

2010 HALF YEARLY
FINANCIAL REPORT



HALF YEARLY FINANCIAL REPORT TO 30 JUNE 2010

Top line momentum and underwriting resilience

- Net written premiums of £3.8bn up 9% (6% at constant exchange)
- Combined operating ratio (COR) of 94.8%
- Operating result of £381m
- Profit before tax of £302m
- IGD surplus of £1.6bn, representing coverage of 2.3x
- Interim dividend up 7% to 3.12p

Overview

- Delivering profitable top line growth in all regions driven by targeted initiatives and rating action
- Associate in India continues to grow strongly, with NWP up by 31% to £55m (15% at constant exchange)
- Acquisitions in Ireland, Sweden, Denmark, Canada, Oman and signed Tesco affinity deal in UK
- Underwriting resilience despite £57m of adverse weather losses and £30m net loss from Chile earthquake
- Completed UK cost reduction programme generating £70m of annualised savings
- Maintained strong capital and financial position

Outlook

- Good top line momentum and excited about future prospects
- Continue to expect a combined operating ratio for 2010 of around 95%

	6 Months 2010	6 Months 2009	Movement*
Net written premiums	£3,802m	£3,486m	+9%
Underwriting result	£136m	£183m	(26)%
Combined operating ratio	94.8%	93.5%	(1.3)pts
Operating result ⁽¹⁾	£381m	£392m	(3)%
Profit before tax ⁽¹⁾	£302m	£301m	-
Profit after tax ⁽¹⁾	£224m	£223m	-
Interim dividend per ordinary share	3.12p	2.92p	+7%
	30 June 2010	31 December 2009	
Financial position			
Shareholders' funds	£3,433m	£3,491m	(2)%
Net asset value per share excluding IAS 19	104p	106p	(2)%
Net asset value per share	96p	99p	(3)%

* Reported exchange rate

Andy Haste, Group CEO of RSA, commented:

"We have delivered a strong top line performance and a resilient underwriting result in what has been a tough six months for the industry, with significant weather losses and the earthquake in Chile. Premium growth is driven by targeted organic initiatives and the benefit of recent acquisitions. The resilience of our underwriting result is a testament to our strong and diversified portfolio, our relentless focus on underwriting discipline and our prudent reinsurance and reserving policies.

We are excited about the Group's prospects. We expect to maintain top line momentum in the second half and, as it stands today, we continue to expect to achieve a combined operating ratio of around 95% for the full year. This positive outlook is reflected in the 7% increase in the interim dividend to 3.12p (H1 2009: 2.92p)."

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Important disclaimer

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This half yearly report has been prepared in accordance with the requirements of English company law and the liabilities of the directors in connection with this half yearly report shall be subject to the limitations and restrictions provided by such law. This half yearly report may contain 'forward-looking statements' with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Group's control, including amongst other things, UK domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which the Group and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Group's forward-looking statements. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this half yearly report should be construed as a profit forecast.

⁽¹⁾ For a reconciliation of operating result to profit after tax see page 13.

INTERIM MANAGEMENT REPORT

CEO REVIEW

The Group has delivered a strong top line performance and resilient underwriting and operating results in what have been tough industry conditions. Net written premiums are up by 9% to £3.8bn (6% at constant exchange), with our focus on target segments and continued action on rate, supported by the benefit of acquisitions made in recent years.

The underwriting result of £136m demonstrates the resilience of the business and includes the impact of severe winter weather across all three regions, which is £57m worse than the prior year, as well as the earthquake in Chile, for which the estimated net loss remains at £30m. Large losses across the Group are £14m better than 2009, with adverse experience in the UK offset by lower losses in International. The combined operating ratio (COR) is 94.8% (H1 2009: 93.5%).

The investment result is £310m (H1 2009: £270m) and includes investment income of £292m (H1 2009: £294m) and total gains of £67m (H1 2009: £28m), both ahead of guidance. Investment income has benefitted from management actions and foreign exchange, while total gains of £67m are positively impacted by mark to market profits of £14m on the property portfolio and gains of £25m on the equity hedges following the fall of the FTSE towards the end of the first half.

The operating result is £381m and profit before tax of £302m is after the expected £5m of final reorganisation costs for the UK expense reduction programme, which was announced in February 2009 and completed in the first quarter. Profit after tax is £224m, in line with 2009. The underlying return on opening shareholders' funds is 13.2% (H1 2009: 12.7%), with the movement on the prior year reflecting lower opening net assets. The underlying return based on average shareholders funds was 13.4% at the half year, compared with 13.3% in 2009.

Business Overview

Set out below are the net written premiums and combined operating ratios for our regions:

	Net written premiums				Combined operating ratio		
	6 Months 2010	6 Months 2009	Movement as reported	Movement at constant exchange	6 Months 2010	6 Months 2009	Movement
	£m	£m	%	%	%	%	Points
International	1,884	1,764	7	2	89.3	90.0	0.7
UK	1,461	1,339	9	9	98.9	97.4	(1.5)
Emerging Markets	441	373	18	13	103.3	98.1	(5.2)
Group Re	16	10	60	60	-	-	-
Total Group	3,802	3,486	9	6	94.8	93.5	(1.3)

- International

International continued to drive the Group forward, delivering top line growth and an outstanding underwriting result. Premiums are up by 7% to £1.9bn (2% at constant exchange) reflecting continued action on rate, targeted growth and the benefit of new deals across the region. The COR is an excellent 89.3% and the underwriting result is up by 14% to £156m.

In Scandinavia, premiums are up by 1% to £1.0bn (down 1% at constant exchange), with good performances in Personal lines offset by exposure reductions in Commercial lines as a result of the continued impact of the downturn. Profitability remains very strong. The underwriting result has increased by 22% to £128m and the COR is 82.8% with strong performances in both Personal and Commercial lines.

Canada has delivered an excellent top and bottom line performance. Premiums have increased by 23% to £0.6bn (8% at constant exchange). Johnson continues to perform strongly, increasing premiums by 28% (13% at constant exchange), driven by organic initiatives. In the Intermediated business, Commercial lines grew by 21% (7% at constant exchange) due to the strength of our Mid-Market and SME propositions. The underwriting result increased by 41% to £45m, with a combined of 91.7%, despite adverse weather in June, due to a strong underlying performance.

In Other Europe, premiums are down by 1% to £0.3bn (up by 1% at constant exchange). In Ireland, growth of 3% (5% at constant exchange) was driven by continued rate increases and the benefit of recent wins and acquisitions. In Italy, continued management actions on risk selection has led to a small reduction in premiums. The Other Europe COR of 108.1% was impacted by a second year of adverse winter weather in Ireland and the expected losses in Italy.

- UK

The UK successfully built upon its strong first quarter top line performance with premiums up by 9% to £1.5bn, driven by our continued focus on underwriting discipline, targeted growth and rating action. This is an excellent top line performance in what remains a competitive market. The underwriting result of £2m and COR of 98.9% were impacted by severe winter weather and large losses, which together are £42m worse than last year.

In Personal, premiums are up by 10% to £0.6bn, with Motor up by 14% and Household up by 5%, driven by rating actions and strong growth in Personal Broker due to increased shares on targeted broker panels. Given pricing and market conditions, we have been deliberately underweight in the broker market. However, in late 2009 we started to see rate come back and, in the first half of 2010, we have implemented significant rate increases in our target panels. Pet once again performed strongly, with premiums up by 9% and in the first quarter, we signed a contract with Tesco which is expected to generate around £100m of net written premium in 2011. In Commercial, premiums increased by 9% to £0.9bn, with continued strong growth in Specialty lines, with Risk Solutions up 10% and Marine up 15%. In the first six months, we also saw a strong return to growth in Commercial Motor, which is up by 23%.

We have continued to take action on rate, increasing Personal Motor rates by 13% and Household by 4% and achieving increases in Commercial of 5% in Liability, 3% in Property and 5% in Motor.

On costs, we have completed the cost savings programme announced in February 2009 ahead of schedule. The full 1,200 headcount and £70m of annualised expense reductions have been achieved and the final £5m of the total £80m programme cost are shown as reorganisation costs in the first half results. We remain on track to achieve an expense ratio, excluding commissions, of around 14% for the UK by the end of 2012.

- Emerging Markets

In Emerging Markets, premiums are up by 18% to £0.4bn (13% at constant exchange), with total premiums including our associate in India of £0.5bn. The underwriting loss of £13m and COR of 103.3% are impacted by the earthquake in Chile.

We continue to see mixed conditions across Emerging Markets. Central and Eastern Europe remains severely impacted by the economic downturn, however, we continue to maintain our market leading position in the Baltics. Premiums are up by 30% (33% at constant exchange) as our Intouch businesses in Poland, the Czech Republic and Russia were not consolidated until July 2009.

