

Management Summary

The purpose of this report is to present an assessment of the financial condition of the Zurich Branch as at December 31, 2023.

The financial condition of the Zurich Branch is adequate and is supported by the capital position of Aspen Insurance UK Limited ('AIUK').

The Zurich Branch earned gross written premiums of CHF 3.9m in 2023 from earlier underwritten business, compared to CHF 11.1m in 2022. The net profit after tax in 2023 was CHF 0.8m, compared with a loss after tax of CHF 0.9m in 2022.

The business activities and performance of the Zurich Branch are outlined below.

A. Business activities

Branch and Company overview

The Zurich Branch is a branch of AIUK, a non-life insurance and reinsurance company, incorporated in the United Kingdom. AIUK writes business across the UK market and in Canada through its Canadian Branch.

The Zurich Branch is regulated in Switzerland by the Financial Markets Supervisory Authority ('FINMA') and since 2021 is in run off.

The largest and smallest group in which the results of AIUK are consolidated is that headed by Aspen Insurance Holdings Limited ("AIHL"). The consolidated accounts of this company are available to the public and may be obtained from The Company Secretary, Aspen Insurance Holdings Limited, 141 Front Street, Hamilton, HM 19, Bermuda.

Branch strategy, objectives and business segments

When the AIUK Zurich Branch was writing new business, its strategy was aligned with the group strategy of AIHL whose objective is to create a diversified portfolio of insurance and reinsurance risks, spread across lines of business, products, geographic areas of coverage, cedants and sources, while ensuring sufficient capital and liquidity to meet its obligations.

The objective of AIUK is to provide an efficient platform from which the two underwriting segments, Aspen Insurance and Aspen Re, can offer specialty insurance and reinsurance products to their customers while providing a high level of security to policyholders.

AIUK's Zurich Branch supported these objectives by offering reinsurance products to European and international customers. In 2019 operational streamlining took place within the group whereby Aspen Bermuda Limited ("ABL"), a subsidiary of AIHL, established a branch in Zurich to write property and casualty reinsurance with inception dates of January 1, 2020 and later. In 2019 all reinsurance business was transferred from AIUK's Zurich branch to ABL's Zurich branch, with no new business being written in the AIUK Zurich branch.

The Zurich Branch manages its risk accumulations by ceding business to ABL, under internal quota share agreements.

The Zurich Branch also offered specialty insurance products until April 1, 2017, when the Aspen Insurance operation in Zurich ceased writing new business.



Branch external auditors

Ernst & Young AG is the external auditor of the Zurich Branch and their contact details are as follows:

Ernst & Young AG Aeschengraben 27 CH-4051 Basel Switzerland

Unusual events

Apart from the branch streamlining listed above there were no unusual events to report that impacted the Zurich Branch during the reporting period.

B. Performance

The Zurich Branch performance is outlined below in order of premium volumes and makes reference to the quantitative reporting template attached.

Branch underwriting performance

Business performance overview

The Branch reported an underwriting profit of CHF 8.4m (2022: CHF 6.3m profit) for the year ended December 31, 2023, with a reinsurance segment profit of CHF 7.7m (2022: CHF 5.6m profit), and a profit of CHF 0.7m (2022: CHF 0.7m profit) in the insurance segment.

Aspen Insurance

The Zurich Insurance branch ceased writing new business on April 1, 2017.

Aspen Re

Aspen Reinsurance branch ceased writing any new business on May 12, 2021.

Miscellaneous

In 2023, the Zurich Reinsurance branch reported gross written premiums of CHF 2.7m (2022: CHF 9.6m) across the Miscellaneous class, a decrease of 72% from the prior year. The premium recognized during 2023 relates to premium adjustments on Credit & Surety (included in the Miscellaneous class of business) policies pertaining mainly to the 2017-2019 underwriting years.

Acquisition and administrative expenses were CHF 5.8m in the reporting period, compared with CHF 16.1m in 2022. Acquisition and administrative expenses were higher during prior year due to higher adjustments to sliding scale commission on individual policies.

The Miscellaneous class reported a net underwriting profit of CHF 5.9m (2022: CHF 1.4m profit) for the year ended December 31, 2023.

Property

Aspen Re in Zurich reported a gross written premiums in the Property class of CHF 0.3m compared with CHF 1.1m in 2022. The premium recognized during the year relates to premium adjustments on prior year policies, particularly on Engineering and Property Treaty policies.



The Property class reported a net underwriting profit of CHF 1.4m (2022: CHF 1.2m profit) for the year ended December 31, 2023.

