

Continuity in an
uncertain world



AMLIN

Amlin is a leading independent insurer operating in the Lloyd's, UK, Continental European and Bermudian markets. We specialise in providing insurance cover to commercial enterprises and provide reinsurance protection to other insurance companies around the world.

1	Highlights
2	Key performance indicators
3	Interim results statement
16	Condensed consolidated income statement
17	Condensed consolidated statement of comprehensive income
18	Condensed consolidated statement of changes in equity
19	Condensed consolidated balance sheet
20	Condensed consolidated cash flow statement
21	Notes to the interim financial statements
43	Responsibility statement
44	Independent review report
45	Shareholder information
IBC	Directors and advisors

Highlights

Annualised first half return on equity of 27.4% (H1 2008: 20.6%), above our long term target of 15%

Profit before tax up 29.0% to £177.1 million (H1 2008: £137.3 million)

Record profit after tax of £167.0 million, up 54.5% (H1 2008: £108.1 million)

Underlying profit before tax, excluding foreign exchange impact of net non-monetary liabilities and gain on Amlin Bermuda sterling assets, up 52.8% to £210.8 million (H1 2008: £138.0 million)

Combined ratio 73% (H1 2008: 67%) with an underwriting contribution of £135.3 million (H1 2008: £148.7 million)

Improved investment return of 1.6% (H1 2008: 0.7%) generating an increased investment contribution of £53.1 million (H1 2008: £22.5 million)

Earnings per share increased 54.4% to 35.2p (H1 2008: 22.8p)

Interim dividend increased 8.3% to 6.5p per share (H1 2008: 6.0p per share)

Acquisition of Fortis Corporate Insurance N.V. (now Amlin Corporate Insurance N.V. or ACI) completed on 22 July 2009: integration proceeding well

Pricing environment continuing to improve in line with expectations

	6 months 2009 £m	6 months 2008 £m	12 months 2008 £m
Financial highlights			
Gross written premium	950.1	715.5	1,034.0
Net written premium	810.1	633.0	915.7
Net earned premium	510.3	445.7	913.5
Underwriting contribution	135.3	148.7	222.2
Investment contribution	53.1	22.5	18.0
Other costs ¹	11.3	33.9	118.6
Profit before tax	177.1	137.3	121.6
Net assets	1,297.3	1,097.7	1,216.1
Net tangible assets	1,192.7	1,029.3	1,105.9
Per share amounts (in pence)			
Earnings	35.2	22.8	17.1
Dividend under IFRS ²	11.0	10.0	16.0
Dividend (paid, declared and proposed in respect of the period/year)	6.5	6.0	17.0
Net assets	263.1	232.6	259.5
Net tangible assets	241.9	218.1	236.0
Group operating ratios			
Return on equity	13.7%	10.3%	7.8%
Claims ratio	39%	40%	55%
Expense ratio	34%	27%	21%
Combined ratio	73%	67%	76%
Syndicate 2001 combined ratio	85%	73%	73%
Amlin Bermuda Ltd combined ratio	53%	50%	83%

Source: Amlin

¹Includes non-underwriting foreign exchange gains of £23.3 million (H1 2008: nil; 2008: loss of £56.6 million)

²All per share dividends are the actual dividends paid or proposed for each share in issue at the time.

Performance indicators

Gross written premium £m

(excluding premium revenue from the receipt of reinsurance to close as at H1 2008)

2004	945.6
2005 H1	675.8
2005	993.5
2006 H1	846.2
2006	1,113.8
2007 H1	805.2
2007	1,044.7
2008 H1	715.5
2008	1,034.0
2009 H1	950.1

Net earned premium £m

(excluding premium revenue from the receipt of reinsurance to close as at H1 2008)

2004	722.4
2005 H1	395.5
2005	822.1
2006 H1	481.8
2006	973.9
2007 H1	514.5
2007	972.3
2008 H1	445.7
2008	913.5
2009 H1	510.3

Combined ratio %

Claims ■ Expenses ■

2004	50	32
2005 H1	44	25
2005	57	25
2006 H1	49	30
2006	41	31
2007 H1	43	28
2007	36	27
2008 H1	40	27
2008	55	21
2009 H1	39	34

Return on equity %

2004	21.0
2005 H1	22.1
2005	29.6
2006 H1	12.1
2006	34.0
2007 H1	15.9
2007	37.8
2008 H1	10.3
2008	7.8
2009 H1	13.7

Dividend (declared basis) Pence

2004	8.0
2005 H1	4.0
2005	10.2
2006 H1	4.2
2006	20.0
2007 H1	5.0
2007	15.0
2008 H1	6.0
2008	17.0
2009 H1	6.5

Net assets per share Pence

2004	114.9
2005 H1	135.2
2005	148.7
2006 H1	153.5
2006	175.6
2007 H1	184.0
2007	220.7
2008 H1	232.6
2008	259.5
2009 H1	263.1

Net unearned premium reserve £m

2004	492.4
2005 H1	653.3
2005	499.6
2006 H1	779.4
2006	507.8
2007 H1	722.0
2007	474.3
2008 H1	662.4
2008	549.4
2009 H1	880.3

Senior underwriter turnover %

2004	4.3
2005 H1	2.3
2005	4.6
2006 H1	0.0
2006	4.3
2007 H1	10.4
2007	8.3
2008 H1	4.2
2008	4.2
2009 H1	3.2

We are pleased to report an excellent set of first half results with profit before tax of £177.1 million (H1 2008: £137.3 million) and a return on equity of 13.7% (annualised 27.4%; H1 2008: 10.3%, annualised 20.6%). Profitability for the period has been enhanced by low claims activity, healthy run off profits and an improved investment return as financial markets stabilised in the second quarter of 2009. The positive result is in spite of an adverse foreign exchange impact from net non-monetary liabilities amounting to £57.8 million (H1 2008: loss of £0.7 million). Excluding this and the foreign exchange gain on Amlin Bermuda's sterling assets of £24.1 million (H1 2008: nil) described in more detail on page 13, underlying profit rose by 52.8% to £210.8 million (H1: 2008: £138.0 million).

On 22 July, Amlin completed the acquisition of Fortis Corporate Insurance N.V. ("FCI") a leading provider of corporate property and casualty insurance in the Netherlands, Belgium and France. FCI was renamed Amlin Corporate Insurance N.V. ("ACI") on that date. The acquisition represents a significant strategic step for the Group, providing growth in non-catastrophe exposed insurance classes through a Continental European platform. We expect ACI to make a strong direct contribution to Amlin's cross cycle return on equity target of at least 15% and that we will be able to achieve revenue and cost synergies within the enlarged Group to enhance that contribution over the medium term.

Overview of the results

Profit before tax of £177.1 million was an increase of 29.0% on the prior half year (H1 2008: £137.3 million). Profit after tax has risen 54.5% to £167.0 million (H1 2008: £108.1 million). The result is analysed below:

Gross written premium was £950.1 million, an increase of 32.8% on the prior half year (H1 2008: £715.5 million). The increase partly reflects the appreciation in the US

dollar relative to sterling, with an average translation rate for H1 2009 of \$1.50:£1 compared to \$1.98:£1 for H1 2008. At constant rates of exchange, written premium increased by 9.3% (H1 2008: £869.5 million). The underlying increase in written premium reflects an improvement in the rating environment, particularly for catastrophe reinsurance, and new business. Anglo French Underwriters ("AFU"), which was acquired in November 2008, generated premium of £20.9 million in the period. With capacity in certain classes held back to support second half underwriting and good 1 July renewals we would expect to see a larger increase for the full year.

Underwriting performance was again strong at £135.3 million (H1 2008: £148.7 million). Syndicate 2001 produced an underwriting return of £50.0 million (H1 2008: £89.0 million) and Amlin Bermuda's contribution was £85.3 million (H1 2008: £59.7 million). Excluding the non-monetary foreign exchange adjustment, underwriting profit increased by 29.3% to £193.1 million.

Gross earned premium increased 18.3% to £592.7 million (H1 2008: £501.2 million). Net earned premium increased by 14.5% to £510.3 million (H1 2008: £445.7 million). Growth in earned premium was depressed by the unwinding of prior year non-monetary gains amounting to £36.8 million.

The Group combined ratio was 73% (H1 2008: 67%). The claims ratio was again low at 39% (H1 2008: 40%), reflecting the low frequency of both catastrophe losses and large individual risk losses in the period. Run off profits from reserves amounted to £71.9 million (H1 2008: £59.9 million). Non-monetary exchange differences of £30.7 million added 6% to the expense ratio, with the underlying ratios stable at 28% (H1 2008: 27%).

Table 1: Analysis of result

	Profit before tax		Underwriting contribution	
	H1 2009	H1 2008	H1 2009	H1 2008
	£m	£m	£m	£m
As reported	177.1	137.3	135.3	148.7
Net non-monetary loss ³	57.8	0.7	57.8	0.7
Fx gain on Amlin Bermuda Sterling assets	(24.1)	–	–	–
Underlying result	210.8	138.0	193.1	149.4

Source: Amlin

³The exchange difference on net non-monetary liabilities arises through translation of unearned premium reserves, deferred reinsurance expenditure and deferred acquisition costs translated at average historical rates, whereas all other related monetary balance sheet items are translated at the closing rate of exchange.

The contribution from investments was higher at £53.1 million (H1 2008: £22.5 million), reflecting an improved investment return of 1.6% (H1 2008: 0.7%). Investment markets remained volatile and dominated by continued fears of an economic depression in the first quarter. However, strong returns were recorded in the second quarter as action to stabilise financial markets took hold and investors moved from discounting an economic depression to focusing on the effects of a severe recession.

As described in more detail on page 13, the weakening of the US dollar against sterling resulted in net foreign exchange losses to the income statement of £32.4 million (H1 2008: £5.4 million gain) and a net diminution of £89.3 million (H1 2008: £0.2 million) in reserves.

Earnings per share increased 54.4% to 35.2p (H1 2008: 22.8p).

Dividend

The Board has declared an interim dividend of 6.5 pence per share (H1 2008: 6.0 pence per share), an increase of 8.3%. The dividend will be paid on 8 October 2009 to shareholders on the register at the close of business on 11 September 2009. A dividend reinvestment plan, details of which may be obtained from the Company's registrar or from the Company's website, is available to shareholders in respect of this dividend.

Acquisition of Fortis Corporate Insurance N.V. ("FCI")

On 3 June 2009, Amlin announced that it had entered into an agreement to acquire FCI, a leading provider of corporate property and casualty insurance in the Netherlands, Belgium and France, from the Dutch State for €350.0 million. The transaction was completed on 22 July 2009, funded by a share placing which raised £74.8 million (net of expenses) and existing cash resources. FCI was renamed Amlin Corporate Insurance N.V. ("ACI") on that date.

At the time of the announcement we described how the acquisition of ACI is in line with the strategy set out in Amlin's 2008 Annual Report. Having grown our catastrophe exposed business following the establishment of Amlin Bermuda in 2005, we have been focused on finding a means of growing in non-catastrophe areas to better balance our overall underwriting portfolio. Our objective has been to seek growth via acquisition, as we believe that organic growth is less likely to deliver the quality and scale of growth desired within our preferred timeframe. Acquisitions in the UK and France in 2008 represented initial steps towards meeting this objective.

The acquisition of ACI introduces further diversity to Amlin's existing book of business and provides the Group with immediate scale and infrastructure in Continental Europe, building upon last year's acquisition

Table 2: ACI gross written premium for the year ended 31 December 2008

	Netherlands	Belgium	France	Total
	€m	€m	€m	€m
General cargo/commodity	116.2	77.9	–	194.1
Ocean/inland hull	82.2	6.6	–	88.8
Builders risk	44.9	0.2	–	45.1
Yacht	5.4	–	–	5.4
Other	43.6	–	–	43.6
Marine	292.3	84.7	–	377.0
Fleet	41.0	22.5	–	63.5
Liability	74.4	38.9	0.1	113.4
Fire	55.0	61.7	3.9	120.6
Engineering	19.3	16.5	–	35.8
Captives	–	52.2	–	52.2
Total	482.0	276.5	4.0	762.5

Source: Amlin

of Anglo French Underwriters. It also creates an opportunity to leverage Amlin's expertise in key specialist lines where we have been seeking to expand, particularly in marine classes. ACI brings a significant volume of business with a more attritional claims profile and less volatile earnings characteristics, thereby reducing Amlin's catastrophe exposed business as a proportion of its overall portfolio. This adjustment to the underwriting portfolio will provide further capacity for managed growth in the Group's core catastrophe exposed lines across the cycle.

The acquisition of ACI is expected to enhance earnings and return on equity in 2009 and to contribute to Amlin's cross cycle target return on equity of at least 15%.

With the acquisition complete, our focus has now turned to ensuring that ACI is successfully integrated within the Group. Progress to date has been good, with an integration framework and governance structure established and initial integration plans produced. Within the business, senior underwriters from Amlin and ACI are working together to continue to address known issues within the existing Marine portfolio. The successful transfer of the majority of staff previously employed by Fortis Insurance Belgium to ACI during July was also a key achievement. It was also pleasing that Amlin's and ACI's Financial Strength Ratings from commercial rating agencies were all affirmed following the completion of the acquisition and ACI was removed from negative watch by Standard & Poor's.

