

Hálfvársfrásögn 2012

Interim Report 2012

TRYGD

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Leiðslufrágreiðing um fyrra hálvár 2012

Fyrri hálvár 2012 eyðnaðist væl

Fyrri hálvár í 2012 hevði Trygd 10,2 mió. kr. í yvirskoti áðrenn skatt. Í mun til 2011, tá úrslitið fyrri hálvár var 14,6 mió. kr. áðrenn skatt, er talan um eina minking á 4,4 mió. kr. Hálværliga úrslitið eftir skatt er 8,4 mió. kr., í mun til 11,9 mió. kr. fyrri hálvár 2011.

Skaðagongdin hevur sum heild verið jalg í fyrri hálvu av 2012, og endurgjöldini eru lægri enn væntað. Tó er nógv orka og peningur brúktur uppá ógvusligu ódnirnar sum herjaðu landið í novembur og desember 2011.

Nú vit fara inn í annað halvár 2012, kunnu vit staðfesta at tað so at siga er komi á mál við at umvæla skaðarnar. Tó restar nakað í, áðrenn avsetingarnar fyrri skaðarnar endaliga eru avgreiddar.

Bruttuinntøkurnar frá tryggingargjöldum hækkaðu 0,5 mió. kr. fyrri hálvár 2012 og vóru til samans 42,5 mió. kr., í mun til 42,0 mió. kr. fyrri hálvár 2011. Hækkingin er 1,25% og stavar frá vøkstri innan flest øll tryggingarøkir.

Inntøkurnar frá tryggingargjöldum fyrri egna rokning lækkaðu við kr. 0,1 mió. Lækkingin er 0,28% samanborið við sama tíðarskeið í fjør.

Til samans vóru útreiðslurnar av skaðaendurgjöldum fyrri egna rokning 20,4 mió. kr. fyrri hálvár 2012. Til samanberingar vóru hesar útreiðslur 17,6 mió. kr. fyrri hálvár 2011.

Skaðaprosentið, ið er 54,5, verður hildið at vera nøktandi fyrri hálvár í 2012. Skaðaprosentið var 46,5 fyrri hálvár í 2011. Endurgjaldsburturleggingarnar fyrri egna rokning vóru 47,1 mió. kr. medio 2012. Hetta er 20,2 mió. kr. meiri enn fyrri hálvár í 2011. Stóra hækkingin kemst serliga av mongu skaðunum í sambandi við ódnirnar síðsta vetur.

Tryggingartekniska úrslitið var 9,1 mió. kr. fyrri hálvár í 2012 samanborið við 13,6 mió. kr. somu tíð í 2011. Tryggingartekniska úrslitið verður hildið at vera gott.

Rakstrarkostnaðurin hevur verið hægri enn í 2012, men fylgir toluliga væl rakstrarætlanini.

Øktu kostnaðirnir koma av nýggju KT tryggingarskipanini sum felagið arbeiðir við at fáa til vega. Arbeiði við nýggju skipanini verður væntandi liðugt um hesa tíðina komandi ár.

Um sæð verður burtur frá eingangs útreiðslunum í sambandi við nýggju skipanina, verður rakstrarkostnaðurin hildin at vera á nøktandi stigi.

Trygd hevur í høvuðsheitum somu endurtryggingarskrá í 2012 sum í 2011.

Fíggjarligu inntøkurnar fyrri hálvár í 2012 vóru slakar 1,4 mió. kr. Sama tíðarskeið í 2011 vóru tær góðar 1,4 mió. kr. Framhaldandi lægri rentustig er høvuðsatvold til inntøkulækkingina. Felagið nýtir varligar iløgumannagongdir og setir tí iløgufæið í lánsbrøv og vanlig avtaluinnlán. Ongar iløgur í partabrøv eru í 2012.



Skatturinn av hálvárliga úrslitinum fyri 2012 verður roknaður til 1,8 mió. kr.

Til samans hefur Trygd rentað eginpening sín 9,0 prosent fyrra hálvár í 2012.

Leiðslan heldur, at úrslitið er gott.

Marknaðurin

Hóast tað í høvuðsheitum einans eru tveir veitarar av tryggingum á føroyska marknaðinum, er kappingin hørð. Tó hefur Trygd seinasta hálsa árið megna at selt meiri til bæði privata og vinnuliga marknaðarin.