In Asia and the Middle East, premiums decreased by 9% (down 8% at constant exchange). As disclosed at the time, the first half of 2009 benefitted from a large construction win in Hong Kong. Excluding this, premiums are up by 3% at constant exchange with double digit growth in Oman, following the acquisition of Al Ahlia which completed in May, and Specialty lines in Singapore offsetting the impact of weaker retail markets in the Middle East. Our Indian business again delivered strong premium growth of 31% (15% at constant exchange) due to the continued expansion of the motor market.

Latin America delivered an excellent top line result, with premiums up by 29% (17% at constant exchange), with significant growth in Argentina, Brazil, Colombia and Uruguay offsetting a small reduction in Chile following the earthquake in February. Affinity continued to perform strongly with 15 deals won across Latin America in the first six months.

In terms of the full year, we expect overall growth in Emerging Markets to remain strong but to be marginally down on the half year once comparatives for Intouch and large contract wins in the fourth quarter of 2009 in Asia and the Middle East are taken into account in the second half. Emerging Markets remains an attractive place to do business and we will continue to invest in the region.

Outlook

We are excited about the outlook for the Group and our results show our strategy is working. We have great businesses, with strong positions in attractive markets. In terms of top line, we expect the UK to remain in positive territory for the remainder of 2010; International to deliver mid-single digit growth; and Emerging Markets to return to double digit growth in 2011 and be close to achieving this in 2010. We remain well positioned to take advantage of opportunities to move the business forward and have signed a further seven acquisitions in 2010 including, most recently, the acquisition of 123 Money Limited which will make RSA the second largest general insurer in the Irish market.

In terms of underwriting, the resilience of the result is testament to our strong and balanced portfolio, underwriting discipline and prudent reinsurance and reserving policies which continue to drive sustainable profitable performance.

As it stands today, we expect to deliver a combined operating ratio for the full year of around 95%. We now expect investment income and total gains to be marginally ahead of the original guidance given of around £540m and in line with 2009 respectively. As a reflection of the Board's confidence in the future performance of the Group, we are increasing the interim dividend by 7% to 3.12p (H1 2009: 2.92p).

Andy Haste, Group CEO, RSA

OPERATIONS REVIEW

Operating Result

The operating result is £381m (H1 2009: £392m) and is driven by resilient underwriting and investment results. The underwriting result is £136m (H1 2009: £183m), with a current year underwriting profit of £15m (H1 2009: £51m) and a prior year profit of £121m (H1 2009: £132m). The current year result is impacted by severe winter weather across the Group which is £57m worse than last year and the Chile earthquake, for which the estimated net loss remains at £30m. Large losses across the Group are £14m better than 2009, with adverse experience in the UK offset by lower losses in International. The strong prior year result of £121m reflects continued positive run off in the UK, which is in line with 2009, and another strong contribution from International, particularly from Swedish Personal lines and Canadian Motor and General Liability.

The Group continues to adopt a prudent reserving policy for both current year and overall reserves. At 30 June 2010, reserves remain significantly to the right side of best estimate. Going forward, given our prudent reserving policy, we would expect positive prior year development to continue to be a significant feature of the result.

- International

International continues to drive the Group forward and has delivered another strong performance in challenging conditions. Net written premiums are up by 7% to £1.9bn (2% at constant exchange). This reflects continued action on rate across the region, targeted growth and the benefit of new deals, which offset reductions in exposure in some Commercial lines. Overall premium growth comprises 23% growth in Canada (8% at constant exchange), 1% growth in Scandinavia (down 1% at constant exchange) and a 1% reduction in Other Europe (up by 1% at constant exchange). International delivered an outstanding underwriting result, with a 14% increase in underwriting profit to £156m and a COR of 89.3% (H1 2009: 90.0%).

In Scandinavia, Personal lines performed well and premiums are up by 6% to £556m (4% at constant exchange) reflecting good growth in Personal Accident, Household and Norway. Commercial lines net written premiums reduced by 4% to £471m (down 6% at constant exchange), with strong growth in Renewable Energy and Norway offset by the ongoing impact of the economic downturn and withdrawal of capacity in Sweden and Denmark. In the first half, we completed the acquisitions of Sveland, the ninth largest private insurer in Sweden and the renewal rights to TrygVesta's Nordic Marine portfolio and both integrations are progressing well. The COR improved by 3.4 points to 82.8% driven by improvements in both Personal and Commercial results, with lower large losses offsetting the impact of the adverse winter weather.

In Canada, Personal net written premiums increased by 23% to £426m (9% at constant exchange). Johnson, our direct personal business, continued to perform well, delivering 28% growth (13% at constant exchange) due to strong retention, rate increases and organic growth and it added six new sponsorship groups in the first half. Personal Intermediated grew at 18% (4% at constant exchange) largely due to rating action. In Commercial, net written premiums increased by around 21% to £154m (7% at constant exchange) due to rate and strong new business in Mid-Market and an improvement in SME. The bottom line performance was excellent, with the underwriting result up by 41% to £45m with a COR of 91.7% (H1 2009: 93.1%), despite adverse weather in June.

In Other Europe, premiums are down by 1% to £277m (up by 1% on constant exchange) with growth of 3% (5% at constant exchange) in Ireland, driven by the benefit of recent Affinity wins, prior year acquisitions including Benchmark and significant rate action (with increases of 29% in Household and 22% in Personal Motor). This was offset by continued action on risk selection in Italy. The COR for Other Europe of 108.1% (H1 2009: 99.8%) was impacted by a second year of adverse weather in Ireland and the expected losses as we continue to take action to address profitability issues in Italy.

We remain confident that the International portfolio will deliver mid-single digit top line growth and strong profitability in 2010.

- UK

The UK delivered an excellent top line performance with premiums up by 9% to £1.5bn. Our strategy remains unchanged as we continue to focus on underwriting discipline, targeted growth and rating action and this is a strong performance in what remains a competitive market. The underwriting result of £2m (H1 2009: £33m) and the COR of 98.9% (H1 2009: 97.4%) reflect the impact of £42m of adverse weather and large losses, including higher Property and Profin losses.

In Personal, premiums are up by 10% to £596m driven by strong growth in Personal Broker due to increased rates and shares on targeted broker panels, with Home up by 39% and Motor up by 36%. Given pricing and market conditions, we have been deliberately underweight in the broker market for a number of years. However, in late 2009 we started to see rate come back and we have deliberately pushed rate hard in 2010, implementing increases of between 23% and 37% in our target panels, as we start to grow our share closer to our natural market weight. Pet again grew strongly, with premiums up by 9% and in the first quarter, we signed a deal with Tesco which is expected to generate around £100m of net written premium in 2011. In Commercial, overall premiums of £865m are up by 9% on last year. Specialty lines again performed strongly, with Risk Solutions up by 10%, due to 17% growth across our European offices, and Marine up by 15% due to increased market share in Europe and the launch of new products.

Additionally we drove a return to growth in a number of other lines including Commercial Motor, up by 23% due to rate increases and growth in large Motor schemes, up by 24%. We continue to take action on rate, increasing Personal Motor rates by 13% and Household by 4%, and Commercial rates by 5% in Liability, 3% in Property and 5% in Motor.

The UK expense ratio including commissions is 32.8%, compared with 34.2% in H1 2009, reflecting premium growth and expense savings, mitigated by ongoing investment in the business. We completed the cost savings programme announced in February 2009, generating annual savings of £70m and reducing headcount by 1,200 as planned. We remain on track to deliver an expense ratio, excluding commissions, of around 14% by the end of 2012.

The top line momentum we reported in the first quarter has been maintained and we expect UK premium growth to remain in positive territory in 2010.

- Emerging Markets

In Emerging Markets, premiums are up by 18% to £0.4bn (13% at constant exchange), with total premiums including our associate in India of £0.5bn and we remain on track to meet our target of £1bn in net written premiums by the end of this year. The underwriting loss of £13m and COR of 103.3% are impacted by the earthquake in Chile.

In Central and Eastern Europe, economic conditions remain challenging; however, we continue to maintain our market leading position across the Baltics. Premiums are up by 30% (33% at constant exchange) as we only consolidated our Intouch businesses in July 2009, following the acquisition of the remaining 50% of our former associate.

In Asia and the Middle East, premiums are down by 9% (down by 8% at constant exchange). As disclosed at the time, the first half of 2009 benefitted from a large construction win in Hong Kong. Excluding this, premiums are up by 3% on a constant basis, with growth of 38% in Oman, following the acquisition of Al Ahlia, 13% in Singapore driven by Specialty lines and 11% in Saudi Arabia. Our Indian business again delivered strong premium growth of 31% (15% at constant exchange) due to the continued expansion of the motor market.