Motor

In 2023, the Zurich Branch reported gross written premium of CHF 0.8m across the Motor Liability class, compared to CHF 0.9m in 2022. Premium recognized during 2023 relates to adjustments on prior year policies.

The Motor class reported a net underwriting result of CHF nil (2022: CHF 2.9m profit) for the year ended December 31, 2023.

Casualty

In 2023, the Zurich Branch reported gross written premium of CHF 0.1m in the General Liability class, compared with a negative gross written premium of CHF 0.6m in 2022.

The Casualty class reported a net underwriting profit of CHF 0.4m (2022: CHF 0.1m profit) for the year ended December 31, 2023.

Branch financial performance

The overall profit before tax of the Zurich Branch was CHF 4.5m in 2023, compared with a loss of CHF 0.5m, in 2022. The profit before tax includes the underwriting profit of CHF 8.4m as explained above, net investment expenses of CHF 0.1m (2022: CHF 4.4m net investment expense) and net other expenses of CHF 4.9m (2022: 2.4m net expenses). Other income was CHF 1.1m (2022: nil).

Investment income	Incor	ne	Total	
CHF' millions	2023	2022	2023	2022
Fixed interest securities	2.8	-	2.8	-
	4.2	-	4.2	-
Total	7.0	-	7.0	-
Investment expenses	Expe	enses	Tot	tal
CHF' millions	2023	2022	2023	2022
Fixed interest securities	3.8	2.9	3.8	2.9
Allocated investment expense	3.3	1.5	3.3	1.5
Total	7.1	4.4	7.1	4.4

Net other expenses of CHF 4.9m consisted of net foreign exchange losses. Other income recorded for 2023 comprises the reversal in the income statement of bad debt provision.

Zurich, 29 April 2024

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Branch Manager

Hansjörg Blaser Head of Casualty Treaty EMEA and Latin America



Financial situation report: quantitative template "Performance Solo NL"

	Currency: CHF or annual report currency Amounts stated in millions	For annual	eport curr	ency												
								,								
	Total				1				Direct Swiss business	<u> </u>	Fire, natural hazards.	hazards.	General third-party	ird-party	1	,
		:	Acc	ccident	Illness	sse	Motor vehicle	hicle	Transport		property damage	lamage	liability	lity	Other b	Other branches
	Previous	Reporting	Previous	Reporting	Previous	Reporting	Previous Re	ng	ns	Reporting 1	Previous	Reporting	Previous	Reporting	Previous	Reporting
1 Gross premiums	11.1	3.9	year -	year -) car	year -	y can) ca1) cai	year	year -) can	year 0.1) can	year -	year -
_	(16.1)	(8.7)					-						(0.1)			
_	(2.0)	(4.8)							1			1		1		
4 Change in unearned premium reserves	13.5	9.5		,	,		,	,	,	,	1	,		1		1
5 Reinsurers' share of change in unearned premium reserves	-	-	-	-		-	-		-	-					-	-
	8.5	4.7	-	-	-	-	-	-	-	-	-	-	-		-	-
7 Other income from insurance business	-	-	-	-	-	-	-		-	-	-	-			-	
8 Total income from underwriting business (6 + 7)	8.5	4.7	-	-	-	-	-	-	_	-	-	-	-	-	-	-
9 Payments for insurance claims (gross)	(21.6)	(12.7)		-	-	-	-	-	-	-	-	-	(0.8)	-	-	
10 Reinsurers' share of payments for insurance claims	12.7	8.8		-	-	-	-		-		-	-	0.5	1		-
11 Change in technical provisions	32.6	26.0		-		-		-	-		-		1.2	2.7		
12 Reinsurers' share of change in technical provisions	(18.2)	(15.8)		-									(0.7)	(2.0)		
13 Change in technical provisions for unit-linked life insurance	\bigvee	V	V	\bigvee	\bigvee	\bigvee	X	V	$\langle \rangle$	V	V	M	V	M	\bigvee	\bigvee
14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	5.5	6.3		-	-	-	-		-		-	-	0.2	0.7	-	-
15 Acquisition and administration expenses	(15.2)	(2.7)		-			-						0.5			-
16 Reinsurers' share of acquisition and administration expenses	7.5	3.1	-	-	-	-	-	-	-	-	-		-	1	-	-
17 Acquisition and administration expenses for own account (15 + 16)	(7.7)	(2.6)	-	-	-	-	-					-	0.5	-	-	1
18 Other underwriting expenses for own account																
19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	(2.2)	3.7		1			1	-	•	1	1	•	0.7	0.7	1	1
20 Investment income		7.0	X	\bigvee	X	M	V	V	X	V	V	X	X	X	X	\bigvee
21 Investment expenses	(4.4)	(7.1)	X	\setminus	\bigvee	\bigvee	\bigvee	\bigvee	$\langle \cdot \rangle$		V	\bigvee	X	\bigvee	X	\bigvee
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_		,		$\sqrt{}$				X			$\sqrt{}$					
	1.9	8.3	$\langle \rangle$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\langle \rangle$	$\sqrt{}$	<u> </u>	$\sqrt{}$	$\langle \rangle$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$
101 Interest expenses for interest-pearing naphrities			$\langle \rangle$	$\left\langle\right\rangle$	$\langle \rangle$	$\langle \rangle$	$\langle \rangle$	$\langle \rangle$	$\langle \rangle$	$\langle \rangle$	$\langle \rangle$	$\left\langle \right\rangle$				
	(2.4)	(4,9)	\bigvee	\bigvee	\bigvee	$\sqrt{}$	$\sqrt{}$	$\sqrt{}$	<u>X</u>	$\sqrt{\chi}$	$\sqrt{}$	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee
		-	\bigvee	\bigvee	\bigvee			\bigvee		\bigvee	\bigvee	\mathbb{N}	\mathbb{N}	\mathbb{N}	\mathbb{N}	\mathbb{N}
31 Profit /loss before taxes (26 + 27 + 28 + 29 + 30)	(0.5)	4.5	M	\bigvee	M	M	M	M	M	M	M	M	M	M	M	\bigvee
	(0.4)	(3.7)	M	\bigvee		\bigvee	X	X	X	X	M	M	M	\bigvee	\bigvee	\bigvee
33 Profit / loss (31+32)	(6.0)	0.8			$\sqrt{}$				<u> </u>							\langle