Á vinnumarknaðinum arbeiðir Trygd miðvíst við at menna vinnuøkið, og felagið hefur sett sær fyri at vaksa á hesum øki komandi árin.

Sølan av bilum og sethúsum hefur verið lág síðani 2009. Seinastu árin hava glottar tó verið at sæð, og hóast tað framvegis er langt upp til stóðið í 2005-2008, er tað at fegnast um, at alsamt fleiri bilar og sethús hava verið seld higartil í 2012, enn undanfarnu árin.

Í fyrru hálvu av 2012, eru 519 nýggir persónbilar seldir í Føroyum, samanborið við 420 sama tíðarskeið í fjør, sambært Akstovuni.

Tó er framvegis langt upp til eitt nú 2008, tá 827 nýggir persónbilar vórðu seldir í Føroyum hetta tíðarskeið.

Økta sølan av persónbilum sæst aftur hjá Trygd, tí felagið hefur nakað fleiri bilar tryggjaðar enn sama tíðarskeið í fjør.

Hóast føroyski skaðatryggingarmarknaðurin varð latin upp fyri bæði íslenskum og donskum veitarum 1. september 2010, hefur einki útlenskt felag av álvara gjørt seg galdandi á føroyska marknaðinum.

Lógarbroyingin hevði eisini við sær, at føroysk tryggingarfeløg kunnu selja tryggingar og tryggingartænastur í Danmark.

Í lýtuni hefur Trygd tó ongar ítøkiligar ætlanir um at virka í Danmark í 2012.

Bruttoinntøkurnar frá tryggingargjöldum eru allar forvunnar í Føroyum.

Menning felagsins

Trygd arbeiðir alsamt við at menna og varðveita kappingarført tryggingarvirksemi, og harvið tryggja viðskiftafólkunum eina góða tænastu.

Felagið roynir at hava útreiðslurnar á ráðiligum stigi, og starvsfólkini verða alsamt ment og útbúgvini til at geva viðskiftafólkunum bestu ráðgeving og tænastu, ið kann vera við til at tryggja, at felagið mennist. Týðningarmikil partur av hugtaki okkara er, at viðskiftafólkini framhaldandi fara at hava álit á okkum, og at vit tryggja góða kapping á skaðatryggingarmarknaðinum, uttan at dygdin skal minka fyri tað.

Leiðslan heldur, at Trygd hefur góða stöðu á føroyska tryggingarmarknaðinum.

Fyrra hálvár í 2012 vóru í miðal 24 heiltíðarstørv í Trygd. Sama tíðarskeið í fjør vóru tey 23.

Eginogn og solvensur

Tann 30. juni í 2012 var eginognin 97,4 mió. kr. Parta-
peningin á 40 mió. kr. eigur P/F. BankNordik.

Uppgerðin av einsæris solvensinum, ið er neyðugur
fyri rakstur felagsins, er munandi lægri enn bókaða
eginogn felagsins. Hetta vísir, at solvensurin er lut-
falsliga góður.

Útlit fyri seinna hálvár 2012

Leiðslan væntar, at umsetningurin verður toluliga
støðugur seinna hálvár í 2012.

Harða kappingin millum tryggingarfeløgini um prísir
og treytir fer helst at halda fram.

Trygd væntar, at inntøkurnar seinna hálvár verða á
leið tær somu, og felagið metir, at nettoúrslitið fyri alt
árið 2012 verður um 14-16 mió. kr.

At eginogn felagsins 30. juni í 2012 var 97,4 mió. kr.
verður hildið at vera nøktandi fyri virkseimið hjá Trygd
í 2012.

Grundarlagið undir hálvársfrágreiðingini

Roknskapurin er gjørdur sambært kunngerð nr. 2 frá
30. desember 2009 um ársfrásagnir hjá tryggingar-
feløgum og haldfelagsskapum.

Nýtti roknskaphátturin, ið varð lýstur undir brotinum
um roknskaparhættir í ársfrágreiðingini fyri 2011, er
óbroyttur.

Aðrar upplýsingar

Tað eru ikki farnar fram hendingar síðani 30. juni
2012, sum hava avgerandi ávirkan á felagsins rakstur
og figgjjarligu stöðu.



