

Maersk Insurance A/S
Registration no. 33 51 03 65

Interim Report 2015
1 January 2015 – 30 June 2015

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Company Details

Company

Maersk Insurance A/S
Esplanaden 50
1098 Copenhagen K
Central Business Registration No.: 33 51 03 65

Telephone: +45 33 63 33 63

Board of Directors

Jan Kjærvik (Chairman)
Jesper Cramon
Bjarne Fabienke
Christian Kledal

Executive Management

Lars Henneberg

Auditors

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management Statement on the Interim Report

The Board of Directors and Executive Management have today considered and adopted the Interim Report of Maersk Insurance A/S for 2015.

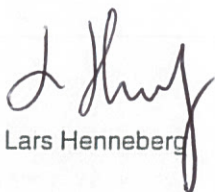
The Interim Report of Maersk Insurance A/S has been prepared in accordance with the Danish Financial Business Act.

The Interim Report gives a true and fair view of the Company's assets, liabilities, financial position and result.

The Management review includes a fair description of the development in the Company's activities and financial standing as well as a description of significant risks and uncertainties which may affect the Company.

Copenhagen, 25 August 2015

Executive Management



Lars Henneberg

Board of Directors



Jan Kjærøvik
(Chairman)



Jesper Cramon



Bjarne Fabienke



Christian Kledal

Management's Review

Main activities

Maersk Insurance A/S was founded in 2011 as a captive for the parent company A.P. Møller - Mærsk A/S and affiliated companies.

Maersk Insurance A/S has license to conduct direct and reinsurance business for the insurance classes 6 (Fully comprehensive insurance for ships), 8 (Fire and natural forces), 9 (Other damage to property), 12 (Third party liability for ships), 13 (General liability) and 16 (Miscellaneous financial losses).

Insurance risk

The Company writes risks within the areas Marine, Energy, Terminals, Property and Liability.

The insurance risk for Maersk Insurance A/S is limited to risks within the insurance classes for which the Company holds a license. Claims are limited per incident and for most programmes also on a yearly aggregate. As from June 2015, the Company's maximum annual net risk is in total limited to USD 35.0m for Energy, USD 18.0m for Marine and USD 18.0m for Terminals. For Property the maximum net risk per event is USD 30.0m and for Liability USD 12.5m.

Development in activities and finances

The company's profit for the first six months of 2015 amounts to USD 7,829k (30.6.2014: USD 14,157k). The result is satisfactory with claims slightly below expectations.

The company has in 2015 had investment activities which, according to the policy of the company, have comprised investment assets with a low risk profile. The company's investment assets have in 2015 primarily been placed in government and mortgage bonds with short duration, in short term deposits and in a loan to the parent company. The result of investment activities is satisfactory.

The company's solvency margin according to rules from the Danish Financial Supervisory Authority (Finanstilsynet) is USD 15,104k as at 30 June 2015 (31.12.2014: USD 14,774k) which is covered by a base capital of USD 146,630k (31.12.2014: USD 138,801k). Consequently the Financial Supervisory Authority's requirement for the solvency margin is complied with 9.7 times (31.12.2014: 9.4 times).

The individual solvency requirement as of 30 June 2015 has been calculated to USD 76,383k (31.12.2014: USD 78,303k). Adequate base capital has been calculated to USD 140,785k (31.12.2014: USD 130,409k). The individual solvency requirement and adequate base capital has been calculated based on the individual solvency requirement according to the Executive Order and Guidance from the Danish Financial Supervisory Authority.

Expectations for the future

The company expects a positive result for 2015.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially would affect the financial position of the company.

The accounts have not been subject to audit or review.

