



# Half-year report 2024/25

Accounts 21.02.2024-20.08.2024







## Positive half-year result 2024/25

Skuld started the first six months of the 2024/25 financial year with a positive result of USD 25 million. The result was driven by a strong contribution from investment income across all asset classes. At the same time, Skuld continues to see growth in premiums and calls both for mutual and commercial lines of business, resulting in gross earned premiums and calls of USD 277 million, an increase of USD 21 million compared with the same period last year.

The investment portfolio contributed positively with a return of 5.1% in the first half of the year. All the main drivers moved favourably over the period, with global equities increasing by 11.5% while US bond yields and the USD declined.

Despite the premium growth, the half-year technical result ended at a negative USD 30 million. Following a benign large-claims environment for the past couple of years, several large claims in Skuld's own portfolio impacted the half-year technical result. Additionally, an increase in claims

reported through the International Group (IG) pooling system contributed to more than doubling pool costs, year-on-year. In the reporting period, Skuld reported one new pool claim.

Overall, this resulted in a combined ratio of 111%. The return to a normalised claims environment emphasises the need for further rate adjustments to absorb higher claims volatility in the portfolio.

STÅLE HANSEN  
President and CEO

### Highlights:

- Positive result of USD 25 million for the half year
- Continued premium growth
- Strong investment portfolio return





# Key figures

All figures in USD million

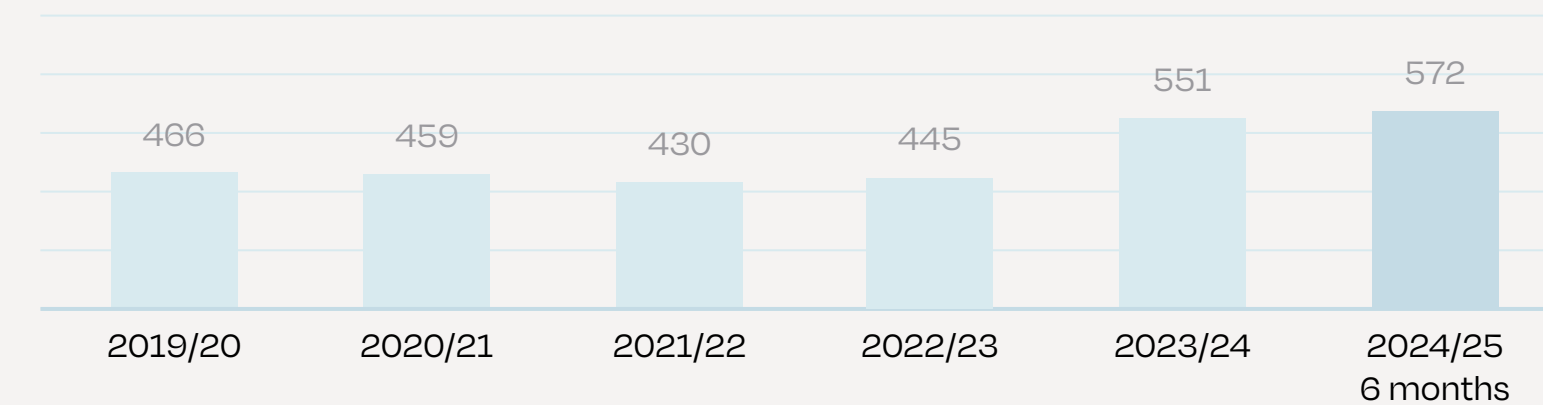
CONSOLIDATED INCOME STATEMENT AS AT 20 AUGUST	2024 (6 months)	2023 (6 months)
<b>TECHNICAL ACCOUNT</b>		
Premiums and calls	276.7	256.3
Reinsurance premiums	-52.4	-45.6
<b>Premiums for own account</b>	<b>224.3</b>	<b>210.7</b>
Pool claims	-25.2	-11.7
Own claims for own account	-178.1	-129.7
<b>Claims incurred for own account</b>	<b>-203.3</b>	<b>-141.4</b>
Acquisition costs	-38.4	-36.5
Administrative expenses	-12.5	-11.5
<b>Net operating expenses</b>	<b>-50.8</b>	<b>-48.0</b>
<b>Balance carried to non-technical account</b>	<b>-29.8</b>	<b>21.3</b>
<b>NON-TECHNICAL ACCOUNT</b>		
Balance from technical account	-29.8	21.3
Net investment income	54.3	19.1
Tax expense/(income)	-2.9	-3.9
Other income and expenses	3.0	3.6
<b>Balance carried to members' funds</b>	<b>24.6</b>	<b>40.1</b>

