





HIGHLIGHTS

- Positive six-month result of USD 2 million
- Gross written premium increase by USD 10 million
- Investment income USD 26.6 million

POSITIVE HALF-YEAR RESULT

Skuld ended the first six months of the 2019/20 policy year with a bottom-line net income of USD 2 million compared with USD 14 million at the half-year of 2018/19.

The result arises mainly from investment income and Skuld's commercial P&I book of business.

Alongside claims from Skuld members, there were a number of reported pool claims from other P&I clubs which had a negative impact on the technical result. The half-year combined ratio was 112%, compared with 95% for the same period of 2018/19. Gross written premiums showed an increase of USD 10 million.

In contrast to the technical account, net investment income contributed positively, with USD 26.6 million. Greater economic uncertainty had a welcome positive impact on our unchanged long-term investment strategy, with its majority weighting towards low-risk bonds that reduce volatility.

Earlier this year, our Lloyd's syndicate 1897 was placed into a three-year run-off programme, and the book closed to new business. Skuld now writes hull and machinery (H&M) business on corporate paper under the Skuld Hull brand, which has contributed positively to these half-year results.

Despite the high number of reported claims, we are pleased with the half-year result, particularly given the challenging international marine insurance environment.

Due to the competitive and economic pressures facing the global marine risk market, it is crucial for Skuld to continue with our beneficial diversification strategy and retain our resolve to maintain a sustainable balance between financial strength, risk, and growth. This balance is the key to achieving low volatility for our members, and to remain a stable and robust risk partner for them into the future.

Skuld's policies of attracting quality tonnage through service excellence and pursuing risk diversification continue to create stability in the club's operational performance. Our number one focus is and always will be the interests of our members and clients. We will continue to provide them with the competence and 24-hour service across the world that they have come to rely upon.

STÅLE HANSEN
President and CEO

KEY FIGURES

CONSOLIDATED INCOME STATEMENT AS AT 20 AUGUST

MUSD	2019 (6 MONTHS)	2018 (6 MONTHS)
TECHNICAL ACCOUNT		
Gross written premium	316.2	306.8
Change in unearned premium	-130.0	-115.0
Premiums and calls	186.2	191.8
Reinsurance premiums	-24.3	-25.9
Premiums for own account	161.9	165.9
Claims incurred for own account	-140.8	-109.9
Acquisition costs	-34.5	-37.6
Administrative expenses	-9.7	-9.3
Net operating expenses	-44.2	-46.9
Balance carried to non-technical account	-23.2	9.1
NON TECHNICAL ACCOUNT		
Balance from technical account	-23.2	9.1
Net investment income	26.6	4.6
Taxes	-1.4	0.0
Balance carried to contingency reserve	2.0	13.7

BALANCE SHEET AS AT 20 AUGUST

MUSD	2019 (6 MONTHS)	2018 (6 MONTHS)
ASSETS		
Financial investments	819.1	835.2
Debtors	123.9	108.6
Other assets	203.4	176.0
Prepayment and accrued income	32.5	34.0
Total assets	1 178.9	1 153.8
LIABILITIES		
Provision for outstanding claims for own account	533.8	505.8
Contingency reserve	454.7	455.5
Minority interest	-3.4	-3.4
Technical provisions for own account	985.1	957.8
Provisions for other liabilities	8.9	7.1
Creditors	22.9	35.9
Accruals and deferred income	162.0	153.0
Total liabilities	1 178.9	1 153.8

In the consolidated income statement, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

CONTINGENCY RESERVE

USD mill.

