



# AMLIN PLC

Interim Results

4 September 2003

*Roger Taylor – Chairman*

*Charles Philipps – Chief Executive*

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This presentation contains or may contain forward-looking statements. It is important to note that the Company's actual results could differ materially from the results anticipated or projected in any such forward-looking statements, based on a number of important factors. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance.

# Overview

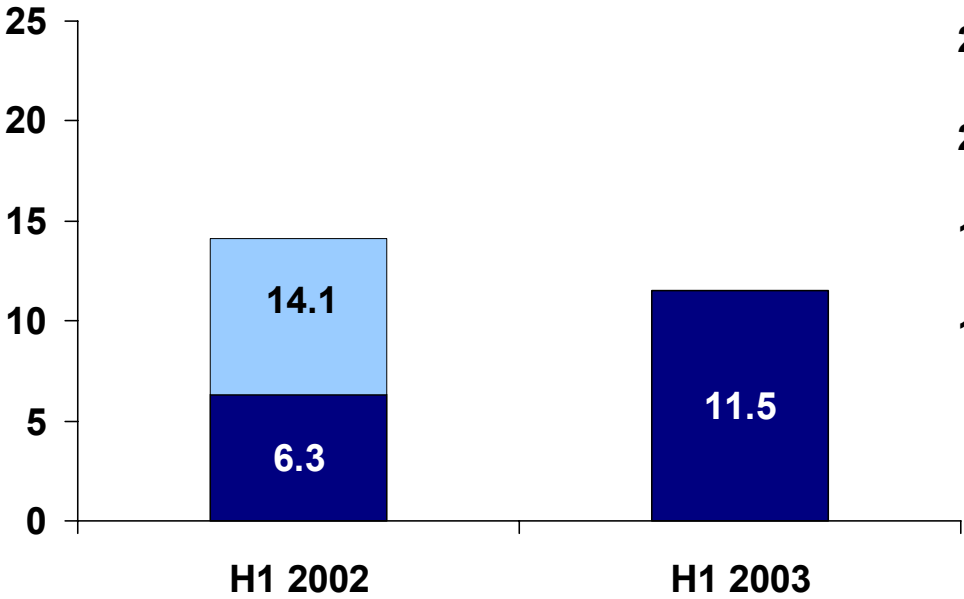


- First half profit > full year 2002 profit
- High expectations for 2003 full year result
- Trading outlook remains strong
- 2004 capacity growth assured

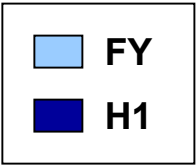
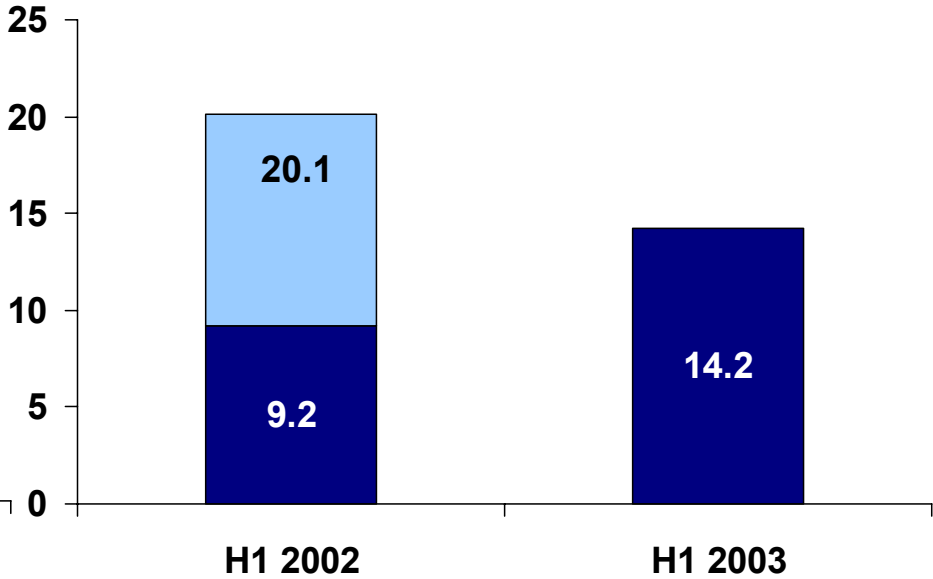