At 31 December 2008 ACI's net assets were €245.8 million, comprising assets of €1,723.4 million and liabilities of €1,477.6 million. Included within assets were cash and investments of €1,199.7 million. The circular to shareholders on 15 June 2009 provided a provisional intangible assets figure for the purchase of ACI of £103.7 million. However, this figure was based on 31 December 2008 figures and no account was taken for prospective fair value adjustments.

Following completion of the purchase of ACI the provisional pro forma figure at completion date for intangible assets, prior to fair value adjustments, is approximately €85 million. The intangibles balance has reduced from the pro forma figure due to satisfactory trading performance in the first half of the year. Investment performance in July was excellent and we would expect that this will reduce the balance further.

The intangible balance will be split between an intangible relating to broker relationships, which is currently estimated to be €20 million, and goodwill at €65 million.

The principal fair value adjustment that may require the goodwill figures to be further refined relates to the insurance liabilities and associated reinsurance assets. First, the reserves need to be re-evaluated by Amlin. This requires reserve estimates to be evaluated on a 'best estimate' basis plus a risk margin sufficient to transfer the liabilities to another party. We are currently undertaking an actuarial exercise to review the level of these liabilities and this review suggests that a risk margin is carried by ACI in excess of an actuarial best estimate. Therefore, we would not expect to increase liabilities and consequently goodwill. In line with our normal practice, we will re-evaluate net insurance liabilities on a quarterly basis. This will provide an opportunity to refine the valuation over the next two quarters. Second, for acquisition accounting we are required to discount the liabilities. Using a risk free discount rate, our first estimate of this discount is €30 million. This would reduce the goodwill associated with the transaction to €35 million.

Underwriting conditions and premium income

As expected, there has been a gradual improvement in the trading environment through the year across a number of our key classes. The average renewal rate increase for the Group was 4.9% with renewal retention a healthy 86.1% (H1 2008: reduction of 8.5% and 85.1%).

Catastrophe exposed lines have seen the greatest improvement in pricing, with rating for US catastrophe exposures nearly reaching the peak levels attained in 2007. In non-catastrophe exposed lines, principally insurance classes, pricing has stabilised and in some areas there is a steady upward trend. However, many

of these insurance lines are towards the bottom of their pricing cycles and margin potential has so far remained low. Consequently, we have weighted our portfolio towards catastrophe reinsurance and other areas of the account, such as UK commercial motor, where we anticipate a more sustainable improvement in margins.

Table 3: Average renewal and retention rates

	H1 2009	Gross written premium H1 2008	Average renewal rate change	Average renewal retention ratio
	£m	£m	%	%
Amlin London	643.5	518.6	5.6	86.7
Reinsurance	318.0	347.2	7.3	92.0
Property and Casualty	139.8	*	3.5	82.4
Marine	156.4	140.2	5.9	81.7
Aviation	29.3	31.2	(0.6)	84.6
Amlin UK	91.7	77.3	0.7	83.6
Amlin Bermuda (direct only)	194.0	119.6	4.7	93.1
Anglo French Underwriters	20.9	n/a	–	–
Total/average	950.1	715.5	4.9	86.1

*For 2008 and prior, Reinsurance and Property and Casualty were reported together as the Non-marine division. In the table above for 2008, Non-marine has been reported under Reinsurance.

Source: Amlin

Our rating indices (Table 4) illustrate the pricing trends for a number of major classes.

Table 4: Rating indices for major classes (based on renewal)*

Class	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
US catastrophe reinsurance	100	115	146	150	143	144	185	188	167	186
International catastrophe reinsurance	100	120	157	161	145	131	138	131	119	124
Property risk XL	100	122	189	191	170	146	170	144	126	135
Property insurance	100	125	171	163	143	136	165	143	133	141
US casualty	100	123	172	217	234	239	237	223	203	197
Marine hull	100	115	148	171	183	189	191	192	192	208
Offshore energy	100	140	172	189	170	175	262	243	209	265
War	100	250	288	244	220	206	191	175	160	157
Fleet motor	100	121	136	143	141	137	135	134	137	142
UK employers' liability	100	115	144	158	159	144	135	123	115	113
UK professional indemnity	100	110	149	178	181	165	154	140	129	127
Airline hull and liabilities	100	301	283	235	216	201	158	122	127	135

Source: Amlin

* This table is completed by our underwriters and covers their assessment of rate movements from year to year, as recorded on Amlin's underwriting systems. Subjective judgement is used to account for subtle changes in exposure or terms and conditions. Claims inflation is not systematically taken into account in the calculation of these rate movements and therefore, particularly in relation to long tail business, some of the benefit of rate increases has been eroded. 2009 rate levels are for the six month period to 30 June 2009.

Outwards reinsurance

As expected for 2009, retrocessional reinsurance has become scarcer and more expensive. Amlin has continued to purchase retrocessional reinsurance, though the overall level of excess of loss reinsurance cover has reduced slightly. Special Purpose Syndicate 6106 ("S6106"), which was established in November 2008 to write a 15% quota share of Syndicate 2001's excess of loss accounts, provides an alternative risk transfer mechanism to retrocessional cover and has given us scope to grow our reinsurance income notwithstanding the scarcity of traditional retrocessional capacity. At 30 June 2009, written premium ceded to S6106 was £28.6 million, against total capacity of £49.9 million at 30 June 2009 rates of exchange.

Claims

The Group claims ratio decreased to 39% (H1 2008: 40%).

Table 5 sets out the major loss events in the period and Amlin's estimated exposure to each of these events.

Natural catastrophe activity was relatively low in the first six months of 2009, with overall losses estimated at \$25 billion. However, total insured catastrophe losses for the first half amounted to \$11 billion, marginally above the ten year average⁶. The largest insured event was winter storm Klaus, which affected Southern France in January, with an estimated total insured loss of \$2.3 billion. Other major losses in the period included the Australian wildfires in February and the Italian earthquake, L'Aquila, in April. Amlin's estimated exposure to these events is modest, reflecting the relatively low level of insured losses for these events. Our largest catastrophe event for the period is L'Aquila for which we conservatively estimate claims of \$23 million.

There were also several large risk losses in the period, in particular within the aviation market. Having become increasingly selective in the face of poor airline risk pricing, our Aviation business has limited exposure to most of the recent airline losses and to other large loss events in the sector. On the marine side of our business, incidents of piracy off the East African coast continue to generate claims, although the cost to Amlin of these events in the period was less than \$1 million.

Table 5: 2009 major loss events⁵

	Date	Industry insured loss \$m	Amlin net ultimate loss \$m
Catastrophe losses			
European winter storm Klaus	Jan 09	2,300	17
February US tornadoes	Feb 09	1,500	7
Australian wildfires	Feb 09	770	7
L'Aquila earthquake	Apr 09	260	23
April US tornadoes	Apr 09	990	3
Large risk losses			
US Airways Hudson River	Jan 09	50	2
Air France airline loss	Jun 09	1,000	4
Yemenia Airways airline loss	Jun 09	280	3

Source: Amlin

⁵ With the exception of February US tornadoes, estimated by Amlin, estimated catastrophe industry insured losses are as published by Munich Re. Air crash estimates are by Amlin and Guy Carpenter.

⁶ Figures sourced from Munich Re: NatCat statistics for the first half year, 27 July 2009.

We have been mindful of the potential impact of the economic recession on claims trends. There is some increased activity in areas such as fleet motor, marine hull and cargo, but to date the effect has not been dramatic. The UK professional indemnity market has seen increased claims related to the downturn in the property market and to the credit crunch. These trends have had limited impact on Amlin due to our underwriting strategy which avoids exposure to large financial institutions or banks with material US activities. We have also proactively reduced our exposure to the property surveyors sector since 2007.

Estimated net losses for Hurricanes Gustav and Ike remain materially unchanged at \$300 million (31 December 2008: \$302 million).

Releases from reserves in the period amounted to £71.9 million (H1 2008: £59.9 million). This is a result of two principal factors. First, and most importantly, claims experience on prior underwriting years has been better than expected across a number of classes of business. With our prudent reserving policy, better than expected claims development leads to healthy profits being recognised following re-evaluation of reserving requirements. Second, we have reviewed the reserving approach to UK commercial claims. It is evident that our claims case reserves in aggregate have been robust and a trend of steady improvement in this area has been established. Accordingly, we have adjusted our approach to liability classes, which has led to a release of an additional £10.0 million in the period.

Our reserving philosophy remains unchanged. We believe that insurance reserves, particularly for our London market business, are inherently volatile and that it is appropriate to maintain a margin above an actuarial best estimate to address that risk. The margin of net claims reserves that we hold above the in-house actuarial best estimate level, for the 2008 and prior underwriting years, was in excess of £150 million at 30 June 2009 (H1 2008: in excess of £150 million for 2007 and prior underwriting years). We will continue to review the level of margin to ensure that it does not become excessive.

Segmental commentary

The segmental analysis provided in Table 6 below reflects the revised divisional structure of the Group. The structure was reorganised in the second half of 2008 to create separate divisions for Amlin London, Amlin UK and Amlin Bermuda, and also to recognise the acquisition of AFU. Amlin London consists of the previous Non-marine, Marine and Aviation divisions. For management purposes, the Non-marine business is now organised as the Reinsurance and Property and Casualty business units. Group executive management considers the operational and financial performance of the divisions. Performance of underlying business units is reviewed by divisional executive management.

Ratios quoted below exclude the foreign exchange effect of the non-monetary adjustment.

Table 6: Divisional combined ratios

	Amlin London	Amlin UK	Amlin Bermuda	AFU	Intra Group / Other	Total
Gross written premium (£m)	643.5	91.7	305.3	20.9	(111.3)	950.1
Net earned premium (£m)	268.3	65.5	181.9	7.7	(13.1)	510.3
Release from reserves (£m)	34.7	22.7	14.5	–	–	71.9
Combined ratios						
Claims ratio	37%	55%	33%	57%		39%
Expense ratio	48%	26%	20%	30%		34%
Combined ratio H1 2009	85%	81%	53%	87%		73%
Combined ratio H1 2008	73%	73%	50%	n/a		67%
Claim ratio (excl. non-monetary)	32%	54%	33%	57%		37%
Expense ratio (excl. non-monetary)	36%	26%	20%	26%		28%
Combined ratio H1 2009 (excl. non-monetary)	68%	80%	53%	83%		65%
Combined ratio H1 2008 (excl. non-monetary)	73%	73%	50%	n/a		67%

Source: Amlin

Amlin London

Gross written premium was £643.5 million (H1 2008: £518.6 million). Excluding the effect of foreign exchange, underlying growth was delivered through average rate increases of 5.6% and the addition of new business. Net earned premium was £268.3 million (H1 2008: £270.6 million), impacted by the unwinding of prior year non-monetary gains.

The combined ratio of 68% is an excellent result (H1 2008: 73%). The low level of catastrophe losses incurred by the business in the period, aided by prior year reserve releases of £34.7 million (H1 2008: £32.2 million), resulted in an impressive claims ratio of 32% (H1 2008: 39%). The expense ratio was relatively stable at 36% (H1 2008: 34%).

Catastrophe reinsurance represented 33% of Amlin London's gross written premium in the first half. US catastrophe reinsurance pricing has remained strong with average rate increases of 10.9% returning the US account towards peak rating levels seen in 2007. The largest increases were in those areas directly affected by hurricane activity in 2008. Upward pressure for international catastrophe pricing has also been evident, but rates of increase have been lower, with return potential in non-peak catastrophe zones remaining marginal.

The low level of catastrophe losses incurred by the Reinsurance business in the period, aided by positive claims developments of £9.2 million, resulted in a claims ratio of 17%.

Property and Casualty business, which accounted for £139.8 million of first half written premium, is now showing early signs of improvement. The financial difficulties experienced by a number of major participants in the market have undoubtedly helped put a halt to the slide in rates that we have seen over the last few years with an average renewal rate increase of 3.5% in the period. However, improvements have been disappointing considering the clear disarray of a number of key competitors in commercial markets. US property insurance achieved average rate increases of 7.0% and our US casualty business experienced an average rate decrease of 2.9%.

The claims ratio was 60%, impacted by a high level of property claims and adverse loss experience on Amlin Credit, which ceased to write business with effect from

26 November 2008. Run off profits from reserves were £4.1 million.

Our Marine portfolio represented £156.4 million (H1 2008: £140.2 million) of first half written premium. Energy business has seen a marked uplift in rates in response to 2008 hurricane activity. In response to higher rates and stricter terms clients have cut back on cover which has capped increases in premium volumes. Hull and liability rates have also increased by 8.6% and 6.5% respectively, with modest increases in most other Marine classes.

The claims ratio improved to 35% (H1 2008: 41%) with run off profits from reserves amounting to £10.0 million (H1 2008: £9.3 million).

The Aviation business unit accounted for gross written premium of £29.3 million in the period (H1 2008: £31.2 million). Average rates decreased by 0.6%, although recent evidence suggests rates are stabilising and are set to improve.

As noted at the end of 2008, we view airline rates across the market as inadequate to compensate for the risk assumed and consequently this class has not been attractive to us for an extended period. Consequently during the first half of the year there was little change to the Amlin portfolio. The first half of 2009 was a period of unusually heavy losses for the airline industry and this loss activity is beginning to provide an impetus for much needed rate increases. Most airline business renews in the second half of the year, and we anticipate that the rating environment will continue to improve in 2009, building on the modest increases seen in 2008.