Income statement for the period 1 January - 30 June

	Note	2015 USD k	2014 USD k
Gross premiums		72.709	76.016
Insurance premiums ceded		-21.476	-19.391
Change in premium provisions		-34.363	-45.963
Change in reinsurers' share of premium provisions		11.744	16.880
Total premium income net of reinsurance		28.614	27.542
Technical interest		67	53
Claims paid		-9.418	-6.082
Change in claims provisions		-10.303	-3.481
Total cost of claims net of reinsurance		-19.721	-9.563
Administration expenses	2	-1.715	-1.582
Reinsurance commissions		1.164	188
Total operating expenses		-551	-1.394
TECHNICAL PROFIT		8.409	16.638
Interest income and dividends etc.		724	609
Value adjustments		-221	17
Administration expenses related to investment activity		-23	-20
Total investment income		480	606
Interest on technical provisions		-67	-53
INVESTMENT RESULT AFTER TECHNICAL INTEREST		413	553
PROFIT BEFORE TAX		8.822	17.191
Tax	3	-993	-3.034
PROFIT FOR THE PERIOD		7.829	14.157
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7.829	14.157

Balance sheet

	Note	30/6 2015 USD k	31/12 2014 USD k
ASSETS			
Bonds		69.765	80.001
Deposits with credit institutions		35.309	29.590
Total other financial investment assets		105.074	109.591
TOTAL INVESTMENT ASSETS		105.074	109.591
Reinsurers' share of premium provisions		19.665	7.921
Reinsurers' share of claims provisions		2.309	2.252
Total reinsurers' share of insurance provisions		21.974	10.173
Receivables from insurance companies		73.670	17.945
Receivables from affiliated companies	4	77.064	73.367
Other receivables		0	31
TOTAL RECEIVABLES		172.708	101.516
Cash at bank		8.601	2.722
TOTAL OTHER ASSETS		8.601	2.722
Interest receivable		8.982	7.840
Other prepayments and accrued income		3.323	2.442
TOTAL PREPAYMENTS AND ACCRUED INCOME		12.305	10.282
TOTAL ASSETS		298.688	224.111

Balance sheet

	Note	30/6 2015 USD k	31/12 2014 USD k
EQUITY AND LIABILITIES			
Share capital	5	89.987	89.987
Retained earnings		56.643	48.814
TOTAL EQUITY	6	146.630	138.801
Premium provisions		66.298	32.696
Claims provisions		56.386	46.548
TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS		122.684	79.244
Debt relating to reinsurance		21.453	0
Current tax liabilities		6.617	5.624
Payables to affiliated companies		499	208
Other liabilities		805	234
TOTAL LIABILITIES		29.374	6.066
TOTAL EQUITY AND LIABILITIES		298.688	224.111

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Notes

1 Accounting policies

Accounting policies are in accordance with the Executive Order. The policies are unchanged from the Annual Report 2014.

	2015	2014
	USD k	USD k
2 Administration expenses		
Other administration expenses	1.693	1.565
Total other administration expenses	1.693	1.565
Fee to auditor elected at the General Assembly		
Statutory audit	22	17
Total fee to auditor elected at the General Assembly	22	17
Total operating expenses	1.715	1.582

Staff costs

The company has had no employees in the financial year. Executive Management receives no remuneration from Maersk Insurance A/S. Services provided by A.P. Møller - Mærsk A/S are charged as part of the administration agreement, which includes USD 80k (2014: USD 80k) for services provided by Lars Henneberg as Executive Management in Maersk Insurance A/S. Remuneration of USD 7k has been paid to member of the Board and the independent member of the Audit Committee, Bjarne Fabienke.

3 Tax

Current tax	-993	-3.034
Total tax	-993	-3.034
Actual tax percentage	23,5%	24,5%
Non taxable / deductible part of premiums and claims	-12,2%	-6,9%
Effective tax rate	11,3%	17,6%

	30/6 2015	31/12 2014
	USD k	USD k
4 Receivables from affiliated companies		
Loan to A.P. Møller - Mærsk A/S	77.000	73.367
Other receivables from affiliated companies	64	0
Total receivables from affiliated companies	77.064	73.367

5 Share capital

The share capital consists of 5,120,000 shares of DKK 100 each corresponding to USD 89,987k.