# Excellent shareholder returns

### Earnings per share (p)



### Return on equity (%)



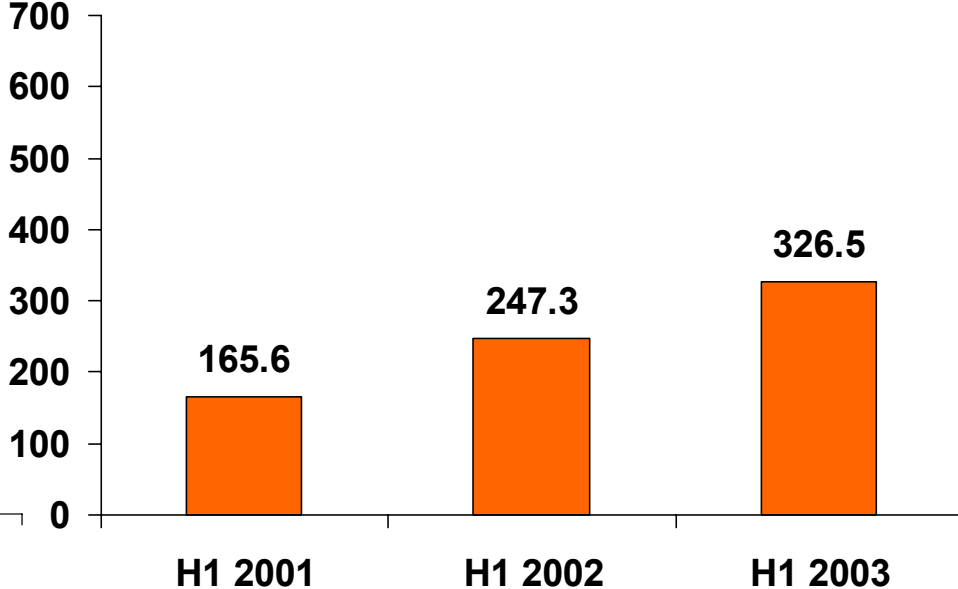
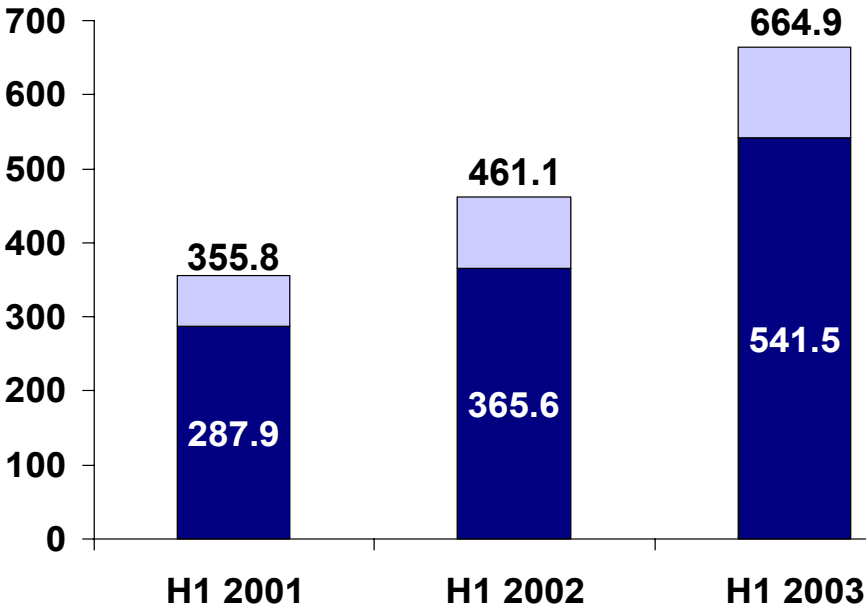
Note: Return on equity calculated based on opening shareholders funds but adjusted for equity issues in the period



# Strong growth in income

Gross premium written (£m)

