

# HALF YEAR REPORT 2010



# SOLID FIRST HALF YEAR RESULT

The Club continues to achieve a positive technical result despite an increase in reported claims compared to the first half of last year. Adding the positive returns from investments the Club delivers a solid half year result of USD 18.5 million.

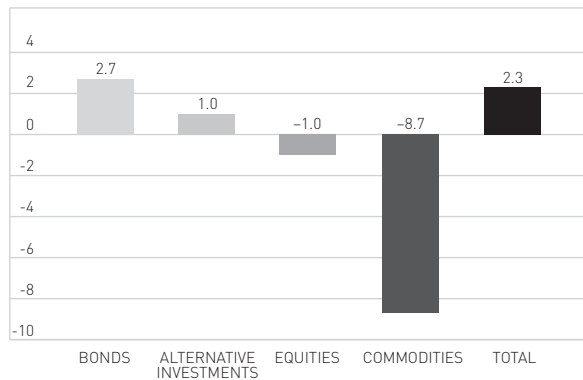
We have seen an increase in the number of medium to large retention claims reported in the 2nd quarter compared to last year. The club has for many years focused on the importance of including estimates for large claims in its pricing models. If we are prepared for the unexpected, we will manage to keep the technical result in tune.

After 2nd quarter the technical result is USD 3.7 million compared to USD 14.2 million last year.

Despite continued volatility in the financial markets the Club's investment portfolio has performed well. Return on investments was 2.3% at 20 August 2010, resulting in a net investment income, including adjustments of exchange rate effects, totalling USD 15.4 million. Performance on individual asset classes is illustrated below:

## INVESTMENT PERFORMANCE

/ IN PERCENT



Our membership base continues to grow and now stands at 60 million mutual gross tonnage. We continue to diversify our fixed premium business with continued profitable growth within Offshore and Charterers.

The club has a strong focus on Enterprise Risk Management and is well prepared to meet the new Solvency II capital requirements without relying on any unbudgeted supplementary calls. The half year result of USD 18.5 million will lift our free reserves to USD 220 million.

Yours Sincerely  
Assuranceforeningen Skuld (Gjensidig)

DOUGLAS JACOBSON  
CHIEF EXECUTIVE OFFICER

CONSOLIDATED  
INCOME AND  
EXPENDITURE  
ACCOUNT AS  
OF 20.08.10

MUSD	2010 (Q2)	2009 (Q2)
<b>TECHNICAL ACCOUNT</b>		
Premiums and calls	127.7	122.6
Reinsurance premiums	-14.7	-13.5
<b>Premiums for own account</b>	<b>113.0</b>	<b>109.1</b>
<b>Claims incurred for own account</b>	<b>-90.1</b>	<b>-75.1</b>
Acquisition costs	-14.5	-15.0
Administrative expenses	-4.8	-4.7
<b>Net operating expenses</b>	<b>-19.2</b>	<b>-19.7</b>
<b>Balance carried to non-technical account</b>	<b>3.7</b>	<b>14.2</b>

**NON TECHNICAL ACCOUNT**

Balance from technical account	3.7	14.2
Net investment income	15.4	32.2
Taxes	-0.6	0.0
<b>Balance carried to contingency reserve</b>	<b>18.5</b>	<b>46.4</b>

BALANCE  
SHEET AS OF  
20.08.10

MUSD	2010 (Q2)	2009 (Q2)
<b>ASSETS</b>		
Financial investments	568.3	482.5
Debtors	22.3	21.7
Other assets	35.9	43.5
Prepayment and accrued income	7.0	1.2
<b>Total assets</b>	<b>633.6</b>	<b>548.9</b>

**LIABILITIES**

Provision for outstanding claims for own account	353.2	284.0
Contingency reserve	220.0	190.3
Technical provisions for own account	573.2	474.3
Provisions for other liabilities	0.8	8.4
Creditors	12.0	16.8
Accruals and deferred income	47.6	49.3
<b>Total liabilities</b>	<b>633.6</b>	<b>548.9</b>

In the P&L, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.



ASSURANCEFORENINGEN  
SKULD (GJENSIDIG)  
RUSELØKKVEIEN 26  
NO-0251 OSLO  
P.O. BOX 1376 VIKA  
NO-0114 OSLO  
NORWAY

TEL +47 22 00 22 00  
FAX +47 22 42 42 22

[SKULD.COM](http://SKULD.COM)