The claims ratio of 21% (H1 2008: 72%) is aided by positive claims development, with reserve releases totalling £11.4 million (H1 2008: £2.2 million).

Amlin UK

Gross written premium was £91.7 million, an increase of 18.6% on the prior period (H1 2008: £77.3 million). The increase was driven primarily by new business, particularly within our fleet motor class. Average rate increases were 0.7%. Net earned premium of £65.5 million was up 17.4% on the prior period, in line with the growth in written premium.

The trading environment for this business is improving. Increases continue to be evident in fleet motor rates, often the first sign of upward pressure in the wider UK commercial market. Rate increases have so far been modest, at an average of 4.0%, but there has been a notable increase in the number of quotations requested and more importantly the overall conversion ratio. Rate increases on the fleet motor renewal book purchased from HCC last year were above expectations. Other classes have continued to decline, although more slowly, and we saw stabilisation of rates for employers' liability business at mid year.

The combined ratio of 80% (H1 2008: 73%) is a good result. The claims ratio was 54% (H1 2008: 45%), with run off profits from reserves of £22.7 million (H1 2008: £17.8 million). The expense ratio was stable at 26% (H1 2008: 28%).

Table 7: H1 2009 investment mix and returns

Policyholders' assets	Average balance in H1 2009				Total assets at 31 Dec 2008	H1 2009 Actual return	H1 2009 Benchmark return
	£m	Capital £m	Total £m	Total %	%	%	%
	Cash and cash equivalents	420.3	206.9	627.2	21.5	27.4	0.3
Debt securities	1,080.3	925.4	2,005.7	68.9	63.1	2.9	0.1
Equities	–	198.4	198.4	6.8	6.6	2.4	4.4
Property	–	82.2	82.2	2.8	2.9	(16.7)	n/a
Total/average	1,500.6	1,412.9	2,913.5	100.0	100.0	1.6	0.4

Source: Amlin

Amlin Bermuda

Amlin Bermuda wrote £194.0 million, or \$289.4 million, (H1 2008: £119.2 million, or \$236.0 million) of direct business in addition to quota share or other reinsurances of Syndicate 2001, which increased its overall written premium to £305.3 million or \$456.4 million (H1 2008: £192.8 million or \$381.7 million). Growth has been achieved through a combination of rate increases, with average rates up 4.7% in the period, plus the addition of new business. Net earned premium increased by 51.7% to £181.9 million (H1 2008: £119.9 million) reflecting increased gross written premium.

The combined ratio of 53% (H1 2008: 50%) is excellent and is supported by a claims ratio of 33% (H1 2008: 38%). Run off profits from reserves were £14.5 million (H1 2008: £9.9 million). The expense ratio of 20% (H1 2008: 12%), is higher than the prior period, reflecting an increase in profit commission on business

written by Syndicate 2001. Expenses remain low relative to London due to high operational gearing.

Anglo French Underwriters ("AFU")

In AFU's first full six months as part of the Group, gross written premium was £20.9 million with net earned premium of £7.7 million. The combined ratio of 83% is a good result. The division's claims ratio of 57% reflects the impact of winter storm Klaus. The expense ratio was 26%.

Investment return

The overall investment return was 1.6% for the period to 30 June 2009 and, with average assets at £2.9 billion (H1 2008: 0.7% and £2.6 billion), investments contributed £53.1 million to the half year results (H1 2008: £22.5 million).

Having started the year subdued, investor risk appetite began to improve from March, reflecting greater confidence that policy responses had prevented the global economy going into depression. The change in sentiment led to a sharp recovery in risk assets.

We added to our non-government bond exposure during January and February and consequently benefited from the subsequent narrowing of spreads relative to government bonds. This added an estimated 0.8% to the group's overall investment return. The average bond weighting during the period was 68.9%.

Although we added some risk to the portfolio during the first half, our stance remained relatively cautious due to high asset volatility and because of our scepticism regarding prospects for a sustained recovery in the global economy. The average cash balance was 21.5%, down from 30.3% in the first half of 2008. After the strong

rally we reduced our equity position in May. The average equity weighting was 6.8% which produced a return of 2.4%.

Expenses

Total expenses, including finance costs, were £190.9 million, an increase of 23.1% on the prior half year (H1 2008: £155.1 million). Included within total expenses are net foreign exchange losses of £5.3 million (H1 2008: gain of £7.0 million).

Business acquisition costs of £109.4 million (H1 2008: £90.6 million) represented 18.5% of gross earned premium, broadly similar to the prior half year (H1 2008: 18.1%).

Finance costs are up slightly to £10.7 million and operating expenses have increased by 6.3% year on year, to £65.5 million. Within this, total staff costs amounted to £35.5 million, an 11.6% increase on the prior period. Staff incentive plans accounted for £12.0 million of these costs (H1 2008: £11.3 million) reflecting an increase in anticipated profits.

Taxation

The effective rate of tax for the period is 5.7% (H1 2008: 21.3%). It is below the UK rate of tax primarily due to Amlin Bermuda, which operates locally with no corporation tax. We continue to believe that Amlin Bermuda meets the requirements to be exempt from controlled foreign company status in the UK and no current tax is provided on its profits.

The UK budget in April contained two notable developments that will benefit the Group.

First, following a review of the taxation of foreign profits, the UK Government announced that all foreign dividends from subsidiaries will be exempt from UK tax with effect from 1 July 2009. At 31 December 2008, a deferred tax provision of £16.1 million was held in respect of UK tax payable on potential future Amlin Bermuda dividends and the provision was held constant at 30 June 2009. With legislation now enacted, the deferred tax provision will be released at 31 December 2009. Over time, this exemption will lead to a reduction in the ongoing effective tax rate.

Second, the Government confirmed its earlier commitment to introduce a tax relief in the form of a claims equalisation reserve for Lloyd's businesses. The new regulations were enacted after 30 June 2009 and so are not reflected in the interim accounts. However we anticipate that the provisions will have a beneficial impact on the cash flows of the Group.

Balance sheet strength

Net tangible assets increased by 7.8% to £1,192.7 million during 2009, equivalent to 241.9p per share. The growth attributable to earnings was partially offset by net foreign exchange translation losses of £89.3 million taken through reserves, see 'Foreign Exchange' below, and by a net increase in the pension deficit of £17.3 million.

The Group's balance sheet remains strong. The long term nature of our debt and the existence of meaningful uncalled facilities add to the robustness and flexibility of the balance sheet, giving us the wherewithal to react swiftly to a market turning event.

Table 8: Amlin capital analysis

	Post ACI Acquisition*	At 30 Jun 2009	At 31 Dec 2008
	£m	£m	£m
Net tangible assets	1,117.9	1,192.7	1,105.9
Subordinated debt	314.1	288.2	295.9
Facilities**	250.0	250.0	250.0
Available capital	1,682.0	1,730.9	1,651.8
Minimum required capital***	1,252.9	1,021.4	1,059.1
Headroom	429.1	709.5	592.7

* Based on ACI proforma at 30 June 2009, with no account taken for prospective fair value adjustments.

** Bank facilities are subject to a number of restrictive covenants.

*** Minimum required capital represents management's view of required capital.

Source: Amlin

Table 9: Debt security by type

	At 30 Jun 2009		At 31 Dec 2008	
	£m	%	£m	%
Government securities	544.9	29.1	894.1	49.1
Government agencies / guaranteed	181.6	9.7	172.2	9.5
Supranational	67.0	3.6	33.7	1.9
Asset backed securities	82.3	4.4	136.0	7.5
Mortgage backed securities	135.8	7.2	112.8	6.2
Corporate bonds	278.6	14.8	221.1	12.0
Pooled vehicles				
– cash	238.6	12.7	52.9	2.9
– bonds	304.4	16.3	175.3	9.6
Insurance linked securities	41.0	2.2	22.9	1.3
Total	1,874.2	100.0	1,821.0	100.0

£28.9 million of government agencies / guaranteed assets are mortgaged backed (31 December 2008: £49.1 million) and £104.9 are government guaranteed corporate bonds (31 December 2008: £81.3 million).

Source: Amlin

Using Standard & Poor's as a source, the credit ratings of the Group's asset and mortgage backed securities are shown in the table below:

Table 10: Credit rating of asset and mortgage backed debt securities and corporate bonds at 30 June 2009

Credit rating	AAA	AA	A	Other
Mortgage backed securities	89.5%	–	2.6%	7.9%
Asset backed securities	83.0%	3.2%	7.2%	6.6%
Corporate bonds	8.1%	42.5%	35.7%	13.7%

Source: Amlin

The table on page 11 demonstrates that the capital base of the Group remains strong, even after the acquisition of FCI is taken into account.

On 3 June 2009 the Group placed 23,502,567 new Ordinary Shares with institutional investors representing approximately 5% of Amlin's issued Ordinary Share capital, in order to finance part of the consideration for the acquisition of FCI. The placing proceeds were £74.8 million net of expenses.

Outstanding reinsurance claims now stand at £330.2 million (31 December 2008: £360.8 million) and the credit quality of reinsurance debt remains strong.

On the investment front, our asset allocations remain relatively defensive but we have increased our allocations away from government bonds and cash.

As the tables above show, the bond portfolio remains conservative but non-government bond allocations

have steadily risen to take advantage of the better risk/reward ratio available as spreads narrowed. However, the credit quality remains high.

At 30 June 2009 equity holdings were £176.5 million, representing 6.1% of the portfolio (31 December 2008: £190.8 million and 6.6%). During July 2009 the equity weighting was reduced by approximately £53 million and half of the remaining equity exposure was hedged through the purchase of zero-cost option collars.

At 30 June 2009, the deficit on the Lloyd's Superannuation Fund funded defined benefit scheme had increased to £28.0 million (31 December 2008: £4.0 million). The increase is attributable to changes in the assumptions made to value the fund liabilities, principally the discount rate, which decreased from 6.3% to 6.1%, and inflation, which increased from 2.8% to 3.4%. In line with Amlin's accounting policy, the movement in the obligation, net of deferred tax, is taken to the Statement of Changes in Equity.

Table 11: Net foreign exchange gains and losses in the income statement

	H1 2009	H1 2008
	£m	£m
Underwriting non-monetary	(30.7)	0.9
Amlin Bermuda sterling assets	24.1	–
Other	1.3	6.1
Total FX gain/(loss) in expenses	(5.3)	7.0
Non-monetary impact on unearned premium reserve	(36.8)	(2.2)
Non-monetary impact on deferred acquisition costs	9.7	0.6
Total FX gain/(loss) in income statement	(32.4)	5.4
Total non-monetary in above	(57.8)	(0.7)

Source: Amlin

Foreign exchange

With much of the Group's trading conducted in US dollars, significant recent fluctuations in the US dollar against sterling have had a major impact on our results.

The income statement reflects foreign exchange losses, including losses on the foreign exchange translation of net non-monetary liabilities. Of particular significance is a three-fold negative impact on earnings in 2009 due to the treatment of net non-monetary liabilities.

- A reversal of 2008 non-monetary gains in the current year, as unearned premium unwinds in the balance sheet;
- Losses on new US dollar net non-monetary liabilities at the balance sheet date, following the US dollar depreciation in the first half. Such liabilities are translated at a historic average rate of \$1.5:£1 relative to a year end exchange rate of \$1.65:£1; and
- A reduction on gains relating to 2008 net non-monetary liabilities still existing at the balance sheet date, following the depreciation in the US dollar in the period.

In addition, for Amlin Bermuda, which reports in US dollars, sterling assets of £181.9 million were held at 30 June 2009 (31 December 2008: £182.1 million). These produced a foreign exchange gain of £24.1 million in the year. Despite being part of the hedging strategy against the overall Group foreign exchange exposure, this gain is required to be recorded in Amlin Bermuda's income statement which is consolidated in the Group income statement. An offsetting foreign exchange loss is recognised in the Statement of Changes in Equity.

The weakening of the US dollar also had an impact on reserves held in the balance sheet by a net £89.3 million.

This comprises foreign exchange losses before hedging of £122.1 million on the Group's dollar capital investment in Amlin Bermuda, offset by a gain of £32.8 million on derivative investments used to hedge the Group's investment in Amlin Bermuda, which in accordance with the hedge accounting rules of IAS 39 *Financial Instruments: Recognition and Measurement*, is taken to reserves.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could impact upon the Group's performance over the remaining six months of the financial year and cause actual results to differ materially from expected and historical results. The Board considers that the risks and uncertainties disclosed in the latest Annual Report and Accounts continue to reflect the principal risks and uncertainties of the Group over the remaining six months of the financial year, except where specifically mentioned in this half yearly financial report. Amlin categorises risk closely to that laid out by the FSA. The risk categories are as follows:

- underwriting risk;
- credit risk;
- market risk;
- liquidity risk;
- operational risk; and
- strategic risk.

The main additional risk faced by the Group compared to the risks described in the Annual Report, is operational risk relating to the acquisition of ACI. Naturally any acquisition brings integration risk as the enlarged Group adjusts to new operating practices. In the case of the ACI acquisition, there are a number of additional risks associated with building ACI's capabilities, as historically many services were outsourced to other Fortis subsidiaries. For example, this includes the

provision of information technology services. As set out in the business development commentary below and the acquisition commentary earlier in this report, a number of steps have been taken to reduce integration risk associated with the purchase of ACI.