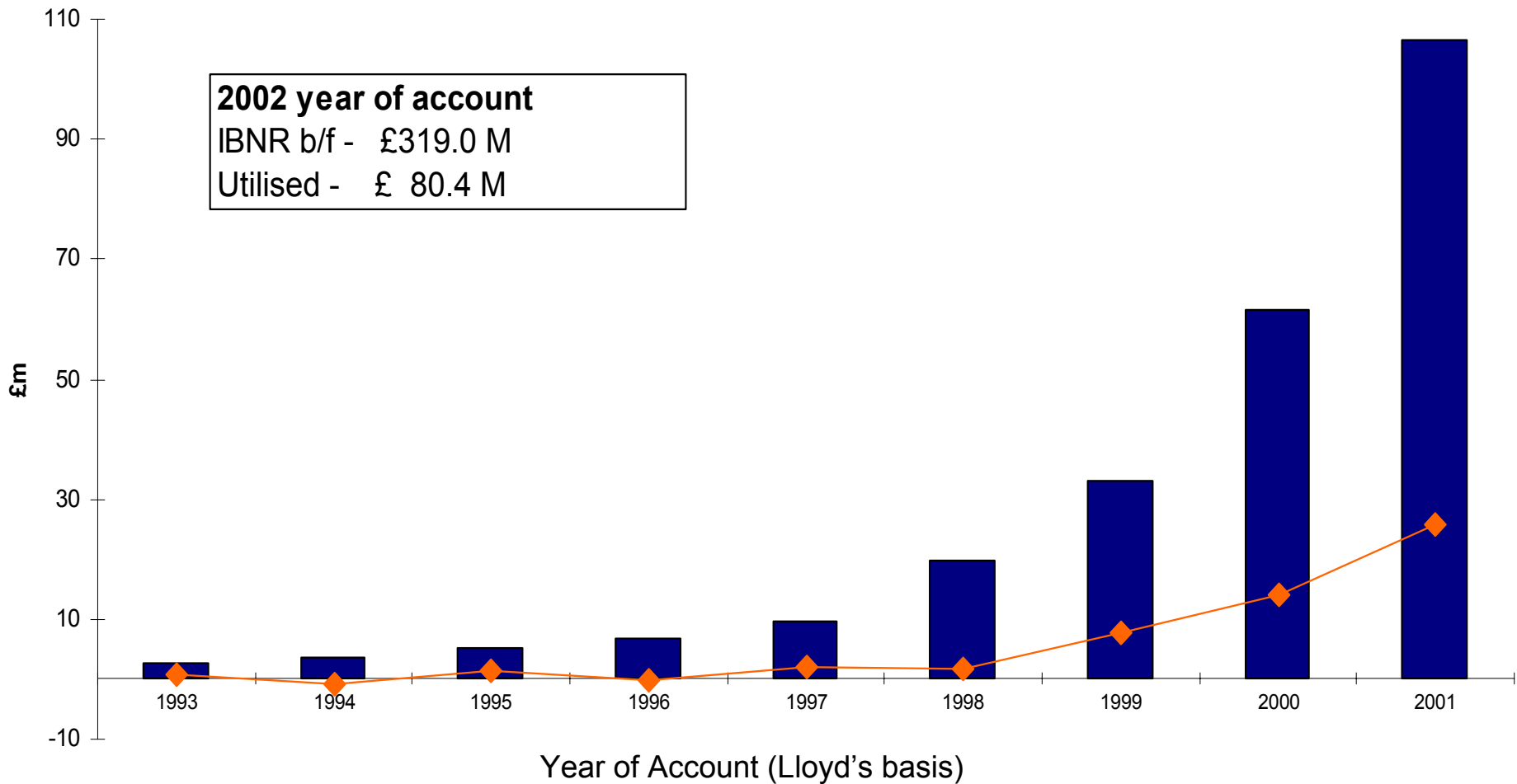
Net premium earned (£m)



Reinsurance ceded

# Excellent claims development

(Syndicate 2001 on a 100% owned basis)



■ IBNR b/f    ◆ Utilised in first six months of 2003

# Results summary



	<b>H1 2003</b>	<b>H1 2002</b>	<b>FY 2002</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gross premiums written	664.9	461.1	712.8
Net premiums written	541.5	365.6	569.9
Net earned premiums	<u>326.5</u>	<u>247.3</u>	<u>491.0</u>
Profit before tax	63.3	18.2	55.4
Tax	<u>(19.3)</u>	<u>(2.3)</u>	<u>(11.2)</u>
Profit after tax	<u>44.0</u>	<u>15.9</u>	<u>44.2</u>
Earnings per share	11.5p	6.3p	14.1p
Dividends per share	0.85p	0.75p	2.0p
Net tangible assets per share	76.5p	68.3p	65.4p