Management's Report 2012

Satisfactory first half of 2012

Trygd reported a pre-tax profit of DKK 10.2m in H1 2012. This is a decrease of DKK 4.4m compared to 2011, when the profit was DKK 14.6m in the H1 period. The profit after tax was DKK 8.4m in H1 2012, against DKK 11.9m in H1 2011.

The number of claims and expenses has been on a satisfactory level in H1 2012 and has been lower than anticipated, although a lot of effort and expenses have been allocated to the storms in the winter of 2011.

As we move into H2 2012, we can conclude that roughly every claim from the storms has been paid for and repaired. Still, Trygd has some way to go before the claims provisions for the storms are concluded.

Gross premium income increased by DKK 0.5m in H1 2012 and amounted to DKK 42.5m. This is a 1.25 % increase and stems from an increase in several insurance areas. Premium income net of reinsurance fell by DKK 0.1m, a 0.28% drop compared to the same period in 2011.

The H1 2011 claims expenses were marked by fewer claims than in 2011.

Claims incurred, net of reinsurance, totalled DKK 20.4m in H1 2012 compared to DKK 17.6m in the same period in 2011.

The H1 2012 claims ratio of 54.5 is considered to be good. The H1 2011 claims ratio was 46.5. Provisions for claims, net of reinsurance, amounted to DKK 47.1m at

30 June 2012. This is an increase of DKK 20.2m relative to 30 June 2011. The increase was mostly due to the large number of claims caused by the storms last winter.

The technical result was DKK 9.1m in H1 2012 compared with DKK 13.7m in the same period in 2011.

The technical result is considered pleasing.

Operating costs have been greater compared to 2011, but roughly follow the operating budget. The increased expenses are a consequence of the new IT system, which the company currently is working on implementing. The work will continue until the summer of 2013.

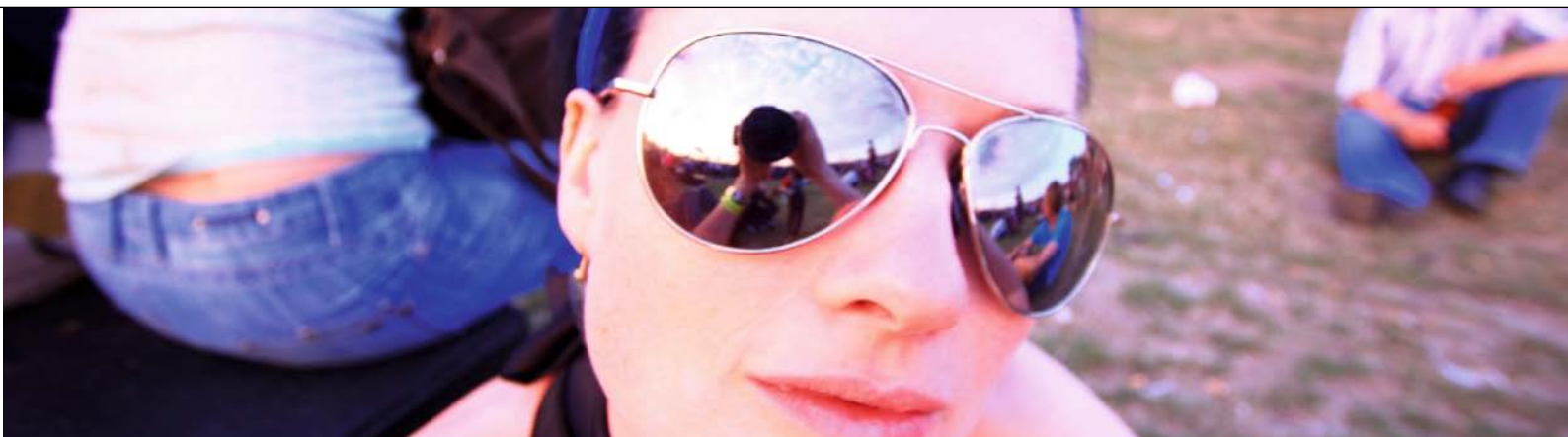
Operating costs are considered to be at a satisfactory level, considering the large one-time costs combined with attaining the new IT system.