The shares are not divided into classes.

Notes

	<u>30/6 2015</u>	<u>31/12 2014</u>
	USD k	USD k
6 Equity		
Share capital	89.987	89.987
Retained earnings at beginning of period	48.814	24.052
Total comprehensive income for the period	<u>7.829</u>	<u>24.762</u>
Equity end of period	<u>146.630</u>	<u>138.801</u>

7 Contractual obligations and guarantee commitments

The company has no obligations or guarantee commitments cf. the Danish Financial Business Act §182.

8 Related parties

Related parties with a controlling interest in Maersk Insurance A/S:

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K

Related parties with whom Maersk Insurance A/S has had transactions in 2015:

- Maersk Insurance A/S has granted a loan to the parent company A.P. Møller - Mærsk A/S according to approval received from the Danish Financial Supervisory Authority. The loan yields interest at arm's length basis.
- An agreement has been established with A.P. Møller - Mærsk A/S related to fees for risk management services and to bookkeeping and reporting.

9 Ownership

The following shareholder owns 100% of the company's share capital:

- A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K

10 Consolidation

Maersk Insurance A/S is consolidated in the Group Interim Accounts for A.P. Møller - Mærsk A/S, Esplanaden 50, 1098 Copenhagen K

The Group Interim Accounts are obtainable from this adress.

11 Sensitivity information

	<u>30/6 2015</u>	<u>31/12 2014</u>
Event	<u>Impact on equity</u>	
Interest rate increase of 0.7 % point	548	603
Interest rate decrease of 0.7 % point	-548	-603
Decrease in share price of 12 %	-	-
Decrease in property price of 8 %	-	-
Currency risk (VAR 99.5)	-	-
Loss on counterparties of 8 %	490	407

Notes

12 Financial highlights and key figures

The company was formed 28 February 2011.

	30/6 2015	30/6 2014	30/6 2013	30/6 2012	31/12 2011
	IUSD	IUSD	IUSD	IUSD	IUSD
Main figures					
Gross premium income (including change in premium provisions)	38.347	30.053	32.958	15.719	0
Gross claims incurred	-19.720	-9.563	-37.804	-10.677	0
Operating insurance expenses	-1.715	-1.582	-1.218	-1.339	0
Profit or loss of reinsurance	-8.569	-2.323	-570	0	0
Insurance technical result	8.409	16.638	-6.501	3.981	0
Return on investments after insurance technical interest	413	553	-51	-155	1
Result after tax for the period	7.829	14.157	-6.268	2.869	-25
Run off results, gross	277	-1.040	4.043	0	0
Run off results, net	277	-1.040	4.043	0	0
Total technical provisions	122.684	101.599	104.958	55.407	0
Total insurance assets	21.974	16.880	2.091	0	0
Total equity	146.630	128.196	96.370	92.831	80.169
Total assets	298.688	255.022	202.440	149.881	80.203

Key figures

Gross claims ratio	51	32	115	68	0
Net reinsurance ratio	22	8	2	0	0
Gross expense ratio	4	5	4	8	0
Combined ratio	77	45	121	76	0
Operating ratio	78	45	120	75	0
Relative run off results	1	-4	14	0	0
Return on equity in per cent	11	23	-13	7	0
Solvency coverage	10	10	8	12	18

Gross claims ratio

(Claims paid + change in claims provisions) / (gross premium income - bonus and premium rebates) * 100

Net reinsurance ratio

(Profit or loss of reinsurance) / (gross premium income - bonus and premium rebates) * 100

Gross expense ratio

(Operating insurance expenses) / (gross premium income - bonus and premium rebates) * 100

Combined ratio

(The sum of above three key figures)

Operating ratio

(Combined ratio where premium income is added to the allocated return on investments)

Relative run off results

(Run off result compared to provisions as at 1 January)

Return on equity in per cent

(Result for the year / the average equity) * 100

Solvency coverage

(Base capital / capital requirement)