# Underwriting results

(assuming 100% Syndicate ownership)

	<b>H1 2003 £m</b>	<b>H1 2002 £m</b>	<b>FY 2002 £m</b>	<b>FY 2001 Ex 11/9 £m</b>
Gross premiums written	777.0	637.7	988.3	874.1
Net premiums written	633.3	503.6	793.1	723.1
Net earned premiums	431.8	353.1	700.6	554.6
Claims ratio	51%	73%	63%	70%
Expense ratio	32%	28%	32%	30%
Combined ratio	83%	101%	95%	100%

# Divisional analysis

(assuming 100% Syndicate 2001 ownership)



	<b>Total £m</b>	<b>Harvey Bowring £m</b>	<b>AIS £m</b>	<b>Coles £m</b>	<b>Aviation £m</b>
Gross premiums written	777.0	473.7	120.5	139.4	43.4
Net premiums written	633.3	386.0	111.2	121.9	14.2
Net premiums earned	431.8	224.2	95.5	69.6	42.5
Claims ratio	51%	46%	61%	53%	55%
Combined ratio	83%	75%	88%	88%	170%
<i>2002 H1 combined ratio</i>	<i>101%</i>	<i>116%</i>	<i>89%</i>	<i>92%</i>	<i>100%</i>
<i>2002 FY combined ratio</i>	<i>91%</i>	<i>92%</i>	<i>94%</i>	<i>88%</i>	<i>85%</i>