Trygd's reinsurance program for 2012 is largely unchanged from 2011.

Financial income amounted to DKK 1.4m in H1 2012, against DKK 1.4m in H1 2011. Continuing low interest rate levels are the main reason for the drop in financial income.

The company pursues a prudent investment policy, according to which the investable funds are placed in bonds and fixed term deposits.

The company held no equity investments in 2012.



Tax on the income for the first half year has been calculated at DKK 1.8m.

Overall, Trygd generated a return on equity of 9.0% in H1 2012.

Management considers the financial results for the period to be good.

The Market

Even though the Faroese insurance market mainly consists of only two companies, competition is considered to be stiff. Even so, Trygd has managed to increase its portfolio within both the private and corporate market in H1 2012.

Trygd is dedicated to developing the corporate market and aims to grow in this market in the years ahead.

Sales of cars and single-family homes in the Faroe Islands have been low since 2009. In the last year though, things are seemingly improving, and even though there is a long way to the levels of 2005-2008, it is pleasing to see that more cars and single-family homes have been sold in 2012 than the previous years.

In H1 2012, 519 new cars have been sold in the Faroe Islands, compared to 420 in H1 2011, according to the Faroese Vehicle Administration.

Although positive, there is still a long way to the 827 new cars, which were sold in H1 2008.

The increase in car sales is reflected in Trygd's port-

folio, which has increased somewhat compared to the same period last year.

Even though the Faroese insurance market was made accessible for Danish insurance companies in September 2010, no Danish company has chosen to utilize this opportunity for real thus far.

The change of law also made it possible for Faroese insurance companies to sell insurance products and services in Denmark.

At the moment though, Trygd has no current plans to launch business operations in Denmark in 2012.

All gross premiums were earned in the Faroe Islands.

Company developments

Trygd works continuously to develop and maintain a competitive insurance business, thus securing the customers a good service.

The company focuses on maintaining costs at a reasonable level and on keeping the qualifications of our employees up to date, enabling them to advise and serve our customers in the best possible way in order to generate solid and healthy growth rates for the company. An important aspect of our concept is to maintain our customers' trust and ensure healthy competition in the non-life insurance market without compromising quality.

Management believes that Trygd holds a sound business position in the Faroese insurance market.

In H1 2012, Trygd had an average of 24 employees (fulltime equivalent). In the same period in 2011, the number of employees was 23.

The company's capital structure and solvency

Shareholders' equity amounted to DKK 97.4m at 30 June 2012. The share capital of DKK 40m is wholly owned by P/F BankNordik.

The calculated individual solvency required for the company's current operations is substantially lower than the company's shareholders equity, confirming the company's relatively strong financial position.

Outlook for the rest of 2012

Management anticipates relatively stable revenue flows in the second half of 2012.

The sharp competition among existing providers is expected to persist with respect to prices as well as terms and conditions.

Trygd expects earnings to be at an unchanged level in H2 2012, and the company expects the full-year net profit to be around DKK 14–16m.

Equity of DKK 97.4m at 30 June 2012 is considered satisfactory in view of Trygd's operations in 2012.