Financial situation report: quantitative template "Performance Solo NL"

Currency: CHF or annual report currency Amounts stated in millions

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Change in rechired provisions Change in rechired provision		1	1		1	,		(6.1)	(4.8)		,	(3.6)	(2.8)	(2.3)	(0.7)	(8.8)	(4.4)
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Expension for culti-linked life insurance Expension for culti-linked Expension for culti-linked life insurance Expension for culti-linked life ins								(5.2)	(5.6)			(3.2)	(1.8)	(1.8)	(5.0)	(7.3)	(7.4)
Expenses for insurance claims for own account (9 + 10 + 11		X	\\\	\setminus		X	M	V	M	X	X	X		V	V	X	X
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Acquisition and administration expenses		-		-	-	-		6.0	(0.1)	-	-	(0.5)	0.2	-	-	(16.1)	(2.8)
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Total expenses from underwriting business (14+17+18)		-	-		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	1	-	-	-	-	2.6	(0.5)	1	1	6.0	1.6	6:0	9.0	(6.7)	1.3
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		\bigvee	\bigvee	M	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee		\bigvee	\bigvee	\bigvee	M	\bigvee	M	M
		\bigvee	\bigvee	\bigvee	M	M	M	M	\bigvee		\bigvee	\bigvee	\bigvee	M	M	M	M
	_	\bigvee	$\sqrt{}$	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee		\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee
		\bigvee	$\sqrt{}$	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee		\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee
		\bigvee	$\sqrt{}$	\bigvee	\bigvee	V	\bigvee	\bigvee	$\langle \rangle$		\bigvee	\bigvee	\bigvee	V	\bigvee	V	\bigvee
		\bigvee	$\sqrt{}$	\bigvee	\bigvee	M	M	M	\bigvee		\bigvee	\bigvee	\bigvee	M	M	M	M
		\bigvee	$\sqrt{}$	M		M	M	M	$\bigvee_{i=1}^{n}$		\bigvee	M	M	M	M	M	\mathbb{N}
		\bigvee	\bigvee	V	\bigvee	V	M	M	\bigvee		V	M	M	M	M	M	\mathbb{N}
		\bigvee	$\sqrt{}$	\bigvee	\bigvee	M	\bigvee	\bigvee	\bigvee		\bigvee	\bigvee	\bigvee	M	\bigvee	V	\bigvee
		\bigvee	$\sqrt{}$	\bigvee	\mathbb{N}	M	\bigvee	\bigvee	\mathbb{N}	M	\bigvee	\mathbb{N}	M	M	\bigvee	M	M
-		\bigvee	$\sqrt{}$	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee		\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	\bigvee	M
	-	$\sqrt{\frac{1}{2}}$		$\bigvee_{i=1}^{n}$		V /	$\sqrt{}$	V /		$\sqrt{1}$	$\sqrt{}$		V /	V	V.	M	\bigvee_{i}