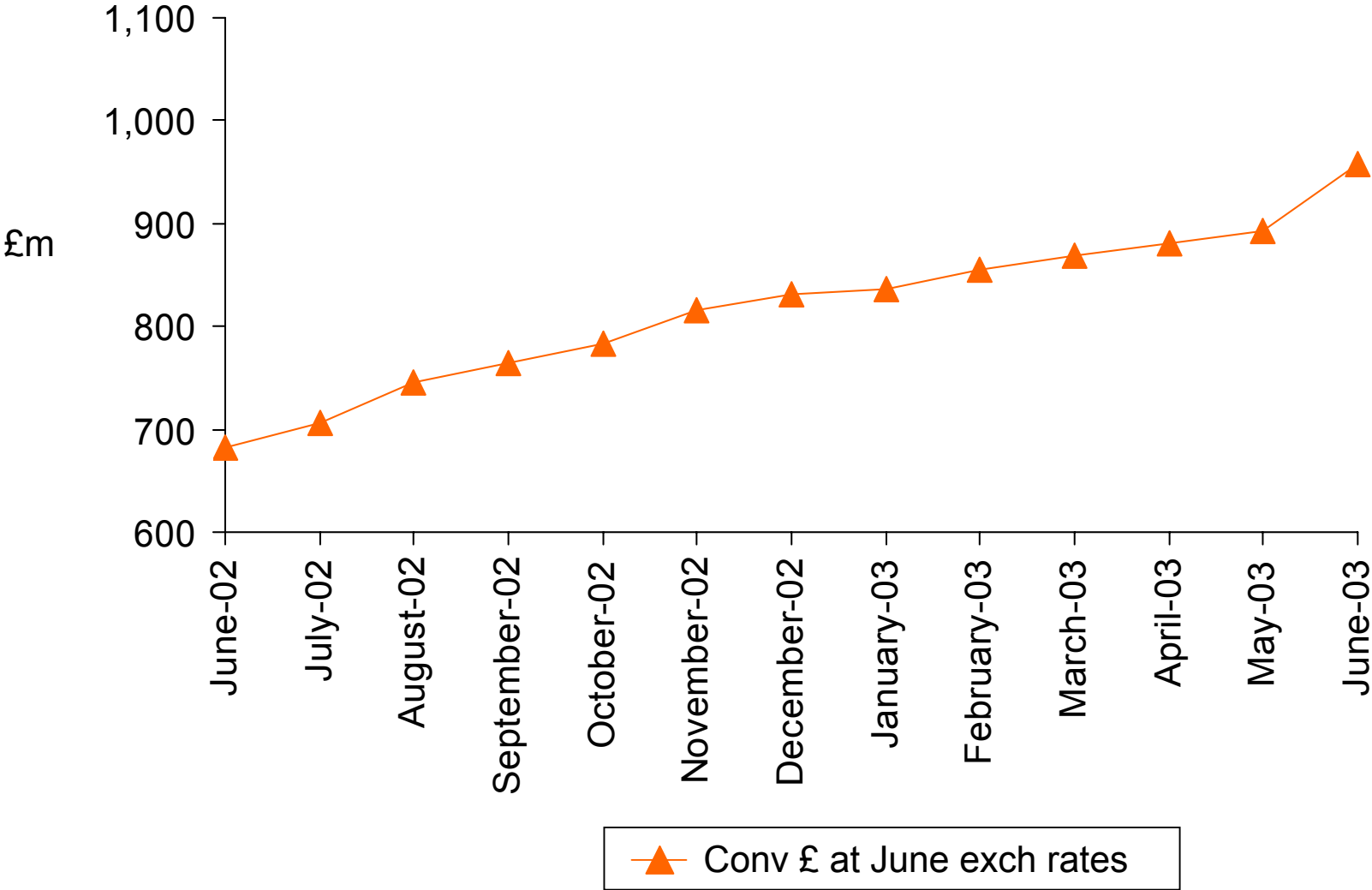
# Investment returns



	<b>Portfolio value at 30 June 2003 £m</b>	<b>Return for H1 2003 (annualised) %</b>
<b>Corporate – Bonds</b>	150	5.54
<b>Corporate – Cash</b>	70	3.62
<b>Syndicate – Bonds (100%)</b>	780	4.96



# Syndicate cash flow



# Balance Sheet growth



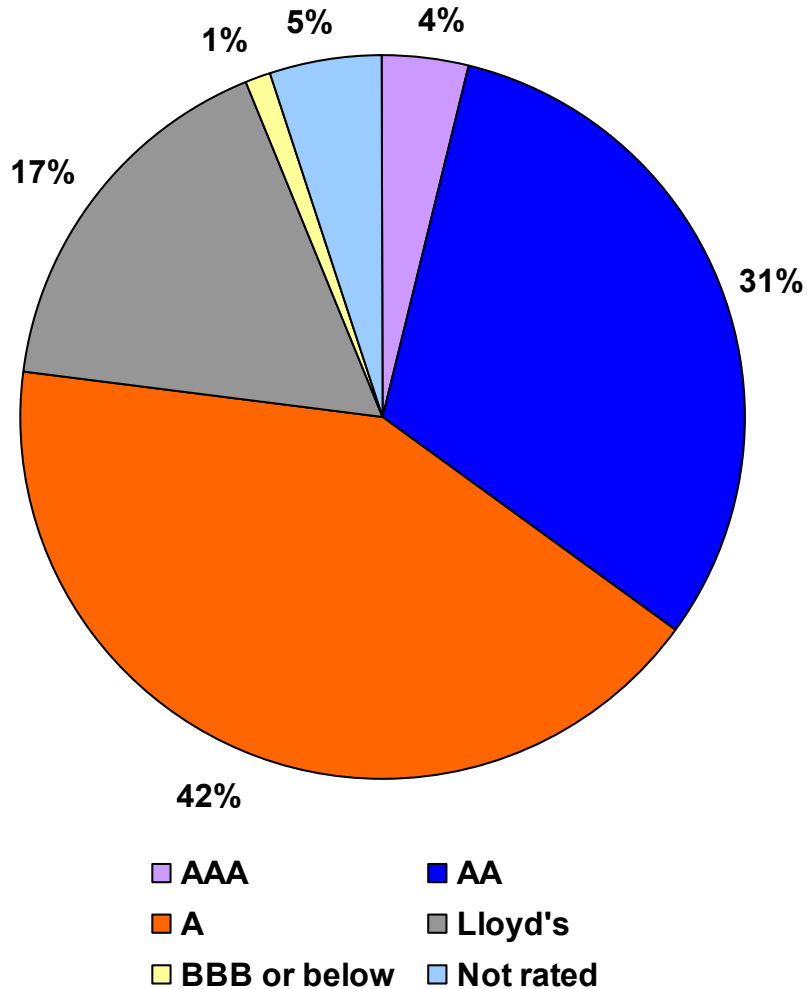
		30 June 2003	31 December 2002
Equity shareholders' funds	+13.6%	£351.8m	£309.6m
Net assets per share	+13.2%	91.8p	81.1p
Net tangible assets per share	+17.0%	76.5p	65.4p

