipal securities	2.8	2.9	2.9	2.9	2.9
Corporate securities	395.9	414.4	368.2	337.7	341.9
Foreign government securities	27.3	26.3	21.8	21.9	12.9
Mortgage-backed securities	-	-	0.3	-	-
Asset-backed securities	5.8	2.9	1.3	0.6	0.6
Bank loans	9.1	-	-	-	-
Total fixed income maturities	468.8	456.1	435.3	403.8	397.5
Short-term investments	0.8	2.4	10.6	14.0	10.3
Equity securities	205.0	-	-	-	-
<b>Total Trading</b>	<b>\$674.6</b>	<b>\$458.5</b>	<b>\$445.9</b>	<b>\$417.8</b>	<b>\$407.8</b>
<b>Other investments</b>	<b>\$45.0</b>	<b>\$45.0</b>	<b>\$34.8</b>	<b>\$33.1</b>	<b>\$33.1</b>
Cash	1,212.7	1,463.6	1,374.2	1,309.0	1,173.3
Accrued interest	45.0	47.7	49.7	48.8	48.7
<b>Total Cash and Accrued Interest</b>	<b>\$1,257.7</b>	<b>\$1,511.3</b>	<b>\$1,423.9</b>	<b>\$1,357.8</b>	<b>\$1,222.0</b>
<b>Total Cash and Investments</b>	<b>\$8,031.8</b>	<b>\$8,203.7</b>	<b>\$8,144.2</b>	<b>\$7,873.1</b>	<b>\$7,719.1</b>



# ASPEN INSURANCE HOLDINGS LIMITED

## Investment Analysis

(in US\$ millions except for percentages)

	<u>Q1 2013</u>	<u>Q4 2012</u>	<u>Q3 2012</u>	<u>Q2 2012</u>	<u>Q1 2012</u>
Net investment income from fixed income investments and cash	<b>\$45.0</b>	\$49.8	\$46.9	\$51.0	\$51.0
Net investment income from equity securities	<b>3.3</b>	1.3	1.7	1.8	1.4
Net investment income	<b>48.3</b>	51.1	48.6	52.8	52.4
Net realized and unrealized investment gains excluding the interest rate swaps	<b>15.2</b>	5.7	12.9	2.2	9.0
Net realized investment gains/(losses) from the interest rate swaps	<b>0.6</b>	(0.1)	(8.1)	(11.3)	(3.5)
Other-than-temporary impairment charges	-	-	(2.1)	(0.9)	-
Net realized and unrealized investment gains/(losses)	<b>15.8</b>	5.6	2.7	(10.0)	5.5
Change in unrealized (losses)/gains on available for sale investments (gross of tax)	<b>(17.5)</b>	(37.9)	32.2	36.6	(11.7)
Total return on investments	<b>\$46.6</b>	\$18.8	\$83.5	\$79.4	\$46.2
<b>Portfolio Characteristics</b>					
Fixed income portfolio book yield (excluding the impact of the interest rate swaps)	<b>2.80%</b>	2.88%	3.04%	3.19%	3.31%
Fixed income portfolio duration (excluding the impact of the interest rate swaps)	<b>3.2 years</b>	3.0 years	2.8 years	2.9 years	3.0 years



# ASPEN INSURANCE HOLDINGS LIMITED

## Book Value Per Ordinary Share

(in US\$ millions except for number of shares and per share amounts)	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Net assets	\$3,339.6	\$3,488.4	\$3,554.2	\$3,435.1	\$3,210.9
Less: Preference shares	(508.1)	(508.1)	(508.1)	(508.1)	(353.6)
Total	<u>\$2,831.5</u>	<u>\$2,980.3</u>	<u>\$3,046.1</u>	<u>\$2,927.0</u>	<u>\$2,857.3</u>
Ordinary shares outstanding (in millions)	65.634	70.754	71.012	70.687	71.496
Ordinary shares and dilutive potential ordinary shares (in millions)	69.611	73.312	73.341	73.161	74.064
Book value per ordinary share	\$43.14	\$42.12	\$42.90	\$41.41	\$39.96
Diluted book value per ordinary share	\$40.68	\$40.65	\$41.53	\$40.01	\$38.58

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

## Operating Income Reconciliation

Net income/(loss) is adjusted to exclude after-tax change in net foreign exchange gains and losses and realized gains and losses in investments.

	Three Months Ended	
	March 31, 2013	March 31, 2012
<b>(in US\$ millions except where stated)</b>		
Net income as reported	\$91.8	\$78.7
Preference share dividends	(8.6)	(5.7)
Net income available to ordinary shareholders	83.2	73.0
Add (deduct) after tax income:		
Net foreign exchange losses/(gains)	9.5	(3.0)
Net realized (gains) on investments	(15.6)	(5.2)
Operating income after tax available to ordinary shareholders	77.1	64.8
Tax on operating income	6.4	4.4
Operating income before tax available to ordinary shareholders	\$83.5	\$69.2
<b>Basic earnings per ordinary share</b>		
Net income adjusted for preference share dividend	\$1.21	\$1.03
Add (deduct) after tax income:		
Net foreign exchange losses/(gains)	0.14	(0.04)
Net realized (gains) on investments	(0.23)	(0.07)
Operating income adjusted for preference shares dividend	\$1.12	\$0.92
<b>Diluted earnings per ordinary share</b>		
Net income adjusted for preference share dividend	\$1.15	\$0.99
Add (deduct) after tax income:		
Net foreign exchange losses/(gains)	0.13	(0.04)
Net realized (gains) on investments	(0.22)	(0.07)
Operating income adjusted for preference shares dividend	\$1.06	\$0.88