Latin America delivered an excellent top line result, with premiums up by 29% (17% at constant exchange), with Argentina up by 82% due to strong new business in Motor and the ongoing impact of the sale of six month policies, Brazil up by 24% with strong performances in Motor and Marine, Colombia up by 26% driven by Affinity and Uruguay up by 14% with good growth in Motor. These were offset by a small reduction in Chile following the earthquake in February. Affinity continues to perform well across Latin America with 15 deals won in 2010.

In terms of the full year, we would expect overall growth in Emerging Markets to marginally reduce from the half year once comparatives for Intouch and large contract wins in the fourth quarter of 2009 in Asia and the Middle East are accounted for in the second half. Emerging Markets remains attractive, with good long term potential and we will continue to invest in it. As reported with the full year 2009 results, we expect Emerging Markets to return to double digit growth in 2011 and, as it stands today, we expect to be close to this level in 2010.

- Rating movements

Rate movements achieved for risks renewing in June 2010 versus comparable risks renewing in June 2009 are set out in the table below. Our action on rating demonstrates our commitment to maintaining pricing discipline and to delivering sustainable profitable performance.

	Personal		Commercial		
	Motor %	Household %	Motor %	Liability %	Property %
Scandinavia	4	8	5	0	7
Canada	5	12	4	1	2
UK	13	4	5	5	3

- Other activities

The analysis of the other activities result is as follows:

	6 Months 2010 £m	6 Months 2009 £m	Movement
Central expenses	(30)	(30)	-
Investment expenses and charges	(16)	(14)	(14)%
Other operating activities	(19)	(17)	(12)%
Other activities	(65)	(61)	(7)%

Other activities of £65m (2009: £61m) comprise central expenses, which are again flat on the prior year, investment expenses and the ongoing investment in our associate in India and our direct operations in Central and Eastern Europe. In the first half of 2010, this investment in Central and Eastern Europe was £14m and for the full year we would still expect this cost to be around the previously advised £30m.

- Investment result

The analysis of the investment result is as follows:

	6 Months 2010 £m	6 Months 2009 £m	Movement
Bonds	230	232	(1)%
Equities	30	26	15%
Cash and cash equivalents	4	11	(64)%
Land and buildings	13	9	44%
Other	15	16	(6)%
Investment income	292	294	(1)%
Realised gains	29	60	(52)%
Unrealised gains/(losses), impairments and foreign exchange	38	(32)	(219)%
Total gains	67	28	139%
Unwind of discount including ADC	(49)	(52)	6%
Investment result	310	270	15%

The Group continues to maintain a low risk investment strategy with the portfolio dominated by high quality fixed income and cash assets. The investment result is £310m (H1 2009: £270m) and includes investment income of £292m and total gains of £67m, both ahead of original guidance.

We have taken action to mitigate the impact of falling yields and, as previously reported, this includes the selective purchase of high quality non government bonds, which now form 53% of the fixed income portfolio. In addition, we have continued to increase our holding of high-yielding equities and property and extended the duration of new bond purchases to take account of the higher yield on offer.

The investment income of £292m benefits from both management actions and foreign exchange. The average underlying yield on the portfolio (excluding the yield on the ADC funds withheld account) was 3.9% (H1 2009: 3.9%), with a 0.7% return on cash assets and 4.1% on the remainder of the portfolio.

Total gains of £67m (H1 2009: £28m) primarily includes underlying realised gains of £26m from equity and bond sales, reflecting actions taken to enhance income, and unrealised gains of £38m. Mark to market gains of £14m on the commercial property portfolio reflect the continued strength of the IPD index and gains of £25m on the equity hedges are due to the fall in the FTSE towards the end of the reporting period. Total gains for the year will continue to be influenced by the property and equity markets and since the end of June, approximately £15m of the gains on the hedges have reversed as the FTSE has recovered by around 10%.

As it stands today and with the actions we are taking, we now expect both investment income and total gains for 2010 to be marginally ahead of the original guidance of around £540m and around 2009 levels respectively.

The table below sets out the key movements in the investment portfolio during the first half of 2010:

	Value 31/12/2009 £m	Foreign Exchange £m	Mark to Market £m	Other Movements £m	Value 30/6/2010 £m
Government Bonds	5,310	(51)	80	(66)	5,273
Non Government Bonds	6,198	(8)	38	(255)	5,973
Cash	996	10	-	193	1,199
Equities	987	(3)	(72)	99	1,011
Property	391	(8)	14	24	421
Prefs & CIVs	265	8	4	(24)	253
Other	140	-	-	(44)	96
Total	14,287	(52)	64	(73)	14,226

The investment portfolio decreased marginally over the first half of the year to £14,226m, with mark to market gains of £64m offset by foreign exchange of £52m and other movements of £73m. The foreign exchange movement reflects the appreciation of Sterling against the Euro and the Danish Krone. The mark to market movement gains on bonds and property offset the negative movements on equities following the decline in the FTSE. The movement on equities does not include the £25m gain on the equity hedges, which is recognised in total gains. Other movements predominantly reflects net redemptions and investments in the period.

At 30 June 2010, unrealised gains in the statement of financial position were £533m (31 December 2009: £509m).

87% of the total investment portfolio remains invested in high quality fixed income and cash assets. The fixed interest portfolio is concentrated on high quality short dated assets, with 99% of the bond portfolio investment grade, and 78% rated AA or above. The bond holdings are well diversified, with 73% invested in currencies other than Sterling, and 53% invested in non government bonds (FY 2009: 54%). The average duration is 3.0 years for the Group (FY 2009: 3.0 years).

Equities (excluding preference shares and Collective Investment Vehicles backed by fixed income and cash) comprised 7% of the portfolio. We continue to hedge our equity portfolio, with around 57% of the exposure hedged with a rolling programme of put and call options, providing protection down to a FTSE level of 4,100. The commercial property portfolio is 3% of investment assets and comprises high quality commercial properties. Cash balances have marginally increased to 8% due to non government bond redemptions towards the end of the second quarter and the holding of additional liquidity to meet claims payments following the Chile earthquake.

Going forward, we will continue to take action to enhance the yield of the funds, including the purchase of high quality non government bonds and a further measured increase in high-yielding equity and property holdings.

OTHER INFORMATION

Capital position

The regulatory capital position of the Group under the Insurance Groups Directive (IGD) is set out below:

	30 June 2010 Requirement £bn	30 June 2010 Surplus £bn	31 December 2009 Surplus £bn
Insurance Groups Directive	1.2	1.6	1.7

The IGD surplus is £1.6bn (31 December 2009: £1.7bn) and coverage over the IGD requirement remains strong at 2.3 times (31 December 2009: 2.4 times). A 30% fall in the FTSE from the 30 June level of around 4,917 would reduce the IGD surplus by an estimated £0.3bn.

We continue to make good progress on Solvency II. Having completed the FSA's pilot programme and had our pre-application qualifying criteria approved, we have now entered the pre-application phase. Currently, we do not anticipate that Solvency II will cause any fundamental change to the way we run the business. Although there is still a long way to go, we are in good shape and remain at the forefront of implementation.

At 30 June 2010, the Group had surplus economic capital of around £1.8bn (31 December 2009: £1.8bn), calculated to fully reflect current lower asset values and lower current and future investment returns. The economic capital is based on a risk tolerance consistent with Standard & Poor's long term A rated bond default curve. This is equivalent to a probability of solvency over 1 year of 99.92%. The Group calculates its economic capital position using a global multi-year stochastic economic capital model. The model is a key decision making tool and is used for a range of strategic, operational and financial management purposes throughout the Group, and has also been the basis for the Group's Individual Capital Assessment submissions to the FSA since the 2004 year end.

Our financing and liquidity position is strong. The next call on any external financing is on the £450m subordinated guaranteed perpetual notes in December 2014 and our committed £455m senior facility remains undrawn.

The Group is currently rated A stable outlook by Standard & Poor's, A2 stable outlook by Moody's and A stable outlook by AM Best.

Return on equity

Underlying return on equity is 13.2% (H1 2009: 12.7%) and is calculated as the profit after tax attributable to ordinary shareholders from continuing operations, excluding acquisitions and disposals and reorganisation costs expressed in relation to opening shareholders' funds attributable to ordinary shareholders.

The underlying return on equity based on average shareholders' funds is 13.4% for the first half of 2010 compared with 13.3% for the first six months of 2009.

Combined operating ratio

The combined operating ratio represents the sum of expense and commission costs expressed in relation to net written premiums and claim costs expressed in relation to net earned premiums. The calculation of the COR of 94.8% is based on net written premiums of £3,802m and net earned premiums of £3,503m.