Underwriting risk

Our largest modelled loss at 1 July 2009 was a European windstorm affecting both the UK and several continental countries, which represented 30% of net tangible assets at 30 June 2009. This is lower than our largest modelled loss at 1 January 2009 of £384 million (35% of net tangible assets at 31 December 2008), and our largest modelled loss at 1 January 2008 of £341 million (35% of net tangible assets at 31 December 2007). It should be recognised that these are extreme events. All single zone events which we model are expected to incur losses materially less than these, in most cases less than £250 million.

Related parties

Related party transactions are disclosed in note 23 to the Interim Financial Statements.

Business development

In our 2008 Annual Report we explained how we had reorganised the Group structure to prepare for a larger and more diverse Group and to facilitate the continued sound management of our existing businesses. The continuity and depth of experience within the Group is strong and our succession plans have proven robust to date. The changes made have left us well placed to deal effectively with the integration of ACI into the Group.

We have continued to build the organisational structure in line with our strategic plans. In May, we appointed a Group Operations Officer, Andrew Grant. Andrew has significant financial services integration experience and will be invaluable as we look to integrate and develop the ACI business. Elsewhere, we have made a number of key appointments within our Risk, Finance and Actuarial teams.

We have also continued to invest in underwriting. We have appointed Andrew Wright, formerly the energy leading class underwriter, to succeed Simon Beale as Head of the Marine business unit and recruited an

experienced underwriter to lead the marine hull team. In Amlin UK we have continued to expand our property insurance business and successfully hired a new team of property underwriters in the period. In Amlin Bermuda we have further strengthened the Underwriting, Claims and Finance teams as that business matures.

With the future growth strategy of the Group in mind, in April 2009 we commissioned a review of our information technology systems by a firm of external consultants. The purpose of the review was not only to assess the strength of Amlin's information technology proposition in terms of the current business, but also to form a view on the scalability of the existing infrastructure to support anticipated growth plans. The conclusions of the review were positive. Not only did Amlin's existing information technology infrastructure represent best practice in our markets, it was judged well placed to support future plans.

The successful integration of AFU, which we acquired in November 2008, was a key objective in the first half of 2009. While there is still work to complete, we are pleased with the progress that has been made to date. Particularly satisfying is that in spite of a difficult trading environment, the team successfully retained a large proportion of its client base. Attention has also been given to developing underwriting processes and controls. We now expect AFU to expand its operations and broaden the product range offered to its clients with additional Amlin sponsored products.

We have continued to commit significant resource to our Solvency II project, with the aim of ensuring that our own capital and risk management model will be accepted by the FSA for the purposes of setting our capital requirement in 2012, under the new EC Directive requirements that will be introduced for the insurance industry at that date. During the first half of the year we designed the programme infrastructure and recruited an experienced programme manager to drive the programme of work. Importantly, we agreed our target operating model, which provides the blueprint for how we expect to develop the Group underwriting, risk, investment and operational framework over the next several years. We see our capabilities in this area as a future business differentiator from which Amlin will gain real commercial value.

Outlook

The first half of 2009 has been a period of positive developments for the Group in terms of organic growth, investment in teams and infrastructure, and the pursuit of our longer term strategic objectives with the acquisition of ACI. We enter the second half of the year with substantial net unearned premium reserves at 30 June 2009 of £880.3 million (31 December 2008: £549.4, H1 2008: £716.9 million). This premium has been largely written at attractive margins. The third quarter has started well with a strong July reinsurance renewal. US catastrophe reinsurance rates rose by 8.1% and both the Amlin London reinsurance division and Amlin Bermuda expanded their portfolios with business written at close to the previous peak rates achieved in these areas. Prior to the acquisition of ACI, 48% of our business was in lines experiencing the strongest rate increases or operating at near-peak pricing. Subject to the level of catastrophe activity in the second half of the year, this should be reflected in a strong performance for the full year.

Although the Group saw price increases in several key classes during the first half of 2009, the insurance industry has been slower to improve its margins in the year to date than many industry commentators expected. Despite the substantial capital erosion from the economic crisis in 2008 across much of the industry, competition has remained surprisingly strong as major players have continued to wrestle for market share. At the same time, we believe that clients have been more price sensitive due to the impact of the recession on their own business. Recent improvements in financial markets will have redressed some of the damage suffered in 2008. However, we continue to expect that lower future investment returns combined with the emerging impact of under-pricing will contribute to increasing upward pressure on pricing in many insurance classes.

Our core insurance businesses, Amlin UK and Amlin London: (Property and Casualty, Marine and Aviation), have been disciplined through the last few years and have the capital and operational capacity to expand rapidly and substantially when market conditions become more attractive. We also expect our investment in the expansion of our property insurance capability within Amlin UK to enhance our growth prospects in this market when rates resume an upward trend. Our recent acquisitions in Continental Europe also provide us with significant local presence in new markets for Amlin and with the integration of ACI making good progress, we continue to anticipate both short and longer term benefit from these new business streams and allied synergies.

Amlin is well positioned to take advantage of more favourable market conditions with ample capital, superior ratings and a robust infrastructure. The acquisition of ACI has improved the balance sheet gearing with cash and investments now more than twice shareholder equity and we anticipate solid investment returns albeit constrained by slow economic growth. With this backdrop, the prospects for a strong return on equity for 2009 and 2010 are good.

Condensed Consolidated Income Statement
For the six months ended 30 June 2009

		6 months 2009 (Unaudited)	6 months 2008 (Unaudited)	12 months 2008 (Audited)
	Notes	£m	£m	£m
Gross premium earned	4,5	592.7	501.2	1,027.8
Reinsurance premium ceded	4,5	(82.4)	(55.5)	(114.3)
Net earned premium revenue	5	510.3	445.7	913.5
Investment return	6	53.1	22.5	18.0
Other operating income		3.5	1.6	2.7
Total income		566.9	469.8	934.2
Insurance claims and claims settlement expenses	4,7	(233.3)	(198.3)	(627.8)
Insurance claims and claims settlement expenses recoverable from reinsurers	4,7	34.4	20.9	127.1
Net insurance claims	7	(198.9)	(177.4)	(500.7)
Expenses for the acquisition of insurance contracts	8	(109.4)	(90.6)	(193.0)
Other operating expenses	9	(70.8)	(54.6)	(97.7)
Total expenses		(180.2)	(145.2)	(290.7)
Results of operating activities		187.8	147.2	142.8
Finance costs		(10.7)	(9.9)	(21.2)
Profit before tax		177.1	137.3	121.6
Tax	10	(10.1)	(29.2)	(41.2)
Total recognised profit for the period/year		167.0	108.1	80.4
Attributable to:				
Equity holders of the Parent Company		167.0	108.1	80.3
Minority interests		-	-	0.1
		167.0	108.1	80.4
Earnings per share from continuing operations attributable to equity holders of the Parent Company				
Basic	12	35.2p	22.8p	17.1p
Diluted	12	34.8p	22.5p	16.9p

The attached notes form an integral part of these consolidated financial statements.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2009

	6 months 2009 (Unaudited)	6 months 2008 (Unaudited)	12 months 2008 (Audited)
Notes	£m	£m	£m
Profit for the period/year	167.0	108.1	80.4
Gains/(losses) on revaluation of hedge instruments	32.8	0.1	(74.7)
Currency translation differences on overseas operations	(122.1)	(0.3)	256.1
Foreign exchange gains on translation of intangibles arising from investments in overseas operations	(3.8)	–	4.7
Defined benefit pension fund actuarial losses	(24.0)	–	(5.9)
Deferred tax relating to components of other comprehensive income 16	6.0	(0.3)	2.8
Other comprehensive income for the period/year	(111.1)	(0.5)	183.0
Total comprehensive income for the period/year	55.9	107.6	263.4
Attributable to:			
Equity holders of the Parent Company	55.9	107.6	263.3
Minority interests	–	–	0.1
	55.9	107.6	263.4

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2009

		6 months 2009 (Unaudited)	6 months 2008 (Unaudited)	12 months 2008 (Audited)
	Notes	£m	£m	£m
At 1 January	13	1,216.1	1,052.3	1,052.3
Total comprehensive income for the period/year	13	55.9	107.6	263.4
Employee share option schemes:				
– share based payment reserve	13	1.2	(0.9)	0.4
– proceeds from shares issued	13	76.0	0.9	3.8
Purchase of treasury shares	13	0.1	(14.1)	(28.0)
Net purchase of employee share ownership trust shares	13	(0.3)	(0.4)	–
Dividends paid	11,13	(51.7)	(47.7)	(75.8)
Balance at end of period/year		1,297.3	1,097.7	1,216.1

Condensed Consolidated Balance Sheet
At 30 June 2009

		30 June 2009	30 June 2008	31 December 2008
	Notes	(Unaudited) £m	(Unaudited) £m	(Audited) £m
Assets				
Cash and cash equivalents		22.5	16.5	14.1
Financial investments at fair value through income	14	2,881.1	2,565.8	2,868.1
Reinsurance assets				
– reinsurers share of outstanding claims	15	330.2	258.0	360.8
– reinsurers share of unearned premium	15	86.9	54.5	31.0
– debtors arising from reinsurance operations	15	400.4	412.4	325.1
Loans and receivables, including insurance receivables				
– insurance receivables		462.5	273.0	305.5
– loans and receivables		54.3	51.0	68.7
Current income tax assets		19.4	8.9	13.3
Deferred tax assets	16	17.7	10.4	11.1
Property and equipment		8.5	6.1	8.4
Intangible assets	17	104.6	68.4	110.2
Investment in jointly owned entity		1.8	–	1.5
Total assets		4,389.9	3,725.0	4,117.8
Equity and reserves				
Share capital	18	141.2	134.6	134.6
Share premium		299.8	231.5	231.5
Other reserves		161.9	86.2	272.4
Treasury shares		(22.9)	(16.6)	(25.1)
Retained earnings		717.0	661.8	602.4
Equity attributable to equity holders of the parent		1,297.0	1,097.5	1,215.8
Minority interest		0.3	0.2	0.3
Total equity and reserves		1,297.3	1,097.7	1,216.1
Liabilities				
Insurance contracts				
– outstanding claims	15	1,524.3	1,342.8	1,692.8
– unearned premium	15	880.3	716.9	549.4
– creditors arising from insurance operations	15	128.0	43.9	84.9
Trade and other payables		77.8	87.7	123.2
Current income tax liabilities		51.0	18.4	6.9
Borrowings	19	288.2	277.6	295.9
Retirement benefit obligations	20	28.0	1.6	4.0
Deferred tax liabilities	16	115.0	138.4	144.6
Total liabilities		3,092.6	2,627.3	2,901.7
Total equity, reserves and liabilities		4,389.9	3,725.0	4,117.8

The attached notes form an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 21 August 2009. They were signed on its behalf by:

Charles Philipps
Chief Executive

Richard Hextall
Group Finance Director

Condensed Consolidated Cash Flow Statement
For the six months ended 30 June 2009

	6 months 2009 (Unaudited)	6 months 2008 (Unaudited)	12 months 2008 (Audited)	
	Notes	£m	£m	£m
Cash generated from operations	21	(48.6)	152.7	222.4
Income taxes paid		(4.2)	(28.0)	(47.6)
Net cash flows from operations		(52.8)	124.7	174.8
Cash flows from investing activities				
Interest received		37.9	56.9	97.5
Dividends received		5.4	5.6	11.9
Acquisition of subsidiary, net of cash acquired		-	-	(31.6)
Deferred payment for acquired subsidiary		-	-	(2.1)
Investment in jointly owned entity		(0.6)	-	(1.5)
Purchase of property, plant and equipment		(1.2)	(1.3)	(5.9)
Purchase of intangible assets		-	-	(2.5)
Net cash from investing activities		41.5	61.2	65.8
Cash flows used in financing activities				
Proceeds from issue of ordinary shares		76.3	0.9	3.8
Dividends paid to shareholders	11	(51.7)	(47.5)	(75.6)
Dividends paid to minority interest		-	(0.2)	(0.2)
Interest paid		(4.5)	(1.8)	(20.0)
Purchase of treasury and ESOT shares		0.2	(14.5)	(28.0)
Return of capital		(0.2)	(117.8)	(119.2)
Repayment of borrowings		-	(0.1)	-
Net cash flows used in financing activities		20.1	(181.0)	(239.2)
Net increase in cash and cash equivalents		8.8	4.9	1.4
Cash and cash equivalents at beginning of period/year		14.1	11.6	11.6
Effect of exchange rate changes on cash and cash equivalents		(0.4)	-	1.1
Cash and cash equivalents at end of period/year		22.5	16.5	14.1

1. Basis of preparation of Interim Financial Statements

The financial information contained in this document for the year ended 31 December 2008 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2008 has been delivered to the Registrar of Companies.

The auditor's report on these accounts was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim financial statements were approved by the Board on 21 August 2009.

2. Accounting policies

The annual financial statements of Amlin plc are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

The Group has considerable financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced and stable team. The directors believe that the Group is well positioned to manage its business risks successfully in the current uncertain economic environment.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report.