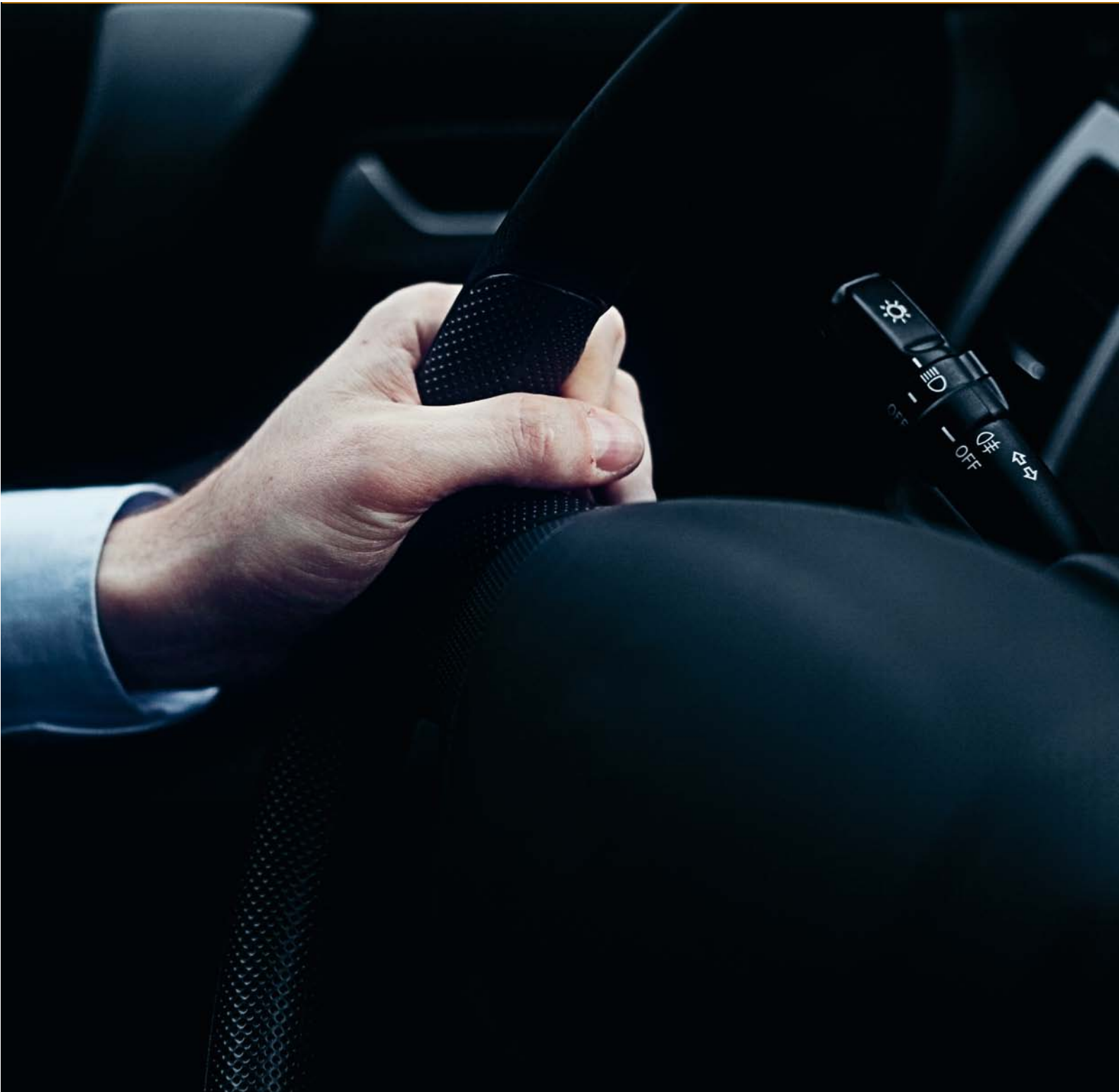
Basis of preparation of the H1 financial statements

The interim financial statements have been prepared in accordance with Executive Order No. 2 of 30 December 2009 on financial reports presented by insurance companies.

The accounting policies applied are set out in Annual Report 2011 and are unchanged.

Other information

No events have occurred since 30 June 2012 which are of material significance to the company's financial or operating position.