Net asset value per share

The net asset value per share at 30 June 2010 excluding IAS 19 was 104p (31 December 2009: 106p) and including the pension deficit was 96p (31 December 2009: 99p). At 4 August 2010, the net asset value per share excluding IAS 19 was estimated at 105p and including the pension deficit was estimated at 97p.

The net asset value per share at 30 June 2010 was based on total shareholders' funds of £3,433m, adjusted by £125m for preference shares, and shares in issue at the period end of 3,442,224,158 (excluding those held in the ESOP and SIP trusts).

Earnings per share

The earnings per share is calculated by reference to the result attributable to the ordinary shareholders of the Parent Company and the weighted average number of shares in issue during the period. Operating earnings per share is calculated by reference to the result attributable to the equity shareholders excluding amortisation, reorganisation costs and acquisitions and disposals and the weighted average number of shares in issue during the period.

On a basic and diluted basis the weighted average number of shares in issue was 3,429,772,622 and 3,460,400,139 respectively (excluding those held in ESOP and SIP trusts). The number of shares in issue at 30 June 2010 was 3,442,224,158 (excluding those held in ESOP and SIP trusts).

Dividend

The directors have declared an interim ordinary dividend of 3.12p per share. The interim dividend will be payable on 26 November 2010 to shareholders on the register at the close of business on 13 August 2010. Shareholders will be offered a scrip dividend alternative. Scrip dividend mandates need to be received by Equiniti by 29 October 2010. The second preference share dividend for 2010 will be payable on 1 October 2010 to holders of such shares on the register at the close of business on 13 August 2010.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Board considers the risks and uncertainties disclosed in the latest Annual Report and Accounts to 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.

The principal risks and uncertainties of the Group, as per page 32 of the latest Annual Report and Accounts, are: prolonged economic downturn in our key markets negatively impacts premium growth and increases claims frequency; adverse financial markets and lower interest rates impact the investment portfolio and investment income; rating environment softens significantly in key markets; insurance risks are accepted outside the Group's risk appetite or below technical price and adverse loss experience arising through catastrophic events, increasing frequency and severity of large losses or deterioration in long tail reserves.

Further information on the risks and uncertainties of the Group is included in the latest Annual Report and Accounts.

Related party transactions

In 2010, there have been no related party transactions that have materially affected the financial position of the Group.

FURTHER INFORMATION

The full text of the above is available to the public at 1 Leadenhall Street, London EC3V 1PP. The text is also available online at www.rsagroup.com. A live audiocast of the analyst presentation, including the question and answer session, will be broadcast on the website at **10.30am** today and is available via a listen only conference call by dialling UK Freephone 0800 358 0857 or International dial in: + 44 (0) 20 8515 2302. An indexed version of the audiocast will be available on the website by the end of the day. Copies of the slides to be presented at the analyst meeting will be available on the site from **10.00am** today.

A Q3 interim management statement will be released on 4 November 2010.*

The full year 2010 results will be announced on 24 February 2011.*

MANAGEMENT BASIS OF REPORTING

The following analysis on pages 13 to 16 has been prepared on a non statutory basis as management believe that this is the most appropriate method of assessing the financial performance of the Group. The management basis reflects the way management monitor the business. The underwriting result includes insurance premiums, claims and commissions and underwriting expenses. In addition, the management basis also discloses a number of items separately such as investment result, interest costs, reorganisation costs and other activities. Estimation techniques, risks, uncertainties and contingencies are included on pages 19 to 21. Financial information on a statutory basis is included on pages 22 to 29.

* Provisional

SUMMARY CONSOLIDATED INCOME STATEMENT

MANAGEMENT BASIS

	6 Months 2010 £m	6 Months 2009 £m	12 Months 2009 £m
Net written premiums	3,802	3,486	6,737
Underwriting result	136	183	386
Investment income	292	294	595
Realised gains	29	60	69
Unrealised gains/(losses), impairments and foreign exchange	38	(32)	(41)
Unwind of discount including ADC	(49)	(52)	(100)
Investment result	310	270	523
Insurance result	446	453	909
Other activities	(65)	(61)	(132)
Operating result	381	392	777
Interest costs	(58)	(52)	(116)
Amortisation	(13)	(11)	(25)
Reorganisation costs	(5)	(28)	(75)
Profit before acquisitions and disposals	305	301	561
Acquisitions and disposals	(3)	-	(7)
Profit before tax	302	301	554
Taxation	(78)	(78)	(135)
Profit after tax	224	223	419

Earnings per share on profit attributable to the ordinary shareholders of the Parent Company:

Basic	6.3p	6.5p	12.2p
Diluted	6.2p	6.4p	12.1p

Operating earnings per share on profit attributable to the ordinary shareholders of the Parent Company:

Basic	6.8p	7.4p	14.4p
Diluted	6.7p	7.4p	14.3p

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MANAGEMENT BASIS

	30 June 2010 £m	30 June 2009 £m	31 December 2009 £m
Assets			
Goodwill and other intangible assets	1,035	854	969
Property and equipment	266	276	284
Associated undertakings	31	29	31
Investments			
Investment property	421	346	391
Equity securities	1,264	988	1,252
Debt and fixed income securities	11,246	10,817	11,508
Other	96	155	140
Total investments - management basis	13,027	12,306	13,291
Reinsurers' share of insurance contract liabilities	2,994	1,828	1,795
Insurance and reinsurance debtors	3,054	2,811	2,812
Deferred acquisition costs	717	639	674
Other debtors and other assets	1,170	1,404	988
Cash and cash equivalents	1,199	1,767	996
Assets associated with continuing operations	23,493	21,914	21,840
Assets held for sale*	12	11	201
Total assets	23,505	21,925	22,041
Equity, reserves and liabilities			
Equity and reserves			
Shareholders' funds	3,433	3,507	3,491
Non-controlling interests	128	75	97
Total equity and reserves	3,561	3,582	3,588
Loan capital	1,317	1,742	1,317
Total equity, reserves and loan capital	4,878	5,324	4,905
Liabilities (excluding loan capital)			
Insurance contract liabilities	15,877	14,306	14,451
Insurance and reinsurance liabilities	708	562	493
Borrowings	299	302	295
Provisions and other liabilities	1,743	1,431	1,734
Liabilities associated with continuing operations	18,627	16,601	16,973
Liabilities held for sale*	-	-	163
Total liabilities (excluding loan capital)	18,627	16,601	17,136
Total equity, reserves and liabilities	23,505	21,925	22,041

These summary consolidated financial statements have been approved for issue by the Board of Directors on 4 August 2010.

* Assets held for sale at 30 June 2010 and 30 June 2009 relate to property in the UK and Scandinavia. Assets and liabilities held for sale at 31 December 2009 relate to the British Engine legacy business, and property.

OTHER INFORMATION

MANAGEMENT BASIS

Movement in net assets

	Shareholders' funds	Non- controlling interests	Loan capital	Net assets
	£m	£m	£m	£m
Balance at 1 January 2010	3,491	97	1,317	4,905
Profit after tax	221	3	-	224
Exchange (losses)/gains net of tax	(48)	5	-	(43)
Fair value gains net of tax	22	-	-	22
Pension fund actuarial losses net of tax	(63)	-	-	(63)
Share issue	12	-	-	12
Changes in shareholders' interests in subsidiaries	(29)	25	-	(4)
Share based payments	14	-	-	14
Prior year final dividend	(182)	(2)	-	(184)
Preference dividend	(5)	-	-	(5)
Balance at 30 June 2010	3,433	128	1,317	4,878

Net assets have decreased by £27m to £4,878m. This decrease primarily reflects the profit after tax for the period of £224m offset by the prior year final dividend of £184m, pension fund actuarial losses of £63m and exchange losses of £43m.

Movement in pension fund

The table below provides a reconciliation of the Group pension fund (net of tax) from 1 January 2010 to 30 June 2010.

	UK £m	Other £m	Group £m
Pension fund at 1 January 2010	(224)	(38)	(262)
Actuarial losses	(57)	(6)	(63)
Asset reallocation funding	28	-	28
Other movements	28	2	30
Pension fund at 30 June 2010	(225)	(42)	(267)

The deficit on the pension scheme as at 30 June 2010 is £267m compared with £262m at the start of the year. The movement primarily reflects changes of market driven assumptions offset by higher than expected return on assets for the UK schemes. In line with decreasing corporate bond yields, the discount rate for the UK schemes has been reduced from 5.8% to 5.4% in the first six months. The general inflation assumption has been reduced from 3.3% to 3.0%. The inflation assumption for pension increases is 2.9% (FY 2009: 3.1%) reflecting the 5% cap on annual pension increases.

We are also pleased to have completed the triennial valuation and have agreed with the Trustees funding for the next three years at levels which are not materially different from current funding levels.