3. Seasonality of interim operations

The Group derives insurance premium from a diverse range of underwriting classes and geographical locations. Depending on the class and location of the risk, there may be a seasonal pattern to incidence of claims. A large proportion of the Group's premium revenue originates in North America (47% for the period ended 30 June 2009) where it may be exposed to large risk losses as a result of windstorms. The US hurricane season runs from May to November and the level of windstorm activity arising during this period may materially impact on the Group's claims experience during the second half of 2009. As an example, the hurricane seasons in 2004, 2005 and 2008, and the Group's losses from these events, resulted in a significant deterioration in the Group's claims ratio between 30 June and 31 December.

The table below shows the Group's historical claims ratios for the six month periods to 30 June and 31 December. Claims ratio is defined as net claims plus claims expenses divided by net earned premium.

	Claims ratio		
	H1	H2	Full Year
	%	%	%
2003	50	51	50
2004	42	58	50
2005	44	70	57
2006	49	33	41
2007	43	29	36
2008	40	69	55
2009	39	n/a	n/a

3. Seasonality of interim operations (continued)

Gross written premium comprise premium on insurance contracts incepting during the period. Inception dates are historically weighted more heavily towards the first half of the year. The table below shows the Group's gross premium written for the six month periods to 30 June and 31 December.

	Gross written premium					
	H1 £m	H1 %	H2 £m	H2 %	Full Year £m	Full Year %
2003	664.9	70.9	272.5	29.1	937.4	100.0
2004	709.7	75.1	235.9	24.9	945.6	100.0
2005	675.8	68.0	317.7	32.0	993.5	100.0
2006	846.2	76.0	267.6	24.0	1,113.8	100.0
2007	805.2	77.1	239.5	22.9	1,044.7	100.0
2008	715.5	69.2	318.5	30.8	1,034.0	100.0
2009	950.1	n/a	n/a	n/a	n/a	n/a

4. Segmental reporting

The tables below show segmental information by business segment. Business segments are primary segments and represent the distinct underwriting units by which the Group is organised and managed. Each segment underwrites classes of business which are organised and managed by local executive management.

The UK business segments comprise Amlin London and Amlin UK. Amlin London consists of the previous Non-marine, Marine and Aviation divisions. For management purposes, Non-marine business is now organised as the Reinsurance and Property and Casualty business units.

Amlin Bermuda writes reinsurance business, including reinsurance ceded by Syndicate 2001.

Anglo French Underwriters was acquired in November 2008 and has been reported as an individual business unit in 2009. For the comparative period to 31 December 2008 one month's income and expense has been included in the other technical business segment.

Further information on the performance of each segment is provided in the statement accompanying this interim report.

4. Segmental reporting (continued)

Income and expenses by business segment Six months ended 30 June 2009	Amlin London £m	Amlin UK £m	Amlin Bermuda £m	Anglo French Underwriters £m	Other technical £m	Intra group items £m	Total £m
Gross written premium							
Analysed by geographic segment							
UK	100.9	79.5	135.4	–	–	(111.3)	204.5
US	331.1	–	118.2	–	–	–	449.3
Europe	64.5	3.9	17.8	20.9	–	–	107.1
Worldwide	50.5	6.2	–	–	–	–	56.7
Other	96.5	2.1	33.9	–	–	–	132.5
Total	643.5	91.7	305.3	20.9	–	(111.3)	950.1
Gross earned premium	384.6	79.6	183.4	9.1	0.4	(64.4)	592.7
Reinsurance premium ceded	(116.3)	(14.1)	(1.5)	(1.4)	–	50.9	(82.4)
Net earned premium	268.3	65.5	181.9	7.7	0.4	(13.5)	510.3
Insurance claims and claims settlement expenses	(155.0)	(52.9)	(60.9)	(5.3)	(0.2)	41.0	(233.3)
Reinsurance recoveries	56.8	16.9	–	0.9	0.1	(40.3)	34.4
Underwriting expenses	(130.8)	(17.0)	(35.7)	(2.3)	(3.1)	12.8	(176.1)
Profit/(loss) attributable to underwriting	39.3	12.5	85.3	1.0	(2.8)	–	135.3
Investment return							53.1
Other operating income							3.5
Agency expenses (1)	(9.4)	(2.3)	–	(0.2)	–	11.9	–
Other non-underwriting expenses (2)							(4.1)
Finance costs (2)							(10.7)
Profit before taxation							177.1
Combined ratio	85%	81%	53%	87%			73%

Included within the UK gross written premium of Amlin Bermuda is premium ceded from Syndicate 2001 amounting to £111.3 million on reinsurance contracts undertaken at commercial rates.

(1) Agency expenses allocated to segments represent fees and commissions payable to Amlin Underwriting Limited.

(2) Other non-underwriting expenses and finance costs are incurred in support of the entire business of the Group and are not allocated to particular segments.

Assets and liabilities by business segment At 30 June 2009	Amlin London £m	Amlin UK £m	Amlin Bermuda £m	Anglo French Underwriters £m	Other technical £m	Intra group items £m	Total £m
Assets							
Assets attributable to business segments	1,863.5	542.0	1,471.2	18.1	8.5	(90.3)	3,813.0
Assets not allocated between the segments							576.9
Total assets							4,389.9
Liabilities							
Liabilities attributable to business segments	1,802.8	523.6	502.1	17.9	6.4	(90.3)	2,762.5
Liabilities not allocated between the segments							330.1
Total liabilities							3,092.6
Total net assets							1,297.3

The net assets of Amlin Bermuda Ltd are located in Bermuda and the US. The majority of the other assets of the Group are located in the UK, the US and Canada. The corresponding liabilities are also concentrated in these countries, but given the nature of the Group's business some of the liabilities will be located elsewhere in the world.

4. Segmental reporting (continued)

Income and expenses by business segment	Amlin London	Amlin UK	Amlin Bermuda	Other technical	Intra group items	Total
Six months ended 30 June 2008	£m	£m	£m	£m	£m	£m
Gross written premium						
Analysed by geographic segment						
UK	88.5	67.1	89.2	0.4	(73.6)	171.6
US	228.3	–	65.0	–	–	293.3
Europe	59.2	2.2	12.8	–	–	74.2
Worldwide	35.1	0.5	–	–	–	35.6
Other	107.5	7.5	25.8	–	–	140.8
Total	518.6	77.3	192.8	0.4	(73.6)	715.5
Gross earned premium	358.6	67.7	120.0	0.9	(46.0)	501.2
Reinsurance premium ceded	(88.0)	(11.9)	(0.1)	–	44.5	(55.5)
Net earned premium	270.6	55.8	119.9	0.9	(1.5)	445.7
Insurance claims and claims settlement expenses	(143.1)	(35.9)	(45.7)	(0.4)	26.8	(198.3)
Reinsurance recoveries	37.4	10.4	–	0.1	(27.0)	20.9
Underwriting expenses	(91.1)	(15.4)	(14.5)	(0.3)	1.7	(119.6)
Profit attributable to underwriting	73.8	14.9	59.7	0.3	–	148.7
Investment return						22.5
Other operating income						1.6
Agency expenses (1)	(10.9)	(2.0)	–	–	12.9	–
Other non-underwriting expenses (2)						(25.6)
Finance costs (2)						(9.9)
Profit before taxation						137.3
Combined ratio	73%	73%	50%			67%

Included within the UK gross written premium of Amlin Bermuda is premium ceded from Syndicate 2001 amounting to £73.6 million on reinsurance contracts undertaken at commercial rates.

(1) Agency expenses allocated to segments represent fees and commissions payable to Amlin Underwriting Limited.

(2) Other non-underwriting expenses and financing costs are incurred in support of the entire business of the Group and are not allocated to particular segments.

Assets and liabilities by business segment	Amlin London	Amlin UK	Amlin Bermuda	Other technical	Intra group items	Total
At 30 June 2008	£m	£m	£m	£m	£m	£m
Assets						
Assets attributable to business segments	1,597.9	522.1	1,112.0	10.0	(70.7)	3,171.3
Assets not allocated between the UK and Bermuda						553.7
Total assets						3,725.0
Liabilities						
Liabilities attributable to business segments	1,521.5	502.9	313.8	9.2	(70.7)	2,276.7
Liabilities not allocated between the UK and Bermuda						350.6
Total liabilities						2,627.3
Total net assets						1,097.7

4. Segmental reporting (continued)

Income and expenses by business segment	Amlin London	Amlin UK	Amlin Bermuda	Other technical	Intra group items	Total
Year ended 31 December 2008	£m	£m	£m	£m	£m	£m
Gross written premium						
Analysed by geographic segment						
UK	110.7	136.8	125.0	0.5	(106.0)	267.0
US	317.0	–	124.2	–	–	441.2
Europe	82.7	5.3	16.3	–	–	104.3
Worldwide	33.4	1.0	–	–	–	34.4
Other	145.9	9.7	31.5	–	–	187.1
Total	689.7	152.8	297.0	0.5	(106.0)	1,034.0
Gross earned premium	709.8	144.4	271.7	2.3	(100.4)	1,027.8
Reinsurance premium ceded	(182.1)	(22.6)	(0.3)	–	90.7	(114.3)
Net earned premium	527.7	121.8	271.4	2.3	(9.7)	913.5
Insurance claims and claims settlement expenses	(457.0)	(68.0)	(176.7)	0.7	73.2	(627.8)
Reinsurance recoveries	189.0	9.2	–	0.2	(71.3)	127.1
Underwriting expenses	(110.5)	(37.8)	(48.5)	(1.6)	7.8	(190.6)
Profit attributable to underwriting	149.2	25.2	46.2	1.6	–	222.2
Investment return						18.0
Other operating income						2.7
Agency expenses (1)	(19.2)	(3.4)	–	–	22.6	–
Other non-underwriting expenses (2)						(100.1)
Finance costs (2)						(21.2)
Profit before taxation						121.6
Combined ratio	72%	79%	83%			76%

Included within the UK gross premium written of Amlin Bermuda Ltd is premium ceded from Syndicate 2001 amounting to £106.0 million on reinsurance contracts undertaken at commercial rates.

(1) Agency expenses allocated to segments represent fees and commissions payable to Amlin Underwriting Limited.

(2) Other non-underwriting expenses and finance costs are incurred in support of the entire business of the Group and are not allocated to particular segments.

Assets and liabilities by business segment	Amlin London	Amlin UK	Amlin Bermuda	Other technical	Intra group items	Total
At 31 December 2008	£m	£m	£m	£m	£m	£m
Assets						
Assets attributable to business segments	1,831.9	565.6	1,367.1	9.9	(81.2)	3,693.3
Assets not allocated between the UK and Bermuda						424.5
Total assets						4,117.8
Liabilities						
Liabilities attributable to business segments	1,664.5	511.0	415.4	8.7	(81.2)	2,518.4
Liabilities not allocated between the UK and Bermuda						383.3
Total liabilities						2,901.7
Total net assets						1,216.1

5. Net earned premium

	6 months	6 months	12 months
	2009	2008	2008
	£m	£m	£m
Insurance premium			
Gross written premium	950.1	715.5	1,034.0
Change in unearned premium provision	(357.4)	(214.3)	(6.2)
Gross earned premium	592.7	501.2	1,027.8
Reinsurance premium			
Reinsurance premium payable	(140.0)	(82.5)	(118.3)
Change in unearned reinsurance premium provision	57.6	27.0	4.0
	(82.4)	(55.5)	(114.3)
Net premium earned	510.3	445.7	913.5

6. Investment return

	6 months	6 months	12 months
	2009	2008	2008
	£m	£m	£m
Investment income			
– dividend income	5.4	5.6	11.9
– interest income	29.8	27.7	59.7
Cash and cash equivalents interest income	3.5	21.4	34.6
	38.7	54.7	106.2
Net realised gains/(losses) on assets held for trading			
– equity securities	(45.5)	1.3	(4.8)
– debt securities	33.6	13.3	16.9
– property funds	1.4	0.3	(1.8)
– derivative instruments	–	6.8	12.0
	(10.5)	21.7	22.3
Net fair value gains/(losses) on assets held for trading			
– equity securities	45.2	(30.8)	(89.0)
– debt securities	(3.0)	(24.2)	(15.3)
– property funds	(17.3)	(0.6)	(6.2)
– derivative instruments	–	1.7	–
	24.9	(53.9)	(110.5)
	53.1	22.5	18.0

7. Insurance claims and loss adjustment expenses

	6 months 2009 £m	6 months 2008 £m	12 months 2008 £m
Gross claims and loss adjustment expenses			
Current year insurance claims and loss adjustment expenses	279.1	261.0	764.3
Reduced costs for prior period insurance claims	(45.8)	(62.7)	(136.5)
	233.3	198.3	627.8
Reinsurance claims			
Current year insurance claims and loss adjustment expenses recoverable from reinsurers	(8.3)	(23.7)	(148.9)
(Additional)/reduced costs for prior period claims recoverable from reinsurers	(26.1)	2.8	21.8
	(34.4)	(20.9)	(127.1)
Total net insurance claims and loss adjustment expenses	198.9	177.4	500.7

8. Expenses for the acquisition of insurance contracts

	6 months 2009 £m	6 months 2008 £m	12 months 2008 £m
Expenses for the acquisition of insurance contracts	176.8	132.1	191.8
Changes in deferred expenses for the acquisition of insurance contracts	(67.4)	(41.5)	1.2
	109.4	90.6	193.0