All figures in USD million

BALANCE SHEET	20.08.2024	20.02.2024
<b>ASSETS</b>		
Intangible assets	5.9	4.5
Financial investments	1 117.4	1 037.6
Debtors	33.9	22.8
Other assets	214.5	172.4
Prepayment and accrued income	19.4	23.6
<b>Total assets</b>	<b>1 391.1</b>	<b>1 261.0</b>
<b>LIABILITIES</b>		
Provisions for outstanding claims for own account	641.7	587.3
Contingency reserve	571.6	551.4
<i>Members' funds</i>	542.0	517.4
<i>Deferred cessation tax</i>	29.6	34.0
<b>Technical provisions for own account</b>	<b>1 213.3</b>	<b>1 138.7</b>
Provisions for other liabilities	63.3	65.8
Creditors	107.1	43.7
Accruals and deferred income	7.4	12.8
<b>Total liabilities</b>	<b>1 391.1</b>	<b>1 261.0</b>

## CONTINGENCY RESERVE

USD million





## Half-year accounts 2024/25

### Condensed consolidated income statement

All figures in USD million

	21.05-20.08		YTD (21.02-20.08)	
	2024/25	2023/24	2024/25	2023/24
<b>TECHNICAL ACCOUNT</b>				
<b>Premiums and calls</b>				
Gross premiums and calls	144.0	134.1	276.7	256.3
- Reinsurance premiums	-27.8	-24.2	-52.4	-45.6
<b>Earned premiums and calls for own account</b>	<b>116.3</b>	<b>109.9</b>	<b>224.3</b>	<b>210.7</b>
Pool claims	-6.4	-10.4	-25.2	-11.7
Own claims for own account	-111.4	-70.5	-178.1	-129.7
<b>Claims incurred for own account</b>	<b>-117.8</b>	<b>-80.9</b>	<b>-203.3</b>	<b>-141.4</b>
Acquisition costs	-19.2	-19.3	-38.4	-36.5
Administrative expenses	-6.1	-6.3	-12.5	-11.5
<b>Net operating expenses</b>	<b>-25.2</b>	<b>-25.5</b>	<b>-50.8</b>	<b>-48.0</b>
<b>Balance carried to non-technical account</b>	<b>-26.7</b>	<b>3.5</b>	<b>-29.8</b>	<b>21.3</b>
<b>NON-TECHNICAL ACCOUNT</b>				
<b>Balance from technical account</b>	<b>-26.7</b>	<b>3.5</b>	<b>-29.8</b>	<b>21.3</b>
Net investment income	27.2	9.8	54.3	19.1
Tax expense/(income)	0.2	0.5	-2.9	-3.9
Other income and expenses	5.1	1.2	3.0	3.6
<b>Profit and loss</b>	<b>5.9</b>	<b>15.0</b>	<b>24.6</b>	<b>40.1</b>
<b>Balance carried to members funds</b>	<b>5.9</b>	<b>15.0</b>	<b>24.6</b>	<b>40.1</b>