OTHER INFORMATION

MANAGEMENT BASIS

Cashflow

	6 Months	6 Months
	2010	2009
	£m	£m
Operating cashflow	345	285
Tax paid	(163)	(111)
Interest paid	(77)	(37)
Group dividends	(184)	(143)
Dividend to non-controlling interests	(1)	(3)
Net cashflow	(80)	(9)
Issue of share capital	9	4
Pension asset reallocation funding	(46)	(37)
Net movement of debt	4	493
Corporate activity	(83)	(92)
Cash movement	(196)	359
Represented by:		
Movement in cash and cash equivalents	85	254
(Sales)/purchases of other investments	(281)	105
	(196)	359

The Group's operating cashflows are £345m, an increase of 21% over 2009 due to growth in premiums across the Group and lower expenses in the UK, partially offset by the adverse weather.

Tax and interest paid are both significantly ahead of prior years due to catch up payments and timing changes. On tax paid, the increase to £163m is due to Canada, where tax is paid in monthly instalments which are based on the previous year's profits, with a true-up at the start of the following year for the actual results. Our 2009 Canadian profits were significantly above 2008, resulting in a true-up payment of £40m in the first half of this year.

Interest paid is £77m and represents about two thirds of our expected full year P&L charge. The £40m increase in the first half cash payment is because the interest on our new Sterling issue is paid in May, whilst the interest on the Euro debt it replaced was payable in October.

Dividends paid are up by £39m to £185m reflecting the lower take up in the scrip and the 7% increase in the 2009 final dividend.

In terms of the pension scheme, we have completed the triennial valuation and agreed funding for the next three years. The annual contributions will not be materially different from current levels.

Net movement of debt in 2009 of £493m related to the issue of the Sterling bond last May, whilst corporate activity of £83m represents the completion of the sale of British Engine, announced last year.

REGIONAL ANALYSIS OF INSURANCE OPERATIONS

SIX MONTHS TO 30 JUNE

	Net written premiums		Increase as reported %	Increase at constant exchange %
	2010 £m	2009 £m		
International	1,884	1,764	7	2
United Kingdom	1,461	1,339	9	9
Emerging Markets	441	373	18	13
Group Re	16	10	60	60
Total Group	3,802	3,486	9	6

	Underwriting result		Investment result		Insurance result	
	2010 £m	2009 £m	2010 £m	2009 £m	2010 £m	2009 £m
International	156	137	142	126	298	263
United Kingdom	2	33	141	123	143	156
Emerging Markets	(13)	13	29	23	16	36
Group Re	(9)	-	(2)	(2)	(11)	(2)
Total Group	136	183	310	270	446	453

	Operating ratios					
	2010		Combined %	2009		Combined %
Claims %	Expenses %	Claims %		Expenses %		
International	68.3	21.0	89.3	69.4	20.6	90.0
United Kingdom	66.1	32.8	98.9	63.2	34.2	97.4
Emerging Markets	59.2	44.1	103.3	55.6	42.5	98.1
Total Group	66.7	28.1	94.8	65.3	28.2	93.5

INVESTMENT RESULT BY REGION

SIX MONTHS TO 30 JUNE 2010

	International £m	UK £m	Emerging Markets £m	Group Re £m	Group £m
Investment income	132	125	24	11	292
Realised gains	13	13	2	1	29
Unrealised gains/(losses), impairments and foreign exchange	18	17	3	-	38
Unwind of discount including ADC	(21)	(14)	-	(14)	(49)
Investment result	142	141	29	(2)	310

The total investment income is allocated to the regions based on economic capital requirements. Realised gains, unrealised gains and impairment losses are allocated with reference to the above amounts. The unwind of discount is attributed on an actual basis.

INTERNATIONAL INSURANCE OPERATIONS

SIX MONTHS TO 30 JUNE

	Net written premiums		Underwriting result		Operating ratio	
	2010	2009	2010	2009	2010	2009
	£m	£m	£m	£m	%	%
Personal						
Scandinavia	556	523	108	95	77.3	79.5
Canada	426	345	26	12	93.7	96.7
Other Europe	177	169	(12)	(19)	107.8	111.4
Total Personal	1,159	1,037	122	88	88.1	90.7
Commercial						
Scandinavia	471	490	20	10	90.5	94.5
Canada	154	127	19	20	83.5	81.1
Other Europe	100	110	(5)	19	109.1	83.4
Total Commercial	725	727	34	49	91.1	88.9
Total						
Scandinavia	1,027	1,013	128	105	82.8	86.2
Canada	580	472	45	32	91.7	93.1
Other Europe	277	279	(17)	-	108.1	99.8
Total International	1,884	1,764	156	137	89.3	90.0

UNITED KINGDOM INSURANCE OPERATIONS

SIX MONTHS TO 30 JUNE

	Net written premiums		Underwriting result		Operating ratio	
	2010	2009	2010	2009	2010	2009
	£m	£m	£m	£m	%	%
Personal						
Household	269	255	21	18	93.4	93.5
Motor	284	249	(8)	(6)	104.5	102.6
Other	43	39	1	-	98.0	99.5
Total UK Personal	596	543	14	12	98.3	97.3
Commercial						
Property	323	327	(19)	7	101.3	94.6
Casualty	146	139	2	(5)	95.2	104.4
Motor	255	208	(20)	(4)	108.1	103.5
Other	141	122	25	23	84.7	81.4
Total UK Commercial	865	796	(12)	21	99.2	97.6
Total UK	1,461	1,339	2	33	98.9	97.4

ESTIMATION TECHNIQUES, RISKS, UNCERTAINTIES AND CONTINGENCIES

Introduction

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events. Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks.

The uncertainty inherent in insurance is inevitably reflected in the financial statements of insurance companies. The uncertainty in the financial statements principally arises in respect of the insurance liabilities of the company.

The insurance liabilities of an insurance company include the provision for unearned premiums and unexpired risks and the provision for outstanding claims. Unearned premiums and unexpired risks represent the amount of income set aside by the company to cover the cost of claims that may arise during the unexpired period of risk of insurance policies in force at the end of the reporting period. Outstanding claims represent the company's estimate of the cost of settlement of claims that have occurred by the end of the reporting period but have not yet been finally settled.

In addition to the inherent uncertainty of having to make provision for future events, there is also considerable uncertainty as regards the eventual outcome of the claims that have occurred by the end of the reporting period but remain unsettled. This includes claims that may have occurred but have not yet been notified to the company and those that are not yet apparent to the insured.

As a consequence of this uncertainty, the insurance company needs to apply sophisticated estimation techniques to determine the appropriate provisions.

Estimation techniques

Claims and unexpired risks provisions are determined based upon previous claims experience, knowledge of events and the terms and conditions of the relevant policies and on interpretation of circumstances. Particularly relevant is experience with similar cases and historical claims payment trends. The approach also includes the consideration of the development of loss payment trends, the potential longer term significance of large events, the levels of unpaid claims, legislative changes, judicial decisions and economic and political conditions.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This assists in giving greater understanding of the trends inherent in the data being projected. The Group's estimates of losses and loss expenses are reached after a review of several commonly accepted actuarial projection methodologies and a number of different bases to determine these provisions. These include methods based upon the following:

- the development of previously settled claims, where payments to date are extrapolated for each prior year;
- estimates based upon a projection of claims numbers and average cost;
- notified claims development, where notified claims to date for each year are extrapolated based upon observed development of earlier years; and
- expected loss ratios.

In addition, the Group uses other methods such as the Bornhuetter-Ferguson method, which combines features of the above methods. The Group also uses bespoke methods for specialist classes of business. In selecting its best estimate, the Group considers the appropriateness of the methods and bases to the individual circumstances of the provision class and underwriting year. The process is designed to select the most appropriate best estimate.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjusters' estimates or projected separately in order to allow for the future development of large claims.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provisions and having due regard to collectability.

The claims provisions are subject to close scrutiny both within the Group's business units and at Group Corporate Centre. In addition, for major classes where the risks and uncertainties inherent in the provisions are greatest, regular and ad hoc detailed reviews are undertaken by advisers who are able to draw upon their specialist expertise and a broader knowledge of current industry trends in claims development. As an example, the Group's exposure to asbestos and environmental pollution is examined on this basis. The results of these reviews are considered when establishing the appropriate levels of provisions for outstanding claims and unexpired periods of risk.

It should be emphasised that the estimation techniques for the determination of insurance liabilities involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the overall estimate. This technique means that the estimate is inevitably deterministic rather than stochastic.

The pension assets and pension and post retirement liabilities are calculated in accordance with International Accounting Standard 19 (IAS 19). The assets, liabilities and income statement charge, calculated in accordance with IAS 19, are sensitive to the assumptions made from time to time, including inflation, interest rate, investment return and mortality. IAS 19 compares, at a given date, the current market value of a pension fund's assets with its long term liabilities, which are calculated using a discount rate in line with yields on 'AA' rated bonds of suitable duration and currency. As such, the financial position of a pension fund on this basis is highly sensitive to changes in bond rates and will also be impacted by changes in equity markets.

