

Half year report 2005

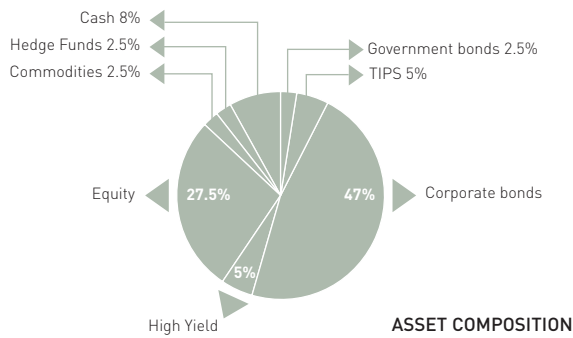
CONTINUING TO BUILD RESERVES ►



SKULD

FINANCIAL SUMMARY

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT (MUSD)	As of 20.08.05	As of 20.08.04
TECHNICAL ACCOUNT		
Premiums and calls	73.1	68.1
Reinsurance premiums	-9.4	-10.1
Premiums for own account	63.7	58.0
Claims incurred for own account	-57.2	-41.4
Acquisition costs	-7.4	-6.4
Administrative expenses	-3.8	-3.1
Net operating expenses	-11.2	-9.4
Balance carried to non-technical account	-4.6	7.1
NON TECHNICAL ACCOUNT		
Balance from technical account	-4.6	7.1
Net investment income	9.9	-2.0
Taxes	-0.1	-0.1
Balance carried to contingency reserves	5.2	5.1
BALANCE SHEET (MUSD)	As of 20.08.05	As of 20.08.04
ASSETS		
Financial investments	350.6	314.8
Debtors	14.1	14.7
Other assets	43.0	39.6
Prepayment and accrued income	0.4	1.2
Total assets	408.2	370.3
LIABILITIES		
Provisions for outstanding claims for own account	252.8	253.5
Contingency reserve	118.3	86.7
Technical provision for own account	371.0	340.2
Provisions for other liabilities	4.1	4.5
Creditors	3.1	-2.7
Accruals and deferred income	29.9	28.3
Total liabilities	408.2	370.3



FROM OUR CEO

CONTINUING TO BUILD RESERVES. We are pleased to present the half year accounts for 2005 which show a profit of USD 5.2 million. This is the 10th consecutive quarter where Skuld strengthens its free reserves. As a consequence, contingency reserves now stand at a record high USD 118 million.

Although the club produced a positive bottom line, the technical result was negative. This is due to a higher number of claims in excess of USD 1 million than in recent years, mainly admiralty type claims. The relatively modest USD 4.6 million technical loss in the period is, however, within the fluctuations that must be expected, and the club's managers do not see this as an indication of continued deterioration of the technical results going forward. A technical break even remains a key target for Skuld, and the efforts and focus on obtaining this goal will be continued.

During the first six months of the year, investment returns have been satisfactory for all classes, with a strong second quarter performance for equity as a key result booster.

During these six months, the club has implemented several important changes to asset management, involving both new asset allocation and replacement of all managers. The club's equity investments have been increased to a new target allocation of 27.5%, compared to 22.5% previously. The club's two active bond portfolios have been replaced with a passive mandate, enabling a constant exposure to the broad US bond market at fixed weights. Finally, the portfolio has been further diversified, with investments into high yield bonds, hedge funds and commodities. Especially commodities with its large oil element have been profitable during the latter part of the period.

As previously announced, Skuld is increasing its focus on the important and growing German market. The club's marketing office in Hamburg is now operational and our team is ready to service this market.


DOUGLAS JACOBSON
 PRESIDENT AND
 CHIEF EXECUTIVE OFFICER

SKULD OFFICE ADDRESSES

Assuranceforeningen Skuld (Gjensidig)

Ruseløkkveien 26, Oslo, Norway
Mailing address:
P.O. Box 1376 Vika,
0114 Oslo, Norway
Telephone: +47 22 00 22 00
Telefax: +47 22 42 42 22
E-mail: osl@skuld.com

Assuranceforeningen Skuld (Gjensidig)

ved Den Danske Afdeling
Frederiksborggade 15
DK-1360 Copenhagen K, Denmark
Telephone: +45 33 43 34 00
Telefax: +45 33 11 33 41
E-mail: cph@skuld.com

Skuld Hellas

Filellinon 1-3,
P.O. Box 80112
GR-185 36 Piraeus, Greece
Telephone: +30 210 459 4190-2
Telefax: +30 210 459 4194
E-mail: ath@skuld.com

Skuld Bergen

Nedre Ole Bulls plass 3
Mailing address:
P.O. Box 75, 5803 Bergen, Norway
Telephone: +47 55 30 18 60
Telefax: +47 55 30 18 70
E-mail: bgo@skuld.com

Skuld (Far East)

Room 2909, China Resources Building
26 Harbour Road, Wanchai, Hong Kong
Telephone: +852 2836 3909
Telefax: +852 2836 3219
E-mail: hkg@skuld.com

Skuld Germany GmbH

Neuer Wall 35
D-20354 Hamburg, Germany
Telephone: +49 40 309 9870
Telefax: +49 40 309 98716/17
E-mail: germany@skuld.com

EXCLUSIVE CORRESPONDENT IN THE UNITED STATES

Anchor Marine Claims Services Inc.

805 Third Avenue, 21st Floor
NEW YORK, N.Y. 10022, USA
Telephone: (1) 212 758 9200 (24 hr.)
Telefax: (1) 212 758 9935
E-mail: nyc@anchorclaims.com

www.skuld.com

Emergency phone: +47 952 92 200

Organisation number:
NO 938419531 MVA