### Condensed consolidated statement of financial position

All figures in USD million

	20.08.2024	20.02.2024
<b>ASSETS</b>		
Intangible assets	5.9	4.5
Financial assets	1 117.4	1 037.6
Debtors	33.9	22.8
Other assets	214.5	172.4
Prepayments and accrued income	19.4	23.6
<b>Total assets</b>	<b>1 391.1</b>	<b>1 261.0</b>
<b>LIABILITIES</b>		
<b>Technical provisions</b>		
Gross provision for outstanding claims	1 000.9	986.6
Reinsurers' share	-359.2	-399.3
<b>Provisions for outstanding claims for own account</b>	<b>641.7</b>	<b>587.3</b>
Contingency reserve	571.6	551.4
Members' funds	542.0	517.4
Deferred cessation tax	29.6	34.0
<b>Technical provisions for own account</b>	<b>1 213.3</b>	<b>1 138.7</b>
Provisions for other liabilities	63.3	65.8
Other creditors	107.1	43.7
Accruals and deferred income	7.4	12.8
<b>Total liabilities</b>	<b>1 391.1</b>	<b>1 261.0</b>



## Cash flow statement

All figures in USD million

	21.02.24-20.08.24	21.02.23-20.02.24
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		
Premiums received	324.3	513.8
Paid claims	-204.8	-382.7
Paid tax	-9.5	0.6
Operational expenses/change in accruals	-118.6	-77.9
<b>Net cash flow from operational activities</b>	<b>-8.6</b>	<b>53.8</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Interests and dividends received	9.0	21.2
Investments in fixed assets	-7.0	-8.0
Aquisition of subsidiary and investment in associated companies	0.0	0.0
Net financial investments	48.2	-77.1
<b>Net cash flow from investment activities</b>	<b>50.2</b>	<b>-63.9</b>
<b>Net change in cash and cash equivalents</b>	<b>41.6</b>	<b>-10.1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>166.7</b>	<b>176.8</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>208.3</b>	<b>166.7</b>

## Statement of changes in contingency reserves

All figures in USD million

	21.02.24-20.08.24	21.02.23-20.02.24
<b>Members' funds opening balance</b>	<b>517.4</b>	<b>401.2</b>
Other changes in members' funds	0.0	0.3
Balance carried forward to members' funds	24.6	115.9
<b>Members' funds closing balance</b>	<b>542.0</b>	<b>517.4</b>
Deferred cessation tax	29.6	34.0
<b>Contingency reserve closing balance</b>	<b>571.6</b>	<b>551.4</b>



## Note 1

### Accounting policy

The condensed interim financial report has been prepared according to regulations for Norwegian Insurance Companies and the Accounting Standard IAS 34 Interim financial reporting. Application of IAS 34 means that the report is limited compared to the annual financial statement. Accordingly this report is to be read in conjunction with the Annual Report as of 20 February 2024. The six-month accounts for 2024/25 are presented in accordance with IFRS 9, resulting in a larger share of the investment result classified as Other income and expenses (OCI).

The Financial Supervisory Authorities of Norway has approved the use of USD as functional currency for the Association, hence the interim financial statement is presented in USD. These sets of USD accounts are based on the official Norwegian accounts, but some reclassifications and modifications have been made in order to make the accounts comparable to the accounts of the other P&I clubs in the International Group. Refer to the Annual Report as of 20 February 2024 for further details.

The interim report shows the consolidated accounts for Assuranceforeningen Skuld (Gjensidig). The six-month statutory accounts for Assuranceforeningen Skuld (Gjensidig) ended with a positive result of USD 15.5 million.

The interim report is unaudited.

## Note 2

### Financial investments

All figures in USD million

	20.08.24	20.02.24
<b>EQUITIES</b>		
Equities	279.0	250.9
<b>Total equities</b>	<b>279.0</b>	<b>250.9</b>
<b>FIXED INCOME</b>		
Debt funds	318.7	306.0
Central Government Bonds	248.7	242.4
Money Market funds	238.8	207.3
<b>Total bonds</b>	<b>806.2</b>	<b>755.7</b>
<b>OTHER INVESTMENTS</b>		
Infrastructure	14.1	13.6
Hedge Funds	14.9	13.8
Private Equity	3.6	3.6
<b>Total other investments</b>	<b>32.6</b>	<b>31.0</b>



Rest Assured.