Uncertainties and contingencies

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as:

- uncertainty as to whether an event has occurred which would give rise to a policyholder suffering an insured loss;
- uncertainty as to the extent of policy coverage and limits applicable;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring; and
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks and the cost of a claim will be determined by the actual loss suffered by the policyholder.

There may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Group. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations and court judgments that broaden policy coverage beyond the intent of the original insurance, legislative changes and claims handling procedures.

The establishment of insurance liabilities is an inherently uncertain process and, as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims and unexpired risks can vary substantially from the initial estimates, particularly for the Group's long tail lines of business. The Group seeks to provide appropriate levels of claims provision and provision for unexpired risks taking the known facts and experience into account.

The Group has exposures to risks in each class of business within each operating segment that may develop and that could have a material impact upon the Group's financial position. The geographic and insurance risk diversity within the Group's portfolio of issued insurance policies make it not possible to predict whether material development will occur and, if it does occur, the location and the timing of such an occurrence. The estimation of insurance liabilities involves the use of judgments and assumptions that are specific to the insurance risks within each territory and the particular type of insurance risk covered. The diversity of the insurance risks results in it not being possible to identify individual judgments and assumptions that are more likely than others to have a material impact on the future development of the insurance liabilities.

The sections below identify a number of specific risks relating to asbestos and environmental claims. There may be other classes of risk which could develop in the future and that could have a material impact on the Group's financial position.

The Group evaluates the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposure to levels acceptable to the Group.

Asbestos and environmental claims

The estimation of the provisions for the ultimate cost of claims for asbestos and environmental pollution is subject to a range of uncertainties that is generally greater than those encountered for other classes of insurance business. As a result it is not possible to determine the future development of asbestos and environmental claims with the same degree of reliability as with other types of claims, particularly in periods when theories of law are in flux. Consequently, traditional techniques for estimating claims provisions cannot wholly be relied upon and the Group employs specialised techniques to determine provisions using the extensive knowledge of both internal asbestos and environmental pollution experts and external legal and professional advisors.

Factors contributing to this higher degree of uncertainty include:

- the long delay in reporting claims from the date of exposure (for example, cases of mesothelioma can have a latent period of up to 40 years). This makes estimating the ultimate number of claims we will receive particularly difficult;
- issues of allocation of responsibility among potentially responsible parties and insurers;
- emerging court decisions and the possibility of retrospective legislative changes increasing or decreasing insurer liability;
- the tendency for social trends and factors to influence court awards;
- developments pertaining to the Group's ability to recover reinsurance for claims of this nature; and
- for US liabilities from our London market business, developments in the tactics of US plaintiff lawyers and court decisions and awards.

Acquisitions and disposals

The Group makes acquisitions and disposals of businesses as part of its normal operations. All acquisitions are made after due diligence, which will include, amongst other matters, assessment of the adequacy of claims reserves, assessment of the recoverability of reinsurance balances, inquiries with regard to outstanding litigation and inquiries of local regulators and taxation authorities. Consideration is also given to potential costs, risks and issues in relation to the integration of any proposed acquisitions with existing RSA operations. The Group will seek to receive the benefit of appropriate contractual representations and warranties in connection with any acquisition and, where necessary, additional indemnifications in relation to specific risks although there can be no guarantee that these processes and any such protection will be adequate in all circumstances. The Group may also provide relevant representations, warranties and indemnities to counterparties on any disposal. While such representations, warranties and indemnities are essential components of many contractual relationships, they do not represent the underlying purpose for the transaction.

These clauses are customary in such contracts and may from time to time lead to us receiving claims from counterparties.

Contracts with third parties

The Group enters into joint ventures, outsourcing contracts and distribution arrangements with third parties in the normal course of its business and is reliant upon those third parties being willing and able to perform their obligations in accordance with the terms and conditions of the contracts.

Litigation, disputes and investigations

The Group, in common with the insurance industry in general, is subject to litigation, mediation and arbitration, and regulatory, governmental and other sectoral inquiries and investigations in the normal course of its business. In addition the Group is exposed to the risk of litigation in connection with its former ownership of the US operation. The directors do not believe that any current mediation, arbitration, regulatory, governmental or sectoral inquiries and investigations and pending or threatened litigation or dispute will have a material adverse effect on the Group's financial position, although there can be no assurance that losses or financial penalties resulting from any current mediation, arbitration, regulatory, governmental or sectoral inquiries and investigations and pending or threatened litigation or dispute will not materially affect the Group's financial position or cash flows for any period.

Reinsurance

The Group is exposed to disputes on, and defects in, contracts with its reinsurers and the possibility of default by its reinsurers. The Group is also exposed to the credit risk assumed in fronting arrangements and to potential reinsurance capacity constraints. In selecting the reinsurers with whom we do business our strategy is to seek reinsurers with the best combination of financial strength, price and capacity. We publish internally a list of authorised reinsurers who pass our selection process and which our operations may use for new transactions.

The Group monitors the financial strength of its reinsurers, including those to whom risks are no longer ceded. Allowance is made in the financial position for non recoverability due to reinsurer default by requiring operations to provide, in line with Group standards, having regard to companies on the Group's 'Watch List'. The 'Watch List' is the list of companies whom the directors believe will not be able to pay amounts due to the Group in full.

Investment risk

The Group is exposed to market risk and credit risk on its invested assets. Market risk includes the risk of potential losses from adverse movements in market rates and prices including interest rates, equity prices, property prices and foreign currency exchange rates. The Group's exposure to market risks is controlled by the setting of investment limits in line with the Group's risk appetite. From time to time the Group also makes use of derivative financial instruments to reduce exposure to adverse fluctuations in interest rates, foreign exchange rates and equity markets. The Group has strict controls over the use of derivative instruments.

Credit risk includes the non performance of contractual payment obligations on invested assets and adverse changes in the credit worthiness of invested assets including exposures to issuers or counterparties for bonds, equities, deposits and derivatives. Limits are set at both a portfolio and counterparty level based on likelihood of default to manage the Group's overall credit profile and specific concentrations within risk appetite.

Our insurance investment portfolios are concentrated in listed securities with very low levels of exposure to assets without quoted market prices. We use model based analysis to verify asset values when market values are not readily available.

Rating environment

The ability of the Group to write certain types of insurance business is dependent on the maintenance of the appropriate credit ratings from the rating agencies. The Group has the objective of maintaining single 'A' ratings. At the present time the ratings are 'A' (stable outlook) from S&P, 'A' (stable outlook) from AM Best upgraded in February 2009 and 'A2' (stable outlook) from Moody's upgraded from 'A3' in December 2008. Any worsening in the ratings could have an adverse impact on the ability of the Group to write certain types of general insurance business.

In assessing credit risk in relation to reinsurance and investments, the Group takes into account a variety of factors, including credit rating. If any such rating changes, or is otherwise reassessed, this has potential implications for the related exposures.

Changes in foreign exchange rates may impact our results

We publish our consolidated financial statements in Pounds Sterling. Therefore, fluctuations in exchange rates used to translate other currencies, particularly other European currencies and the US Dollar, into Pounds Sterling will impact our reported consolidated financial condition, results of operations and cash flows from period to period. These fluctuations in exchange rates will also impact the Pound Sterling value of our investments and the return on our investments.

Income and expenses for each income statement item are translated at average exchange rates. Assets and liabilities, as reported in the statement of financial position, are translated at closing exchange rates at the end of the reporting period.

Regulatory environment

The legal, regulatory and accounting environment is subject to significant change in many of the jurisdictions in which we operate, including developments in response to changes in the economic and political environment and the recent financial crisis. We continue to monitor the developments and react accordingly.

The new solvency framework for insurers being developed by the EU, referred to as 'Solvency II', is intended in the medium term to achieve greater harmonisation of approach across EU member states to assessing capital resources and requirements. There will be continued uncertainty until all the rules are finalised and the Group is actively participating in shaping the outcome through our involvement with European and UK regulators and industry bodies. The Group is actively progressing its implementation plans and the directors are confident that the Group will continue to meet all future regulatory capital requirements.