# Reinsurance debtors

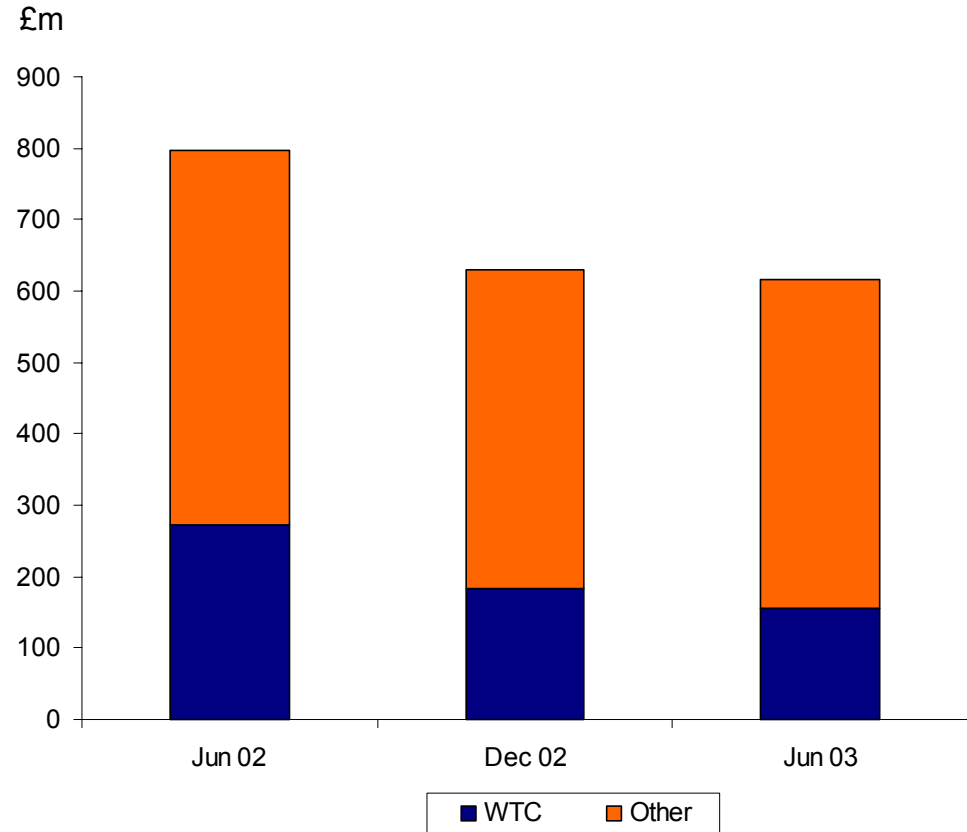
(Syndicate 2001 on a 100% owned basis)