Gongdin seinastu 5 árin / 5-year financial highlights

Hövuðstöl / key figures DKK 1.000	30.06. 2012	30.06. 2011	30.06. 2010	30.06. 2009	31.12. 2011
Tryggingargjöld, brutto / Gross premiums written	42,538	42,012	43,390	44,052	86,082
Bruttoskaðaendurgjöld / Gross insurance claims	-24,919	-17,689	-26,191	-22,395	-68,091
Rakstrarútreiðslur av trygging / Total insurance operating expenses	-10,498	-9,354	-9,000	-8,263	-17,716
Úrslit av endurtrygging / Profit/loss on business ceded	1,741	-1,832	-2,508	-3,583	598
Tryggingartekniskt úrslit / Technical result	9,089	13,664	6,083	10,494	1,760
Ílögúavkast eftir trygg. tekniska rentu / Investment yield after tech. interest rate income	1,135	921	2,096	2,488	2,811
Ársúrslit / Profit for the year	8,383	11,947	6,706	10,645	3,739
Úrslit av endurgjaldsavsetingum / Run-off gains/losses	-3,852	4,356	1,928	155	4,839
Figgjarstöða / Balance sheet					
Tryggingartekniskar avseting tilsamans / Technical provisions total	79,475	59,311	59,976	56,610	83,654
Tryggingaráögn tilsamans / Total Technical assets	10,577	951	1,148	1,518	5,495
Eginogn tilsamans / Total Equity	97,369	97,195	90,191	82,156	88,986
Áögn tilsamans / Total Assets	193,531	173,315	167,658	155,105	189,879
Lyklatal / Ratios					
Bruttoendurgjaldsprosent / Claim ratio	58.6	42.1	60.4	50.8	79.1
Bruttokostnaðarprosent / Gross expense ratio	24.7	22.3	20.7	18.8	20.6
Endurtryggingar %, netto / Net reinsurance ratio	-4.1	4.4	5.8	8.1	-0.7
Combined Ratio / Combined Ratio	79.2	68.7	86.9	77.7	99.0
Operating Ratio / Operating Ratio	78.7	67.9	86.1	76.5	98.0
Lutfalsligt úrslit av endurgjaldsavsetingum / Relative Run-off gains/losses	-6.6	15.5	8.2	0.7	17.2
Eiginogmsavkast í % / Return on Equity, %	9.0	13.1	7.7	13.9	4.3
Solvensdekning / Solvency Coverage	4.1	4.1	3.8	3.4	3.7

Rakstrarúrslit / Income statement

DKK 1.000	30.06. 2012	30.06. 2012
Tryggingargjöld, brutto / Gross premiums written	49,668	48,957
Latin endurtryggingargjöld / Ceded insurance premiums	-3,541	-2,970
Broyting í avsetingum til tryggingargjöld / Change in gross provisions for unearned premiums	-7,130	-6,945
Broyting í endurtryggingarparti av avsetingum til tryggingargjöld / Change in reinsurers' share of provisions for unearned premiums	607	675
Tryggingargjöld f.e.r. / Earned premiums, net of reinsurance	39,604	39,717
Tryggingarteknisk renta f.e.r. / Technical interest, net of reinsurance	227	527
Útgöldin skaðagjöld, brutto / Claims paid	-36,228	-18,891
Endurgoldið frá endurtryggingingini / Reinsurance recoveries	35	130
Broyting í avsetingum til skaðagjöld / Change in gross provisions for claims	11,309	1,202
Broyting í endurtryggingarparti av avsetingum til skaðagjöld / Change in reinsurers' share of gross provisions for claims	4,475	-61
Skaðagjöld f.e.r. / Claims incurred, net of reinsurance	-20,408	-17,620
Fyrisingarútreiðslur / Administrative expenses	-7,342	-6,437
Tekningarútreiðslur / Acquisition costs	-3,156	-2,916
Provisiónir frá endurtryggingum / Commission from reinsurers	164	393
Rakstrarútreiðslur av trygging f.e.r / Total insurance operating expenses, net of reinsurance	-10,334	-8,961
Tryggingartekniskt úrslit / Technical result	9,089	13,664
Inntøkur av fastari ogn / Income from real property	-12	-3
Rentur og vinningsbýti v.m. / Interest and dividends, etc.	1,573	1,753
Virðisjavnan av íløgugnum / Value adjustments of investment assets	-199	-301
Inntøkur av íløgugnum / Income from investment assets	1,362	1,448
Flutt til tryggingartekniska rentu / Transferred to technical interest	-227	-527
Úrslit av íløguvirksemi / Return on investment activities	1,135	921
Úrslit undan skatti / Profit before tax	10,224	14,585
Skattir / Tax	-1,840	-2,637
Hálvársúrslit / Profit for the year	8,383	11,947