9. Other operating expenses

	6 months 2009 £m	6 months 2008 £m	12 months 2008 £m
Expenses relating to underwriting			
Employee expenses, excluding employee incentives	16.7	15.2	28.8
Lloyd's expenses	7.0	10.1	17.2
Other administrative expenses	14.4	10.7	27.1
Underwriting exchange losses/(gains)	28.6	(7.0)	(75.5)
	66.7	29.0	(2.4)
Other expenses			
Employee expenses, excluding employee incentives	6.8	5.3	9.5
Employee incentives	12.0	11.3	21.5
Asset management fees	2.3	1.6	3.4
Other administrative expenses	6.3	7.4	9.1
Group company exchange (gains)/losses	(23.3)	–	56.6
	4.1	25.6	100.1
	70.8	54.6	97.7

10. Tax

	6 months	6 months	12 months
	2009	2008	2008
	£m	£m	£m
Current tax			
– UK corporation tax	40.3	15.0	22.9
– Prior period under provision	–	0.4	–
– Foreign tax suffered	0.2	4.9	–
– Double tax relief	–	(4.1)	–
	40.5	16.2	22.9
Current tax – prior year			
– UK corporation tax	(0.2)	–	(2.8)
	(0.2)	–	(2.8)
Deferred tax – current year			
Movement in assets	0.1	2.7	4.6
Movement in liabilities	(29.6)	10.3	16.0
	(29.5)	13.0	20.6
Deferred tax – prior year			
Movement in assets	(0.7)	–	–
Movement in liabilities	–	–	0.5
	(0.7)	–	0.5
Taxes on income	10.1	29.2	41.2

11. Dividends

The amounts recognised as distributions to equity holders are as follows:

	6 months	6 months	12 months
	2009	2008	2008
	£m	£m	£m
Final dividend for the year ended:			
– 31 December 2007 of 10.0 pence per ordinary share	–	47.6	47.6
– 31 December 2008 of 11.0 pence per ordinary share	51.7	–	–
Interim dividend for the year ended:			
– 31 December 2008 of 6.0 pence per ordinary share	–	–	28.0
	51.7	47.6	75.6

The interim dividend of 6.5 pence per ordinary share for 2009, amounting to £32.6 million, was approved by the Board on 21 August 2009 and has not been included as a liability as at 30 June 2009.

12. Earnings and net assets per share

Earnings per share are based on the profit attributable to shareholders and the weighted average number of shares in issue during the period. Shares held in Treasury or by the Employee Share Ownership Trust (ESOT) are excluded from the weighted average number of shares.

	6 months 2009	6 months 2008	12 months 2008
Basic and diluted earnings per share are as follows:			
Profit for the period/year attributable to equity holders of the Parent Company	£167.0m	£108.1m	£80.3m
Weighted average number of shares in issue	473.9m	475.0m	471.2m
Dilutive shares	5.9m	5.9m	5.6m
Adjusted average number of shares in issue	479.8m	480.9m	476.8m
Basic earnings per share	35.2p	22.8p	17.1p
Diluted earnings per share	34.8p	22.5p	16.9p

	30 June 2009	30 June 2008	31 December 2008
Basic and tangible net assets per share are as follows:			
Net assets	£1,297.3m	£1,097.5m	£1,216.1m
Adjustments for intangible assets	£(104.6m)	£(68.4m)	£(110.2m)
Tangible net assets	£1,192.7m	£1,029.1m	£1,105.9m
Number of shares in issue at end of period/year	502.1m	478.6m	478.6m
Adjustment for Treasury and ESOT shares	(9.1m)	(6.7m)	(10.0m)
Basic number of shares after Treasury and ESOT adjustment	493.0m	471.9m	468.6m
Net assets per share	263.1p	232.6p	259.5p
Tangible net assets per share	241.9p	218.1p	236.0p

13. Changes in Equity

The following tables analyse the movement in the condensed consolidated statement of changes in equity between the reserve accounts.

For the six months ended 30 June 2009

	Notes	Share capital £m	Share premium £m	Other reserves £m	Treasury shares £m	Minority interest £m	Retained earnings £m	Total £m
At 1 January 2009		134.6	231.5	272.4	(25.1)	0.3	602.4	1,216.1
Gains on revaluation of hedge instruments		-	-	32.8	-	-	-	32.8
Currency translation differences on overseas operations		-	-	(122.1)	-	-	-	(122.1)
Foreign exchange gains on translation of intangibles arising from investments in overseas operations	17	-	-	(3.8)	-	-	-	(3.8)
Defined benefit pension fund actuarial losses		-	-	(24.0)	-	-	-	(24.0)
Deferred tax relating to components of other comprehensive income	16	-	-	6.0	-	-	-	6.0
Profit for the financial period		-	-	-	-	-	167.0	167.0
Total comprehensive income for the period		-	-	(111.1)	-	-	167.0	55.9
Employee share option schemes:								
- share based payment reserve		-	-	0.7	0.5	-	-	1.2
- proceeds from shares issued	18	6.6	68.2	-	1.7	-	(0.5)	76.0
Purchase of treasury shares	18	-	0.1	-	-	-	-	0.1
Net purchase of employee share ownership trust shares		-	-	(0.3)	-	-	-	(0.3)
Dividends paid	11	-	-	-	-	-	(51.7)	(51.7)
Return of capital	18	-	-	0.2	-	-	(0.2)	-
		6.6	68.3	0.6	2.2	-	(52.4)	25.3
At 30 June 2009		141.2	299.8	161.9	(22.9)	0.3	717.0	1,297.3

For the six months ended 30 June 2008

	Notes	Share capital £m	Share premium £m	Other reserves £m	Treasury shares £m	Minority interest £m	Retained earnings £m	Total £m
At 1 January 2008		134.4	230.8	(30.2)	(2.1)	0.4	719.0	1,052.3
Gains on revaluation of hedge instruments		-	-	0.1	-	-	-	0.1
Currency translation differences on overseas operations		-	-	(0.3)	-	-	-	(0.3)
Deferred tax relating to components of other comprehensive income		-	-	(0.3)	-	-	-	(0.3)
Profit for the financial period		-	-	-	-	-	108.1	108.1
Total comprehensive income for the period		-	-	(0.5)	-	-	108.1	107.6
Employee share option schemes:								
- share based payment reserve		-	-	(0.9)	-	-	-	(0.9)
- proceeds from shares issued	18	0.2	0.7	-	-	-	-	0.9
Purchase of treasury shares	18	-	-	-	(14.1)	-	-	(14.1)
Net purchase of employee share ownership trust shares		-	-	-	(0.4)	-	-	(0.4)
Dividends paid	11	-	-	-	-	(0.2)	(47.5)	(47.7)
Return of capital	18	-	-	117.8	-	-	(117.8)	-
		0.2	0.7	116.9	(14.5)	(0.2)	(165.3)	(62.2)
At 30 June 2008		134.6	231.5	86.2	(16.6)	0.2	661.8	1,097.7

13. Changes in Equity (continued)

For the twelve months ended 31 December 2008

	Notes	Share capital £m	Share premium £m	Other reserves £m	Treasury shares £m	Minority interest £m	Retained earnings £m	Total £m
At 1 January 2008		134.4	230.8	(30.2)	(2.1)	0.4	719.0	1,052.3
Losses on revaluation of hedge instruments		-	-	(74.7)	-	-	-	(74.7)
Currency translation differences on overseas operations		-	-	256.1	-	-	-	256.1
Foreign exchange gains on translation of intangibles arising from investments in overseas operations	17	-	-	4.7	-	-	-	4.7
Defined benefit pension fund actuarial losses		-	-	(5.9)	-	-	-	(5.9)
Deferred tax relating to components of other comprehensive income		-	-	2.8	-	-	-	2.8
Profit for the financial year		-	-	-	-	0.1	80.3	80.4
Total comprehensive income for the year		-	-	183.0	-	0.1	80.3	263.4
Employee share option scheme:								
- share based payment reserve		-	-	0.4	-	-	-	0.4
- proceeds from shares issued	18	0.2	0.7	-	5.0	-	(2.1)	3.8
Purchase of treasury shares	18	-	-	-	(28.0)	-	-	(28.0)
Dividends paid	11	-	-	-	-	(0.2)	(75.6)	(75.8)
Return of capital	18	-	-	119.2	-	-	(119.2)	-
		0.2	0.7	119.6	(23.0)	(0.2)	(196.9)	(99.6)
At 31 December 2008		134.6	231.5	272.4	(25.1)	0.3	602.4	1,216.1

14. Financial investments

	At valuation 30 June 2009 £m	At valuation 30 June 2008 £m	At valuation 31 December 2008 £m
Financial assets held for trading at fair value through income			
Shares and other variable yield securities	175.8	207.6	190.7
Debt and other fixed income securities	1,865.1	1,478.5	1,805.3
Property	57.9	81.5	83.5
Other financial assets at fair value through income			
Participation in investment pools	738.3	788.4	789.0
Deposits with credit institutions	23.0	8.4	29.0
Derivative instruments	11.1	1.4	(40.0)
Other	1.3	-	2.0
Available for sale financial assets			
Unlisted equities	8.6	-	8.6
	2,881.1	2,565.8	2,868.1
In Group owned companies	1,380.1	1,213.6	1,291.2
In Syndicate 2001	1,496.8	1,348.4	1,573.1
In non-aligned syndicate participations	4.2	3.8	3.8
	2,881.1	2,565.8	2,868.1
Listed investments included in Group: owned total are as follows:			
Shares and other variable yield securities	175.8	207.6	190.7
Debt and other fixed income securities	1,865.1	1,424.8	1,739.8
	2,040.9	1,632.4	1,930.5

Notes to the Interim Financial Statements (continued)

14. Financial investments (continued)

All financial investments are held at fair value, with all gains and losses, realised and unrealised, recorded through the income statement. Fixed maturity and equity securities are classified as trading assets, as the Group buys with the intention to resell.

Participation in investment pools includes units held in money market funds. Deposits with credit institutions include cash held by fund managers and LOC collateral.

Included within debt and other fixed income securities and deposits with credit institutions are overseas deposits amounting to £70.6 million (31 December 2008: £71.1 million). Overseas deposits represent balances held with overseas regulators to permit underwriting in certain territories. These assets are managed by Lloyd's on a pooled basis and are predominantly invested in debt and other fixed income securities.

Unlisted equity investments are the Group's investments of 19.9% of the shares in Miles Smith plc and TL Dallas Group Limited acquired for £4.6 million and £4.0 million on 22 July 2008 and 13 August 2008 respectively. No provision has been made for the impairment of these investments as at 30 June 2009.

Asset allocation Type of asset	At 30 June 2009				At 30 June 2008		At 31 December 2008	
	Policyholders' assets £m	Capital assets £m	Total assets £m	%	Total assets £m	%	Total assets £m	%
Bonds	904.1	970.1	1,874.2	65.3	1,489.4	58.0	1,821.0	63.1
Other liquid investments	406.1	356.4	762.5	26.6	789.8	30.7	789.9	27.4
Equities	–	176.5	176.5	6.1	208.3	8.1	190.8	6.6
Property	–	57.9	57.9	2.0	81.6	3.2	83.5	2.9
	1,310.2	1,560.9	2,871.1	100.0	2,569.1	100.0	2,885.2	100.0
Type of bond								
Government securities	283.6	250.7	534.3	28.5	686.1	46.0	882.4	48.4
Government index-linked securities	10.6	–	10.6	0.6	3.2	0.2	11.7	0.6
Government agencies/guaranteed ¹	176.3	5.3	181.6	9.7	106.7	7.2	172.2	9.5
Supranational	67.0	–	67.0	3.6	33.9	2.3	33.7	1.9
Asset backed securities	41.7	40.6	82.3	4.4	123.5	8.3	136.0	7.5
Mortgage backed securities	97.8	38.0	135.8	7.2	98.8	6.6	112.8	6.2
Corporate bonds	227.1	51.5	278.6	14.9	202.5	13.6	221.1	12.1
Pooled vehicles	–	543.0	543.0	29.0	224.2	15.1	228.2	12.5
Insurance linked securities	–	41.0	41.0	2.1	10.5	0.7	22.9	1.3
	904.1	970.1	1,874.2	100.0	1,489.4	100.0	1,821.0	100.0
Assets by region² (excluding pooled vehicles)								
United Kingdom	104.5	387.8	492.3	21.1	559.8	23.9	452.6	17.0
USA and Canada	908.4	450.2	1,358.6	58.4	1,368.7	58.3	1,638.0	61.6
Europe (excluding UK)	267.0	140.8	407.8	17.5	327.1	14.0	487.9	18.4
Far East	24.4	39.1	63.5	2.8	78.2	3.3	68.6	2.6
Emerging markets	5.9	–	5.9	0.2	11.9	0.5	9.9	0.4
	1,310.2	1,017.9	2,328.1	100.0	2,345.7	100.0	2,657.0	100.0
Credit ratings of corporate bonds³ (including government guaranteed bonds)								
AAA	117.0	–	117.0	30.5	95.3	37.0	131.0	43.3
AA	118.5	8.4	126.9	33.1	74.1	28.8	37.1	12.3
A	80.8	19.7	100.5	26.2	54.6	21.2	86.8	28.7
BBB	15.4	23.4	38.8	10.1	33.4	13.0	47.5	15.7
Other	0.3	–	0.3	0.1	–	–	–	–
	332.0	51.5	383.5	100.0	257.4	100.0	302.4	100.0

Notes:

- 1) £28.9 million of government agencies/guaranteed assets are mortgaged backed (31 December 2008: £49.1 million, 30 June 2008: £32.5 million) and £104.9 million are government guaranteed corporate bonds (31 December 2008: £81.3 million, 30 June 2008: £54.9 million). Pooled vehicles are excluded.
- 2) The regional table excludes bond pooled vehicles.
- 3) The credit rating of corporate bonds table includes £104.9 million of government guaranteed corporate bonds however, excludes £30.1 million of ILS (31 December 2008: £81.3 million and £18.0 million, 30 June 2008: £54.9 million and £6.4 million).