Condensed Consolidated Financial Statements

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CONDENSED CONSOLIDATED INCOME STATEMENT
STATUTORY BASIS

	6 Months 2010	6 Months 2009	12 Months 2009 (audited)
	£m	£m	£m
Income			
Gross written premiums	4,364	4,035	7,744
Less: reinsurance premiums	(562)	(549)	(1,007)
Net written premiums	3,802	3,486	6,737
Change in the gross provision for unearned premiums	(368)	(181)	(34)
Less: change in provision for unearned premiums, reinsurers' share	69	35	50
Change in provision for unearned premiums	(299)	(146)	16
Net earned premiums	3,503	3,340	6,753
Net investment return	362	311	616
Other operating income	62	54	89
Total income	3,927	3,705	7,458
Expenses			
Gross claims incurred	(3,788)	(2,386)	(4,999)
Less: claims recoveries from reinsurers	1,452	205	612
Net claims and benefits	(2,336)	(2,181)	(4,387)
Underwriting and policy acquisition costs	(1,091)	(1,028)	(2,066)
Unwind of discount including ADC	(49)	(52)	(100)
Other operating expenses	(86)	(77)	(210)
Total expenses	(3,562)	(3,338)	(6,763)
Results of operating activities	365	367	695
Finance costs	(58)	(52)	(116)
Acquisitions and disposals	(3)	-	(7)
Net share of loss after tax of associates	(2)	(14)	(18)
Profit before tax	302	301	554
Income tax expense	(78)	(78)	(135)
Profit after tax	224	223	419
Attributable to:			
Equity holders of the Parent Company	221	220	418
Non-controlling interests	3	3	1
Profit after tax	224	223	419

Earnings per share on profit attributable to the ordinary shareholders of the Parent Company:

Basic	6.3p	6.5p	12.2p
Diluted	6.2p	6.4p	12.1p

The attached notes are an integral part of these condensed consolidated financial statements. For dividend information refer to note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATUTORY BASIS

	6 Months 2010	6 Months 2009	12 Months 2009 (audited)
	£m	£m	£m
Profit after tax	224	223	419
Exchange losses net of tax	(43)	(209)	(108)
Fair value gains net of tax	22	18	184
Pension fund actuarial losses net of tax	(63)	(244)	(691)
Other comprehensive expenses for the period, net of tax	(84)	(435)	(615)
Total comprehensive income/(expense) for the period	140	(212)	(196)
Attributable to:			
Equity holders of the Parent Company	132	(209)	(193)
Non-controlling interests	8	(3)	(3)
	140	(212)	(196)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

STATUTORY BASIS

	Shareholders' funds £m	Non- controlling interests £m	Total equity and reserves £m
Balance at 1 January 2010	3,491	97	3,588
Total comprehensive income for the period	132	8	140
Share issue	12	-	12
Changes in shareholders' interests in subsidiaries	(29)	25	(4)
Share based payments	14	-	14
Prior year final dividend	(182)	(2)	(184)
Preference dividend	(5)	-	(5)
Balance at 30 June 2010	3,433	128	3,561
Balance at 1 January 2009	3,839	81	3,920
Total comprehensive expense for the period	(209)	(3)	(212)
Share issue	31	-	31
Share based payments	16	-	16
Prior year final dividend	(165)	(3)	(168)
Preference dividend	(5)	-	(5)
Balance at 30 June 2009	3,507	75	3,582

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
STATUTORY BASIS

	30 June 2010	30 June 2009	31 December 2009 (audited)
	£m	£m	£m
Assets			
Goodwill and other intangible assets	1,035	854	969
Property and equipment	266	276	284
Investment property	421	346	391
Investment in associates	31	29	31
Financial assets	12,606	11,960	12,900
Total investments	13,058	12,335	13,322
Reinsurers' share of insurance contract liabilities	2,994	1,828	1,795
Insurance and reinsurance debtors	3,054	2,811	2,812
Deferred acquisition costs	717	639	674
Current tax assets	47	13	28
Deferred tax assets	242	110	208
Other debtors and other assets	881	1,281	752
	1,170	1,404	988
Cash and cash equivalents	1,199	1,767	996
	23,493	21,914	21,840
Assets held for sale*	12	11	201
Total assets	23,505	21,925	22,041
Equity, reserves and liabilities			
Equity and reserves			
Shareholders' funds	3,433	3,507	3,491
Non-controlling interests	128	75	97
Total equity and reserves	3,561	3,582	3,588
Liabilities			
Loan capital	1,317	1,742	1,317
Insurance contract liabilities	15,877	14,306	14,451
Insurance and reinsurance liabilities	708	562	493
Borrowings	299	302	295
Current tax liabilities	153	152	198
Deferred tax liabilities	60	101	57
Provisions	547	246	542
Other liabilities	983	932	937
Provisions and other liabilities	1,743	1,431	1,734
	19,944	18,343	18,290
Liabilities held for sale*	-	-	163
Total liabilities	19,944	18,343	18,453
Total equity, reserves and liabilities	23,505	21,925	22,041

These condensed consolidated financial statements have been approved for issue by the Board of Directors on 4 August 2010.

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

* Assets held for sale at 30 June 2010 and 30 June 2009 relate to property in the UK and Scandinavia. Assets and liabilities held for sale at 31 December 2009 relate to the British Engine legacy business, and property.

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

STATUTORY BASIS

	6 Months 2010	6 Months 2009
	£m	£m
Cashflows from operations	89	(5)
Tax paid	(163)	(111)
Investment income	326	313
Interest paid	(77)	(38)
Pension asset reallocation funding	(46)	(37)
Net cashflows from operating activities	129	122
Proceeds from sales or maturities of:		
Investment contracts	2,043	1,790
Property and equipment	2	1
Investments in subsidiaries (net of cash disposed of)	(82)	-
Purchase or settlement of:		
Investment contracts	(1,749)	(1,895)
Investment property	(14)	(1)
Property and equipment	(14)	(16)
Intangible assets	(61)	(41)
Investments in subsidiaries (net of cash acquired)	3	(57)
Net cashflows from investing activities	128	(219)
Proceeds from issue of share capital	9	4
Dividends paid to ordinary shareholders	(179)	(138)
Dividends paid to preference shareholders	(5)	(5)
Dividends paid to non-controlling interests	(1)	(3)
Net movement in long term borrowings	-	491
Net movement in other borrowings	4	2
Net cashflows from financing activities	(172)	351
Net increase in cash and cash equivalents	85	254
Cash and cash equivalents at beginning of the year	1,105	1,614
Effect of exchange rate changes on cash and cash equivalents	9	(101)
Cash and cash equivalents at the end of the period	1,199	1,767

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

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Changes in significant accounting policies

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed financial information in this half yearly report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34). During the period, the Group has adopted IFRS 3 'Business Combinations (revised 2008)' and IAS 27 'Consolidated and Separate Financial Statements (revised 2008)'. This is mandatory for accounting periods beginning on or after 1 July 2009. The revised standards include a number of changes, the most significant to the financial statements being that 'minority interests' are now renamed 'non-controlling interests', and that costs incurred by the Group in connection with a business combination completed on or after 1 January 2010 are expensed in the income statement. There have been no other significant changes in accounting policy and methods of computation in the six months to 30 June 2010. A full list of other accounting policies applied in these condensed financial statements can be found in the 2009 Annual Report and Accounts (see note 9 below). The Board have reviewed the Group's ongoing financial commitments for the next twelve months and beyond. The Board's review included consideration of the Group's underwriting plans, strong regulatory capital surplus, diverse insurance risk profile, considerable undrawn financing facilities and highly liquid investment portfolio. As a result of this review, the Directors have satisfied themselves that it is appropriate to prepare these financial statements on a going concern basis.

2. Operating segments

Six months ended 30 June 2010

	International £m	UK £m	Emerging Markets £m	Central functions £m	Group £m
Net written premiums	1,884	1,461	441	16	3,802
Underwriting result	156	2	(13)	(9)	136
Investment result	142	141	29	(2)	310
Insurance result	298	143	16	(11)	446
Other activities	(5)	-	(22)	(38)	(65)
Operating result (management basis)	293	143	(6)	(49)	381
Amortisation					(13)
Reorganisation costs					(5)
Less net share of loss after tax of associates					2
Results of operating activities (per condensed consolidated income statement)					365
Combined operating ratio (%)	89.3	98.9	103.3	-	94.8
Segment assets (£m)	10,339	7,696	3,967	1,460	23,462

Six months ended 30 June 2009

	International £m	UK £m	Emerging Markets £m	Central functions £m	Group £m
Net written premiums	1,764	1,339	373	10	3,486
Underwriting result	137	33	13	-	183
Investment result	126	123	23	(2)	270
Insurance result	263	156	36	(2)	453
Other activities	(5)	1	(23)	(34)	(61)
Operating result (management basis)	258	157	13	(36)	392
Amortisation					(11)
Reorganisation costs					(28)
Less net share of loss after tax of associates					14
Results of operating activities (per condensed consolidated income statement)					367
Combined operating ratio (%)	90.0	97.4	98.1	-	93.5
Segment assets (£m)	10,118	8,409	2,206	1,152	21,885

The Group's results are not subject to any significant impact arising from the seasonality or cyclical nature of operations, although there is some seasonality in the regions within which the Group operates.