Fíggjarstöða / Balance sheet

	30.06. 2012	31.12. 2011
DKK 1.000		
Ogn / Assets		
Rakstrargøgn	316	466
Bygningar / Real property	1,982	1,984
Materiell ogn í alt / Total Tangible Assets	2,298	2,450
Lánsbrøv / Bonds	78,680	86,940
Íløgguognir í alt / Investment assets	78,680	86,940
Endurtryggjaranna partur av avsettumtryggingargjöldum / Reinsurers' share of provisions for unearned premiums.	866	259
Endurtryggjaranna partur av avsetingum til endurgjöld / Reinsurers' share of provisions for unearned premiums.	9,711	5,236
Endurtryggjaranna partur av avsetingum til tryggingaravtalur í alt / Total reinsurers' share of provisions for insurance contracts	10,577	5,495
Áogn hjá tryggingartakarum / Receivables from policyholders	7,948	12,729
Áogn hjá tryggingarfeløgum / Receivables from insurance companies	419	9
Áogn í alt / Receivables	8,366	12,738
Útsett skattaogn / Deferred tax assets	18	14
Tøkur peningur / Cash and cash equivalents	91,061	79,471
Aðrar ognir í alt / Other assets	91,080	79,485
Rentur tilgóðar / Interest receivable	601	1,552
Aðrar tíðarmarkinger / Other prepayments and accrued income	1,928	1,218
Tíðaravmarkingar í alt / Prepayments	2,529	2,770
Ognir tilsamans / Total assets	193,531	189,879

Fígjarstöða / Balance sheet

DKK 1.000	30.06. 2012	31.12. 2011
Skuld / Equity and liabilities		
Partapeningur / Share capital	40,000	40,000
Framflutt úrslit / Retained earnings	57,369	48,986
Eginpeningur / Equity	97,369	88,986
Avsett til tryggingargjöld / Gross provisions for unearned premiums	32,346	25,216
Avsett til endurgjöld / Gross provisions for claims	47,129	58,438
Tryggingartekniskar avsetingar í alt / Total technical provisions	79,475	83,654
Skuld / Equity and liabilities		
Skuld í samband við endurtrygging / Debt related to reinsurance	1,090	588
Skattur / Tax	2,663	819
Önnur skuld / Other payables	6,421	4,840
Skuld / Total debt	10,173	6,247
Tíðaravmarkingar / Accruals and deferred income	6,513	10,992
Skuld tilsamans / Total equity and liabilities	193,531	189,879

Leiðsluátekning / Statement by the management

Nevnd og stjórn hava í dag viðgjört og góðtikið hálvársfrágreiðingina hjá P/F Trygd fyri tíðarskeiðið 1. januar –30. juni 2012.

Hálvársfrágreiðingin er gjörd bæði sambært kunngerð nr. 2 frá 30. desember 2009 um figgjarligar frágreiðingar hjá tryggingarfeløgum og sambært viðtøkum felagsins.

Vit halda, at menningin í virkseminum og figgjarligu viðurskiftini í P/F Trygd eru rætt eftirkannað í leiðslufrágreiðingini, og at týðandi váðar og óvissutættir, sum kunnu raka felagið, verða lýstir.

Vit halda, at tann nýtti roknskaparhátturin er hóskandi, og at roknskaparligu metingarnar eru álitandi. Vit halda eisini, at øll framløgan av hálvársfrágreiðingini visir røttu støðuna. Okkara fatan er at hálvársfrágreiðingin gevur eina rættvísandi mynd av ogn, og skuld, og úrslitinum av virkseminum og peningarensli í P/F Trygd.

Tað er ikki framd grannskoðan ella review av hálvársfrágreiðingini.

Tórshavn, 20. august 2012

The Board of Directors and the Management Board today considered and approved the interim report of P/F Trygd for the six months ended 30 June 2012.

The interim financial statements have been prepared in accordance with Executive Order No. 2 of 30 December 2009 on financial reports presented by insurance companies and with the company's articles of association.

In our opinion, the management's report includes a fair review of the developments and performance of the activities and financial position of P/F Trygd and describes significant risks and elements of uncertainty that it faces.

We consider the accounting policies applied to be appropriate and the accounting estimates to be reasonable. Furthermore, we find the overall interim report presentation true and fair. In our opinion, the interim report gives a true and fair view of P/F Trygd's assets, liabilities, financial position, results of operations and cash flows.

The interim report has been neither reviewed nor audited.

Tórshavn, 20 August 2012

Stjórn / Executive Board

Janus Thomsen

Nevnd / Board of Directors:

Janus Petersen
Formaður / Chairman

Jens Erik Christensen

Christian Andreasen

Niels Juul Andersen

Tummas Hanus Dam



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