14. Financial investments (continued)

The total value of investments in the asset allocation table reconciles to the financial investment note as follows:

	30 June 2009	30 June 31 2008	December 2008
	£m	£m	£m
Financial investments per note	2,881.1	2,565.8	2,868.1
Assets shown separately in the notes to the accounts:			
Accrued income	11.0	28.8	16.1
Net unsettled payables for investments sold	5.8	(19.4)	(15.9)
Assets not analysed in the investment risk tables that follow:			
Liquid investments	(2.9)	(0.9)	(10.7)
Unlisted equities	(8.6)	–	(8.6)
Non-aligned syndicates	(4.2)	(3.8)	(3.8)
Derivative instruments	(11.1)	(1.4)	40.0
Total investments in asset allocation tables	2,871.1	2,569.1	2,885.2

Using Standard & Poor's and Moody's as rating sources, the credit ratings of the Group's investments in debt and other fixed income securities is set out below:

	30 June 2009	30 June 31 2008	December 2008
	£m	£m	£m
Credit rating			
AAA/Aaa	968.9	1,068.8	1,350.1
AA/Aa	149.5	93.3	53.6
A	117.9	58.0	99.3
BBB/Baa	56.8	35.6	70.4
Other	38.1	9.5	19.5
	1,331.2	1,265.2	1,592.9
Non-aligned syndicates	4.2	2.6	3.8
Pooled debt funds for which overall rating not available	543.0	224.2	228.1
	1,878.4	1,492.0	1,824.8

The weighted average credit rating for pooled debt of £543.0 million is AA.

Using Standard & Poor's as rating sources, the credit ratings of the Group's asset, mortgage backed securities and corporate bonds are:

Credit rating	AAA	AA	A	BBB	Other
Mortgage backed securities	91.3%	–	2.2%	2.3%	4.2%
Asset backed securities	83.0%	3.2%	7.2%	6.4%	0.2%
Corporate bonds	8.1%	42.5%	35.7%	13.6%	0.1%

15. Insurance contracts and reinsurance assets

	Claims reserves £m	Unearned premium reserves £m	Other insurance assets and liabilities £m	Total £m
Insurance liabilities				
At 1 January 2008	1,350.2	501.8	34.0	1,886.0
Movement in period	(6.7)	214.3	10.0	217.6
Exchange adjustments	(0.7)	0.8	(0.1)	–
At 30 June 2008	1,342.8	716.9	43.9	2,103.6
Movement in period	50.6	(206.5)	29.8	(126.1)
Exchange adjustments	299.4	39.0	11.2	349.6
At 31 December 2008	1,692.8	549.4	84.9	2,327.1
Movement in period	(38.4)	357.4	58.8	377.8
Exchange adjustments	(130.1)	(26.5)	(15.7)	(172.3)
At 30 June 2009	1,524.3	880.3	128.0	2,532.6

From 1994 to 1999 the Group participated on a number of Lloyd's syndicates other than those managed by the Group. From 2000 the Group ceased to underwrite directly on non-aligned syndicates. However, a number of syndicates remain "open" and Amlin's liabilities are still to be finalised. Provisions are made for potential future insurance claims. Included within the claims provisions in the table above are provisions in respect of non-aligned syndicate participations of £2.6 million (31 December 2008: £2.6 million).

The claims reserves are further analysed between notified outstanding claims and incurred but not reported claims below:

	30 June 2009 £m	30 June 31 December 2008 £m	2008 £m
Notified outstanding claims	956.2	797.0	1,040.9
Claims incurred but not reported	568.1	545.8	651.9
Insurance contracts claims reserves	1,524.3	1,342.8	1,692.8

	Claims reserves £m	Unearned premium reserves £m	Other insurance assets and liabilities £m	Total £m
Reinsurance assets				
At 1 January 2008	270.2	27.5	319.2	616.9
Movement in period	(11.7)	27.0	93.4	108.7
Exchange adjustments	(0.5)	–	(0.2)	(0.7)
At 30 June 2008	258.0	54.5	412.4	724.9
Movement in period	34.0	(23.5)	(153.6)	(143.1)
Exchange adjustments	68.8	–	66.3	135.1
At 31 December 2008	360.8	31.0	325.1	716.9
Movement in period	(9.5)	57.6	111.5	159.6
Exchange adjustments	(21.1)	(1.7)	(36.2)	(59.0)
At 30 June 2009	330.2	86.9	400.4	817.5

16. Deferred tax

The deferred tax asset is attributable to temporary differences arising on the following:

	Provisions for losses £m	Other provisions £m	Pensions provisions £m	Other temporary differences £m	Total £m
At 1 January 2009	1.0	4.7	1.8	3.6	11.1
Movements in period					
– Income statement	(0.3)	(0.7)	–	1.6	0.6
– Equity	–	–	6.7	(0.7)	6.0
At 30 June 2009	0.7	4.0	8.5	4.5	17.7
At 30 June 2008	1.0	4.4	0.5	4.5	10.4

The deferred tax liability is attributable to temporary differences arising on the following:

	Underwriting results £m	Unrealised capital gains £m	Syndicate capacity £m	Overseas earnings £m	Other temporary differences £m	Total £m
At 1 January 2009	122.9	–	5.3	16.1	0.3	144.6
Movements in period						
– Income statement	(30.3)	–	0.4	–	0.3	(29.6)
At 30 June 2009	92.6	–	5.7	16.1	0.6	115.0
At 30 June 2008	108.0	0.4	4.9	24.8	0.3	138.4

The underwriting results of the Group's participation on Syndicate 2001 are taxed when profits are distributed from the Syndicate in the year following the closure of that underwriting year. An underwriting year usually closes three years after its commencement. Accordingly deferred tax is provided for profits attributable to each underwriting year prior to closure which are included in the annual accounting result. The provision is released only when the underwriting year result is distributed and taxed. As a result the deferred tax provisions contain amounts relating to the future tax liabilities arising on the 2006, 2007, 2008 and 2009 underwriting year results that have been accounted for in the Group's income statement to date.

17. Intangible assets

	Syndicate participations £m	Goodwill £m	Other intangibles £m	Total £m
Net book value				
At 30 June 2008	63.2	2.8	2.4	68.4
Acquisitions	–	27.5	10.4	37.9
Amortisation	–	–	(0.8)	(0.8)
Foreign exchange gains	–	3.6	1.1	4.7
At 31 December 2008	63.2	33.9	13.1	110.2
Amortisation	–	–	(1.8)	(1.8)
Foreign exchange losses	–	(2.9)	(0.9)	(3.8)
At 30 June 2009	63.2	31.0	10.4	104.6

Syndicate participations represent the ongoing rights, acquired in Lloyd's auctions, to trade on Syndicate 2001 within the Lloyd's insurance market.

Included within goodwill and other intangibles acquired during 2008 are amounts relating to the acquisition of Anglo French Underwriters (AFU).

Other intangibles also include the costs of acquiring rights to customer contractual relationships. The additions during 2008 comprise the Group's acquisition of certain customer relationships from HCC Underwriting Agency Limited.

18. Share capital

Authorised ordinary shares	Number	£m
At 1 January 2008 and 30 June 2008 authorised ordinary shares of 28.125p each	711,111,104	200.0
At 31 December 2008 authorised ordinary shares of 28.125p each	711,111,104	200.0
Increase in shares authorised	88,888,896	25.0
At 30 June 2009 authorised ordinary shares of 28.125p each	800,000,000	225.0

Authorised redeemable non-cumulative preference shares (B shares)	Number	£m
At 1 January 2008 and 30 June 2008 authorised B shares of 22.4p each	544,642,000	122.0
At 31 December 2008 authorised B shares of 22.4p each	544,642,000	122.0
At 30 June 2009 authorised B shares of 22.4p each	544,642,000	122.0

Allotted, called up and fully paid ordinary shares	Number	£m
At 1 January 2008 allotted ordinary shares of 28.125p each	477,984,195	134.4
Shares issued	589,244	0.2
At 30 June 2008 allotted ordinary shares of 28.125p each	478,573,439	134.6
At 31 December 2008 allotted ordinary shares of 28.125p each	478,573,439	134.6
Shares issued	23,502,567	6.6
At 30 June 2009 allotted ordinary shares of 28.125p each	502,076,006	141.2

During the period the Company transferred 659,399 shares out of treasury shares at a cost of £1.3 million (31 December 2008: 2,001,348 at a cost of £5.0 million). The shares have been transferred to meet exercises of employee share options, leaving 8,104,253 ordinary shares in treasury at 30 June 2009 (31 December 2008: 8,763,652).

18. Share capital (continued)

During June 2009 the Company placed 23,502,567 new ordinary shares of 28.125 pence each in Amlin to raise funds of £76.3 million to be used towards the purchase of Fortis Corporate Insurance N.V. at a cost of £1.5 million, which was deducted from share premium.

Issued redeemable non-cumulative preference shares (B shares)	Number	£m
At 1 January 2008 issued B shares of 22.4p each	537,464,619	120.4
B shares redemption	(526,085,201)	(117.8)
At 30 June 2008 issued B shares of 22.4p each	11,379,418	2.6
B shares redemption	(6,043,943)	(1.4)
At 31 December 2008 issued B shares of 22.4p each	5,335,475	1.2
B shares redemption	(1,113,263)	(0.2)
At 30 June 2009 issued B shares of 22.4p each	4,222,212	1.0

On 14 November 2007, the Group announced its intention to return approximately £120 million of capital to shareholders by way of a B share issue combined with a consolidation of Amlin's existing shares on the basis of 8 new ordinary shares for 9 existing ones. This was subsequently approved by the shareholders at an Extraordinary General Meeting held on 12 December 2007.

B shares were issued on 17 December 2007 to existing shareholders on the basis of one B share for each ordinary share held on 14 December 2007. Each B share enabled the shareholder to redeem the share at 22.4 pence per share at various dates in the future up to August 2009 or alternatively to receive a B share initial dividend in January 2008 of 22.4 pence per share. Following such dividend receipt, the relevant B shares were converted into deferred shares which were themselves redeemed on 14 January 2008 for a total redemption value of one penny in all.

The amount outstanding to be returned to the remaining B shareholders at 30 June 2009 is recognised as a liability in the Trade and other payables line of the Balance Sheet. On 3 August 2009 all of the remaining outstanding B shares were redeemed by the Company.

19. Financial liabilities – borrowings

	30 June 2009	30 June 2008	31 December 2008
	£m	£m	£m
Subordinated bonds	288.2	277.6	295.9

The Group's borrowings comprise three issues of subordinated debt.

Details of the subordinated debt issues are as follows:

Issue date	Principal amount	Reset date	Maturity date	Interest rate to reset date	Interest rate from reset date to maturity date
				%	%
23 November 2004	\$50m	November 2014	November 2019	7.11	LIBOR + 3.48
15 March 2005	\$50m	March 2015	March 2020	7.28	LIBOR + 3.32
25 April 2006	£230m	December 2016	December 2026	6.50	LIBOR + 2.66

The bonds will be redeemed on the maturity dates at the principal amounts, together with any outstanding accrued interest. The Group has the option to redeem the bonds in whole, subject to certain requirements, on the reset dates or any interest payment date thereafter at the principal amount plus any outstanding accrued interest.

19. Financial liabilities – borrowings (continued)

The directors' estimation of the fair value of the Group's borrowings is £346.9 million (31 December 2008: £360.4 million).

On 3 September 2008 the Company and certain of its subsidiaries entered into a renegotiated debt facility with its banks which is available for five years from the date of signing and provides an unsecured £250 million multicurrency revolving credit facility available by way of cash advances or letter of credit (LOC) and a secured \$200 million LOC. The facility is guaranteed by the Company's subsidiaries Amlin Corporate Services Limited and Amlin (Overseas Holdings) Limited. The secured LOC is secured by a fixed charge over a portfolio of assets managed by Insight Investment Management (Global) Limited with State Street Bank and Trust Company as custodian. As at 30 June 2009 the facility was undrawn.

On 3 September 2008 Amlin Bermuda Ltd cancelled its previous unsecured revolving credit facility of \$100 million. On 23 October 2008 Amlin Bermuda Ltd extended its existing secured LOC facility of \$200 million to 31 December 2009. The secured LOC facility is secured by a registered charge over a portfolio of assets managed by Aberdeen Asset Management Limited with State Street Bank and Trust Company as custodian. As at 30 June 2009 \$93.7 million (31 December 2008: \$36.8 million) LOCs were issued.