Rating

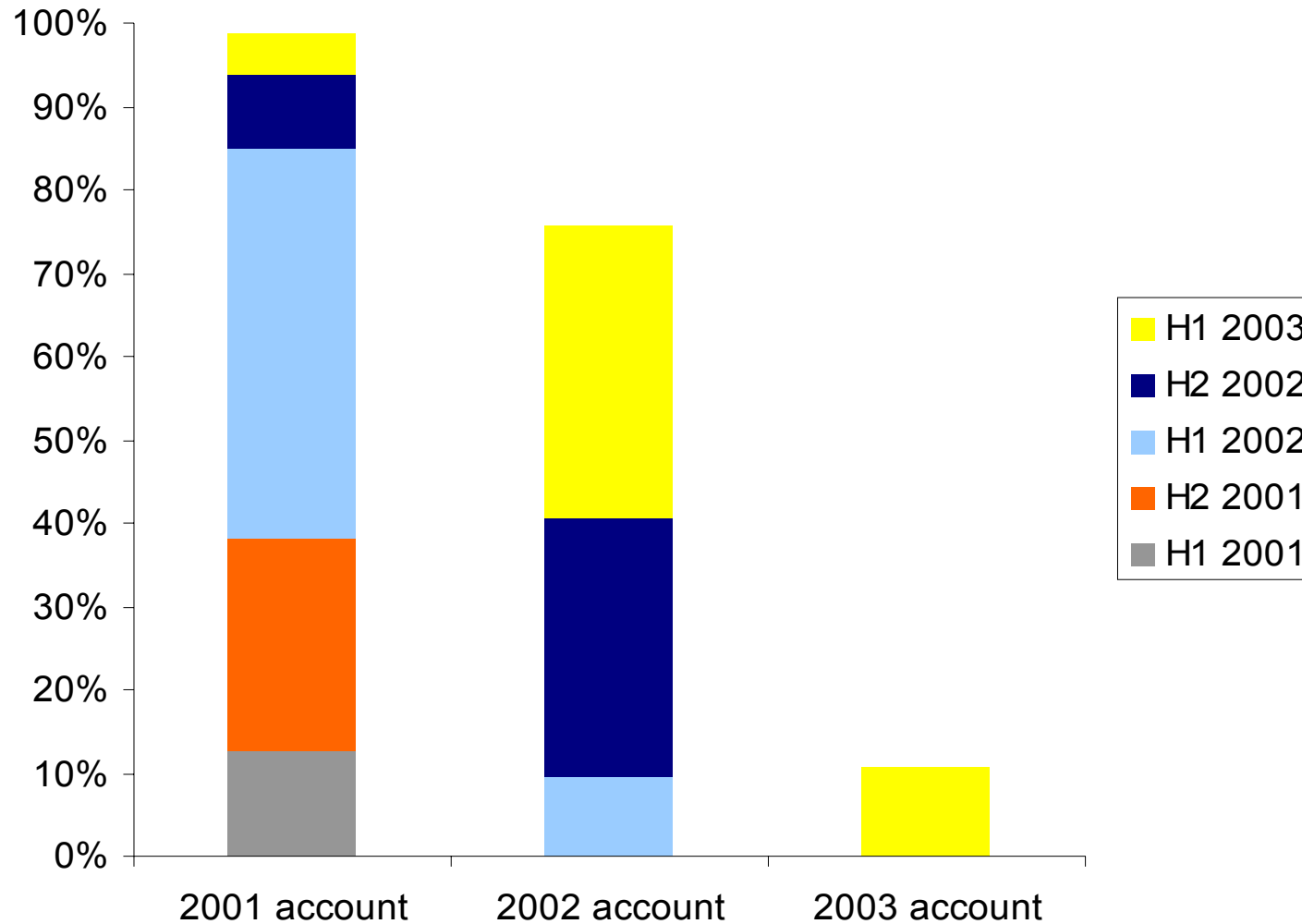


Trend of outstanding debt





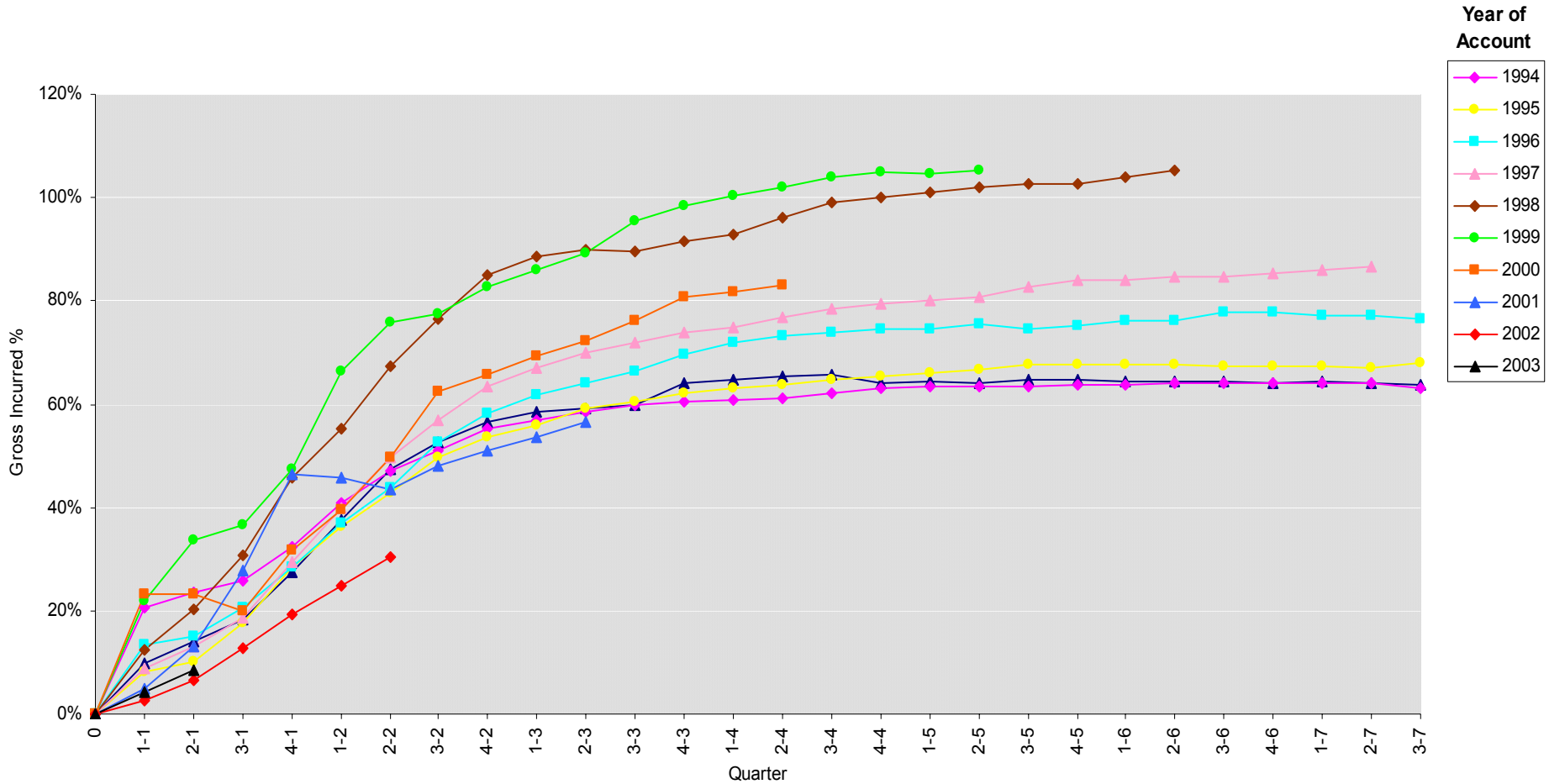
# Earning profile – net premium



# Gross incurred loss ratios



Syndicate 2001 - Excluding WTC  
as at 30 June 2003



# Trading conditions remain strong



## ■ H1 2003 renewal rate changes

- Harvey Bowring: +4.7%
- Coles: +10.8%
- Amlin Insurance Services: +10.3%
- Amlin Aviation: +11.0%

## ■ Rating outlook for 2004

- 30% of estimated 2003 GPW : rates      ▲
- 23% of estimated 2003 GPW : rates      =
- 47% of estimated 2003 GPW : rates      ▼

## ■ Margins expected to remain good even where rates moderate

*Note: Gross premiums written ("GPW") is expressed on a Lloyd's basis, net of brokerage*

# Outlook for 2004 underwriting



- Harvey Bowring:
  - Property insurance, reinsurance and aviation XL off peak
  - US casualty and marine XL strengthening
  
- Coles:
  - War account weakening but event driven
  - Energy expected to come off peak
  - All other areas stable or strengthening
  
- Amlin Insurance Services:
  - UK commercial motor expected to moderate
  - Liability classes continue to strengthen
  
- Amlin Aviation
  - Vertical market returning in Airlines
  - Products and airports strengthening

# 16% Growth in Amlin capacity



	2003 £m	2004 £m	Change £m	%
Proposed stamp capacity	862	1,000	138	16
<i>Estimated Lloyd's FAL ratio</i>	45.2%	40.7%		
<b>Estimated FAL requirement</b>	<u>390</u>	<u>407</u>	17	4
<b>Met by</b>				
Investments & cash	219	208 <sup>1</sup>	(11)	
Solvency release	17	14	(3)	
Estimated letter of credit from State Farm	84	55 <sup>1</sup>	(29)	
Bank letters of credit	70	130	60	
	<u>390</u>	<u>407</u>	<u>17</u>	4

## Notes

1 Valuation as at 30 June 2003

# Summary



- Continued high expectations for full year 2003
- Strong outlook for 2004 underwriting
- 16% capacity growth in place for 2004
- Positioned to continue outperformance



**AMLIN**

# **AMLIN PLC**

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