The information above (including the 2009 comparative data) has been prepared on the same basis as reported in the 2009 Annual Report and Accounts. The segment assets exclude investment in associates and assets and liabilities held for sale.

3. Earnings per share

The earnings per share is calculated by reference to the result attributable to the ordinary shareholders of the Parent Company and the weighted average number of shares in issue during the period. On a basic and diluted basis this was 3,429,772,622 and 3,460,400,139 respectively (excluding those held in ESOP and SIP trusts). The number of shares in issue at 30 June 2010 was 3,442,224,158 (excluding those held in ESOP and SIP trusts).

4. Changes in estimates of amounts reported in prior financial years

During the first half of the year, changes to claims reserve estimates made in prior years as a result of reserve development is included in the prior year profit of £121m (H1 2009: £132m).

The Group pension fund deficit net of tax as at 30 June 2010 is £267m (31 December 2009: £262m). Further information on the movement in pension fund is included on page 15.

5. Business combination and other changes in the structure of the Group

On 30 April 2010, the Group acquired 100% of the share capital of Al Ahlia Insurance Company SAOC (AAIC) in Oman. The acquisition was made by a subsidiary in which the Parent Company shareholders have a 34.5% equity interest. On 1 April 2010, the Group acquired 80.8% of the share capital of Sveland Sakförsäkringar AB in Sweden. In addition, a number of smaller business combinations were completed in Canada during the period. The acquisitions increase the Group's insurance activity in each of the countries. The total consideration paid was £55m and goodwill of £44m arose on these acquisitions.

	Total £m
Recognised amounts of identifiable assets acquired and liabilities assumed	
Investments	31
Intangible assets (excluding goodwill)	10
Other assets	52
Cash and cash equivalents	33
Insurance contract liabilities	(82)
Other liabilities	(33)
Net assets acquired	11
Cash consideration	41
Deferred consideration	3
Shares issued by a subsidiary as part consideration for acquisition of AAIC	11
Total consideration paid	55
Total goodwill additions in six months ended 30 June 2010	44

The aggregate fair value of the contingent liabilities recognised in the business combinations is less than £1m.

The fair value of the financial assets acquired includes premiums and insurance balances receivable of £30m, a reduction of £2m on their nominal value to take account of balances that are expected to be uncollectable.

The total consideration for the business combinations is subject to agreement with the vendors of the valuation of certain assets and liabilities. The outcome of these arrangements could increase the aggregate consideration by £6m.

The fair value of the shares issued as part of the consideration paid for AAIC was determined by an independent market valuation.

Acquisition related costs (included in other operating expenses in the statutory condensed consolidated income statement for the six months ended 30 June 2010) amounted to £3m.

If the acquisitions had occurred on 1 January 2010, Group net written premiums for the period would have increased by £45m and the Group's profit after tax would have decreased by £5m. The total loss after tax of the acquired entities since the acquisition dates included in the Group's profit for the period is £1m.

Goodwill is individually assessed on each acquisition. The goodwill shown above arose from the premium paid for strengthening the Group's market position in targeted business segments and acquiring the skilled workforce to drive future profitability in those segments. Goodwill also represents the future cost saving from expected synergies and economies of scale. With the exception of £8m of goodwill arising in Canada, the goodwill recognised is expected to be deductible for income tax purposes.

The valuations disclosed above are provisional pending the completion of the review of valuation of certain assets and liabilities, in particular the actuarial review of insurance liabilities.

During the period the Group completed the disposal of British Engine Limited, which was classified as held for sale at the previous year end.

Changes in the carrying value of goodwill during the period were as follows:

	2010 £m	2009 £m
Gross goodwill		
At 1 January	508	344
Recognised in period	44	142
Net foreign exchange rate movement	(11)	(30)
At 30 June	541	456

No material impairments have been recognised during the period or in prior periods.

6. Ordinary share issues during the period to 30 June

During the six months to 30 June 2010, 26,205,748 (H1 2009: 18,767,476) ordinary shares were issued on the exercise of employee share options and investment plans. The Company also issued 2,672,758 (H1 2009: 21,132,787) ordinary shares under the scrip scheme approved by the shareholders at the 2009 Annual General Meeting.

7. Dividends

	30 June 2010		30 June 2009	
	Per share p	Total £m	Per share p	Total £m
Ordinary dividend				
Final paid in respect of prior year	5.33	182	4.98	165
Interim proposed/paid in respect of current year	3.12	108	2.92	99
	8.45	290	7.90	264
Preference dividend		5		5
		295		269

8. Exchange rates

Local currency/£	6 Months 2010		6 Months 2009		12 Months 2009	
	Average	Closing	Average	Closing	Average	Closing
Canadian Dollar	1.58	1.59	1.80	1.91	1.78	1.69
Danish Krone	8.54	9.10	8.34	8.74	8.36	8.37
Swedish Krona	11.26	11.64	12.15	12.76	11.93	11.53
Euro	1.15	1.22	1.12	1.17	1.12	1.13

9. Results for 2009

The financial information relating to the year ended 31 December 2009 and included in the condensed consolidated financial statements does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006, but has been abridged from the statutory accounts. The statutory accounts of RSA Insurance Group plc for the year ended 31 December 2009 have been delivered to the Registrar of Companies. The independent auditors' report on the Group accounts for the year ended 31 December 2009 is unqualified, does not draw attention to any matters by way of emphasis and does not include a statement under section 498(2) or (3) of the Companies Act 2006.

RESPONSIBILITY STATEMENT

The condensed set of financial statements on pages 23 to 29 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and we confirm that to the best of our knowledge:

- a) The interim management report on pages 5 to 21 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
- b) The interim management report on pages 5 to 21 includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

Signed on behalf of the Board



Andy Haste
Chief Executive Officer

4 August 2010



George Culmer
Chief Financial Officer

4 August 2010

INDEPENDENT REVIEW REPORT TO RSA INSURANCE GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial statements in the half yearly financial report for the six months ended 30 June 2010 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows and related notes 1 to 9. 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 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 1, 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 2010 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
4 August 2010
London, UK

SHAREHOLDER INFORMATION

Registered office and Group Corporate Centre

9th Floor, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD. Telephone: +44 (0)20 7111 7000. Registered in England and Wales No. 2339826.

Company website

The Annual Report and Accounts, Interim Management Statements, Half Year Report and other useful information about the Company, such as the current share price and frequently asked questions in respect of shareholder matters, are available on the website www.rsagroup.com.

Registrar

The Company's share register is maintained by Equiniti Limited. Queries regarding your shareholding should be addressed to Equiniti at the following address: Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Telephone: +44 (0)871 384 2048. Overseas callers should use +44 (0)121 415 7064. Shareholders with a text phone facility should use +44 (0)871 384 2255.

Please quote your shareholder reference number (on your share certificate and dividend tax vouchers) when contacting or corresponding with Equiniti. (Calls are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.) Telephone lines are open from 8.30am to 5.30pm Monday to Friday.

Electronic Communications

RSA provides shareholder information including the Annual Report and Accounts, AGM Notice, an events calendar and governance information via the Company's website www.rsagroup.com. You can elect to receive notifications of shareholder communications by registering at www.shareview.co.uk where you can also set up a bank mandate to receive dividends directly to your bank account and submit proxy votes for shareholder meetings. Receiving the Company's communications electronically allows the Company to communicate with its shareholders in a more environmentally friendly, cost effective and timely manner.

Scrip dividend scheme

RSA offers shareholders the opportunity to use their dividends to buy more ordinary shares in the Company by participating in the Company's Scrip Dividend Scheme. The Scheme applies to both interim and final dividends and enables shareholders to increase their holding in the Company without incurring dealing costs or stamp duty. If you wish to receive a scrip dividend instead of a cash dividend for future dividends on which a scrip alternative is offered, please contact Equiniti.

FINANCIAL CALENDAR

11 August 2010

Ex dividend date for the ordinary interim dividend for 2010 and the second preference dividend for 2010

13 August 2010

Record date for the ordinary interim dividend for 2010 and the second preference dividend for 2010

19 August 2010

Announcement of the scrip dividend price for the ordinary interim dividend for 2010

1 October 2010

Payment date for the second preference dividend for 2010

29 October 2010

Deadline for the receipt of scrip dividend mandates by Equiniti Limited in relation to ordinary interim dividend 2010

4 November 2010*

Announcement of Q3 interim management statement

26 November 2010

Payment of the ordinary interim dividend for 2010

24 February 2011*

Announcement of the full year results for 2010, the ordinary final dividend for 2010 and the first preference dividend for 2011

* Provisional