20. Retirement benefit obligations**Defined benefit schemes**

The defined benefit obligation as at 30 June 2009 is calculated on a year-to-date basis, using the latest actuarial valuation as at 31 December 2008. There have not been any significant fluctuations or one-time events since that date. The actuarial assumptions made at 31 December 2008 have been adjusted as follows:

	6 months 2009 % pa	12 months 2008 % pa
Price inflation	3.4	2.8
Rate of increase in pension payment		
– LPI (maximum 5% pa)	3.4	2.8
– LPI (minimum 3% pa, maximum 5% pa)	3.6	3.5
– LPI (maximum 3% pa)	3.0	2.3
Rate of increase of statutory revaluation on deferred pension	3.4	2.8
Discount rate	6.1	6.3

The change of price inflation rate is based on the latest Bank of England curve which reflects the inflation expectations implicit in gilt prices. The rates of increase in pension payments and of statutory revaluation on deferred pension are adjusted in line with the inflation rate. The discount rate is determined by reference to the yield available on high quality bonds, with adjustments for the shape of the yield curve and significant downgrades of corporate bonds.

During 2005 the Group reviewed its remaining defined benefit arrangements and made a number of changes to the schemes' operations, which were implemented during 2006. In particular in order to remove much of the risk associated with salary inflation, the scheme was changed to allow members to continue accruing additional years' service under the schemes, but these accruals would be generally based on March 2006 pensionable salaries. Future salary increases are pensionable through the defined contribution schemes. Therefore the salary inflation assumption used for the ongoing valuation is now nil %.

20. Retirement benefit obligations (continued)

The mortality assumptions used in the latest valuation included the following life expectancies:

Life expectancy (years) at age 60 for a member currently:	30 June 2009		31 December 2008	
	Male	Female	Male	Female
Aged 60	25.4	28.4	25.3	28.3
Aged 45	26.7	29.5	26.6	29.5

The defined benefit plan assets have been updated to reflect their market value as at 30 June 2009. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial gain or loss in the Statement of Comprehensive Income and the Statement of Changes in Equity in accordance with the Group's accounting policy.

Amounts recognised in the Statement of Comprehensive Income and the Statement of Changes in Equity are as follows:

	6 months 2009	12 months 2008
	£m	£m
Recognition of actuarial loss	24.0	31.2
Ceiling limit on asset gains	-	(23.0)
Reversal of contractual cash obligations	-	(2.3)
Total loss recognised	24.0	5.9

In addition, amounts recognised in income in respect of the defined benefit scheme are as follows:

	6 months 2009	12 months 2008
	£m	£m
Current service cost	0.3	0.5
Interest cost	8.0	16.5
Expected return on scheme assets	(7.8)	(19.1)
Reversal of provision for additional pension payments	-	(0.5)
Total debited/(credited) to income (included in staff costs)	0.5	(2.6)

The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement benefit scheme is as follows:

	30 June 2009	31 December 2008
	£m	£m
Present value of defined benefit obligations	(283.0)	(260.0)
Fair value of scheme assets	255.0	256.0
Liability recognised in the Balance Sheet	(28.0)	(4.0)

21. Cash generated from operations

		6 months	6 months	12 months
	Notes	2009	2008	2008
		£m	£m	£m
Profit on ordinary activities before taxation		177.1	137.3	121.6
Adjustments for non-operating cash movements:				
Depreciation charge		1.1	1.0	3.3
Amortisation charge	17	1.8	0.6	1.4
Finance costs		10.7	9.9	21.2
Interest received	6	(33.3)	(49.1)	(94.3)
Dividends received	6	(5.4)	(5.6)	(11.9)
(Gains)/losses on investments realised and unrealised	6	(14.4)	32.2	88.2
Movement in operating assets and liabilities:				
Net (purchases)/sales of financial investments		(55.2)	46.2	155.4
Exchange losses/(gains) on investments		89.5	–	(547.5)
Increase in loans and receivables		(147.1)	(95.4)	(157.4)
Decrease in reinsurance contract assets		(100.6)	(107.9)	(100.0)
Increase in insurance contract liabilities		205.5	217.6	441.0
Decrease/(increase) in trade and other payables		(51.7)	(31.1)	37.2
(Decrease)/increase in retirement benefits		–	(1.1)	1.2
Exchange (gains)/losses on long-term borrowings		(7.8)	–	18.1
Exchange (losses/gains) on other non-operating assets and liabilities		(121.9)	–	250.2
Decrease/(increase) in other reserves		2.0	(1.7)	–
Other non-cash movements		1.1	(0.2)	(5.3)
Cash generated from operations		(48.6)	152.7	222.4

The Group classifies cash flows from purchase and disposal of financial assets in its operating cash flows as these transactions are generated by the cash flows associated with the origination and settlement of insurance contract liabilities or capital requirements to support underwriting. Cash of £55.2 million from net purchases of financial investments was utilised in operations during the period (31 December 2008: £155.4 million from net sales of financial investments was utilised in operations).

Cash flows relating to participations on syndicates not managed by the Group are included only to the extent that cash is transferred between the Premium Trust Funds and the Group.

22. Contingent liabilities

The Group has no contingent liabilities at 30 June 2009 (31 December 2008: Nil; 30 June 2008: £16.7 million).

23. Related party transactions

Reinsurance contracts between Syndicate 2001 and Amlin Bermuda Ltd (ABL)

Syndicate 2001 places a number of reinsurance contracts with ABL, a wholly owned subsidiary of the Group.

In the period ended 30 June 2009, the reinsurance contracts placed by Syndicate 2001 with ABL are:

- nine proportional treaty reinsurance contracts for marine, direct property, special risks, specie, war, excess of loss treaty, combined hull, cargo and liability and miscellaneous classes of business;
- a whole account quota share for the 2009 underwriting year; and
- one excess of loss reinsurance contract for aviation.

In the period ended 30 June 2009, ABL placed one excess of loss reinsurance contract with Syndicate 2001.

All reinsurance contracts were agreed on an arms length basis with terms that are consistent with those negotiated with third parties. These reinsurance contracts are eliminated on consolidation of the Group's results and the effects on the income statements of such eliminations can be seen in note 4, segmental reporting, under the column 'intra group items'.

The amount of gross written premium ceded to ABL during the period ended 30 June 2009 was £111.3 million (31 December 2008: £106.0 million; 30 June 2008: £73.6 million) being £31.5 million (31 December 2008: £36.3 million; 30 June 2008: £26.2 million) of specific variable cessions and £79.8 million (31 December 2008: £69.7 million; 30 June 2008: £47.4 million) of Syndicate 2001 whole account quota share. ABL recorded a profit of £2.6 million on these reinsurance contracts for the same period (31 December 2008: £34.9 million; 30 June 2008: £15.5 million).

At 30 June 2009 balances included within ABL with respect to Syndicate 2001 reinsurance contracts include:

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Insurance receivables	96.5	74.1	56.2
Insurance contracts			
– outstanding claims	(107.7)	(65.2)	(102.2)
– unearned premium	(104.8)	(71.8)	(69.7)
– creditors arising from insurance operations	(15.6)	(12.7)	(18.7)

In addition, cash amounting to £27.1 million (31 December 2008: £55.6 million; 30 June 2008: £23.6 million) was paid by Syndicate 2001 to ABL in respect of these contracts.

For the 2009 underwriting year of account the Group set up a special purpose syndicate (SPS), Syndicate 6106. The SPS was established to write a 15% quota share contract of the excess of loss reinsurance account of Syndicate 2001. The transactions provide external members capital to support 2009 underwriting, enabling Syndicate 2001 to take advantage of strong opportunities in peak zones in the US, Japan and Europe. Brian Carpenter, a director of the Company and of Amlin Underwriting Limited, participates as a Name on Syndicate 6106. All transactions with Syndicate 6106 are undertaken on an arms length basis.

24. Events after the balance sheet date

On 22 July 2009, the Group acquired Fortis Corporate Insurance N.V., a leading provider of corporate property and casualty insurance in the Netherlands and Belgium, for €350.0 million (renamed Amlin Corporate Insurance N.V.).

The purpose of the acquisition is to expand the Group's non-catastrophe portfolio, acquiring the skilled workforce to drive future profitability in this area. It also provides a Continental European underwriting platform with scope for future growth.

At 31 December 2008 ACI's net assets were €245.8 million, comprising assets of €1,723.4 million and liabilities of €1,477.6 million. The circular to shareholders on 15 June 2009 provided a provisional intangible assets figure for the purchase of ACI of £103.7 million. However, this figure was based on 31 December 2008 figures and no account was taken for prospective fair value adjustments.

The proforma balance sheet at 31 December 2006, 2007 and 2008 is shown below:

	31 December		
	2006	2007	2008
	€m	€m	€m
Assets			
Cash and cash equivalents	19,623	4,118	48,633
Investments	1,024,352	1,096,441	1,151,138
Reinsurance and other receivables	436,158	444,671	450,774
Other	35,310	40,783	72,875
Total assets	1,515,443	1,586,013	1,723,420
Liabilities			
Liabilities arising from insurance contracts	965,137	1,121,011	1,290,492
Other	208,032	185,103	187,071
Total liabilities	1,173,169	1,306,114	1,477,563
Shareholder's equity	342,274	279,899	245,857
Total liabilities and shareholder's equity	1,515,443	1,586,013	1,723,420

25. Principal exchange rates

The principal exchange rates used in translating foreign currency assets, liabilities, income and expenditure in the production of these financial statements were:

	H1		H1		At	
	2009	At 30 June	2008	At 30 June	2008	31 December
	Average rate	2009	Average rate	2008	Average rate	2008
US dollar	1.50	1.65	1.98	1.99	1.85	1.46
Canadian dollar	1.80	1.91	1.99	2.03	1.96	1.78
Euro	1.12	1.17	1.29	1.27	1.26	1.05

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit or loss as required by DTR 4.2.4R;
- (b) the interim management statement includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management statement includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and charges therein).

By order of the Board

Charles Philipps
Chief Executive
21 August 2009

Richard Hextall
Group Financial Director
21 August 2009

Independent Review Report to Amlin Plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 25. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
21 August 2009
London, UK

The additional information consisting of the shareholder information and directors and advisers has been prepared from the records of the Company. Whilst it does not form part of the interim statement, it should be read in conjunction with it and with the responsibilities section of the independent review report thereon.

Financial Calendar

2009

11 September	Record date for payment of 2009 interim dividend
8 October	Payment of 2009 interim dividend

2010

1 March	Expected announcement date of results for the year ending 31 December 2009
13 May	Annual General Meeting
20 May	Payment of 2009 final dividend, subject to shareholder approval

Shareholders' dealings

The Company's stockbroker, RBS Hoare Govett Limited, offers a low cost postal dealing service, which enables UK resident investors to buy or sell certificated holdings of the Company's shares in what may be a convenient manner. Basic commission is 1% of the transaction value, with a minimum charge of £15. Transactions are executed by NatWest Stockbrokers and settled by T D Waterhouse Nominees (Europe) Limited. Forms may be obtained from the Company Secretarial Department, Amlin plc, St Helen's, 1 Undershaft, London EC3A 8ND (Tel. 020 7746 1006) or direct from NatWest Stockbrokers, Waterhouse Square, 138-142 Holborn, London, EC1N 2TH (Tel 0808 208 4433). This service is not available to non-UK residents who may, however, contact NatWest Stockbrokers for details of other services that may be available. RBS Hoare Govett Limited, NatWest Stockbrokers and T D Waterhouse Nominees (Europe) Limited are each authorised and regulated by the Financial Services Authority.

Shareholder enquiries, register and website

Please call our Sharehold Enquiries Line on 020 7746 1111, or, for enquiries concerning share registration, call our Registrar, Computershare Investor Services PLC, on 0870 703 6165.

Amlin's website is at www.amlin.com

Directors and advisers
as at 21 August 2009

Directors

Roger Taylor (Chairman)*
Charles Philipps (Chief Executive)
Nigel Buchanan*+
Brian Carpenter
Richard Davey*
Marty Feinstein*
Richard Hextall (Finance Director)
Tony Holt*
Sir Mark Wrightson Bt*
Christine Bosse*

* Non-executive
+ Senior independent director

Audit Committee

Nigel Buchanan (Chairman)
Richard Davey
Marty Feinstein

Remuneration Committee

Sir Mark Wrightson Bt (Chairman)
Christine Bosse
Nigel Buchanan

Nomination Committee

Roger Taylor (Chairman)
Nigel Buchanan
Richard Davey
Charles Philipps
Sir Mark Wrightson Bt

Secretary

Charles Pender FCIS FSI

Registered Office

St Helen's
1 Undershaft
London
EC3A 8ND

Auditors

Deloitte LLP
London

Investment Bankers

Lexicon Partners Limited
No. 1 Paternoster Square
London EC4M 7DX

Stockbrokers

RBS Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA

Corporate Lawyers

Linklaters LLP
One Silk Street
London EC2Y 7HQ

Principal Bankers

Lloyds TSB Bank PLC
25 Gresham Street
London EC2V 7MN

Registrar

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

The paper and board used in this Report is manufactured from 50% post consumer waste and 50% fibre approved by the Forest Stewardship Council. The printer and paper mill are accredited the environmental management system ISO 14001. The printer is also Carbon Neutral.

Amlin plc

St Helen's, 1 Undershaft, London EC3A 8ND

T 020 7746 1000

F 020 7746 1696

www.amlin.com