



Nine-month report 2023/24

Accounts 21.02.2023–20.11.2023





Skuld reports positive nine-month result

Skuld delivered a positive result of USD 69 million for the first nine months of the 2023/24 financial year (ending 20 February 2024), an improvement from the half-year result of USD 29 million with positive contributions from both the technical result and a strong investment result in the third quarter.

The technical result continued the positive development from half-year, ending at USD 35 million year-to-date with an overall net combined ratio of 89 %. Compared with last year's third-quarter result, gross premiums and calls increased by USD 40 million to USD 391 million, and Skuld expects to exceed USD 500 million in premium income at the year end.

The performance of the mutual product is satisfactory, and a balanced underwriting result is anticipated for the financial year 2023/24. Looking ahead, the claims environment is expected to return to a long-term average and with the observed inflationary

- Combined ratio of 89%
- Positive contributions both from mutual and commercial lines of business
- Expect to exceed USD 500 million in gross premium by year-end

pressures, the focus on capital strength continues to be a core priority for Skuld.

As we approach the P&I renewal season and the end of the year, I am pleased to state that Skuld is financially very robust, securing our ambitious growth strategy ahead. Our leadership position and world-class coverages and services ensure our members and clients can rest assured with Skuld.

STÅLE HANSEN
President and CEO



Key figures

All figures in USD million

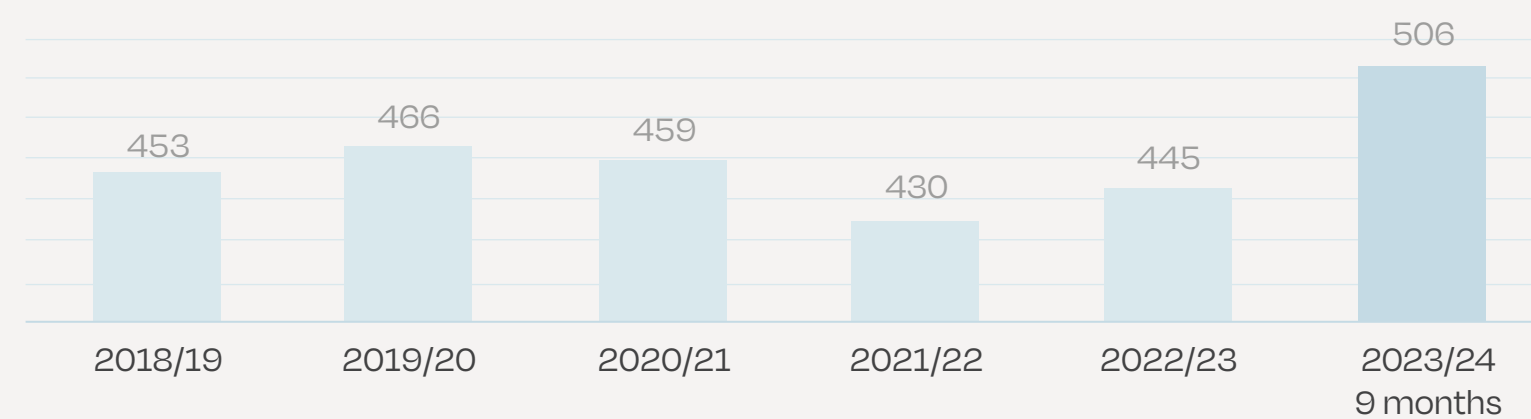
| CONSOLIDATED INCOME STATEMENT AS AT 20 NOVEMBER | 2023 (9 months) | 2022 (9 months) |
|---|-----------------|-----------------|
| TECHNICAL ACCOUNT | | |
| Premiums and calls | 391.3 | 350.5 |
| Reinsurance premium | -65.6 | -53.4 |
| Premiums for own account | 325.6 | 297.1 |
| Pool claims | -14.2 | -26.2 |
| Own claims for own account | -204.2 | -183.3 |
| Claims for own account | -218.3 | -209.5 |
| Acquisition costs | -55.2 | -51.4 |
| Administrative expenses | -17.0 | -14.5 |
| Net operating expenses | -72.2 | -65.9 |
| Balance carried to non-technical account | 35.1 | 21.6 |
| NON-TECHNICAL ACCOUNT | | |
| Balance from technical account | 35.1 | 21.6 |
| Net investment income | 35.4 | -18.2 |
| Taxes | -6.5 | 11.2 |
| Other income and expenses | 5.1 | -1.3 |
| Balance carried to members' funds | 69.1 | 13.4 |

All figures in USD million

| BALANCE SHEET | 20.11.2023 | 20.02.2023 |
|---|----------------|----------------|
| ASSETS | | |
| Intangible assets | 4.0 | 2.0 |
| Financial investments | 989.0 | 912.7 |
| Debtors | 41.5 | 36.3 |
| Other assets | 199.9 | 181.0 |
| Prepayment and accrued income | 15.9 | 25.5 |
| Total assets | 1 250.3 | 1 157.5 |
| LIABILITIES | | |
| Provisions for outstanding claims for own account | 612.1 | 608.0 |
| Contingency reserve | 505.6 | 444.6 |
| <i>Members' funds</i> | 470.3 | 401.2 |
| <i>Deferred cessation tax</i> | 35.3 | 43.4 |
| Technical provisions for own account | 1 117.7 | 1 052.6 |
| Provisions for other liabilities | 59.1 | 47.6 |
| Creditors | 60.6 | 50.4 |
| Accruals and deferred income | 12.9 | 6.9 |
| Total liabilities | 1 250.3 | 1 157.5 |

CONTINGENCY RESERVE

USD million





Nine-month accounts 2023/24

Condensed consolidated income statement

All figures in USD million

| | 21.08-20.11 | | YTD (21.02-20.11) | |
|--|--------------|--------------|-------------------|---------------|
| | 2023/24 | 2022/23 | 2023/24 | 2022/23 |
| TECHNICAL ACCOUNT | | | | |
| Premiums and calls | | | | |
| Gross premiums and calls | 135.0 | 122.3 | 391.3 | 350.5 |
| Reinsurance premiums | -20.1 | -19.1 | -65.6 | -53.4 |
| Earned premiums and calls for own account | 114.9 | 103.2 | 325.6 | 297.1 |
| Pool claims | -2.5 | -9.6 | -14.2 | -26.2 |
| Own claims for own account | -74.5 | -60.9 | -204.2 | -183.3 |
| Claims incurred for own account | -77.0 | -70.4 | -218.3 | -209.5 |
| Acquisition costs | -18.6 | -18.6 | -55.2 | -51.4 |
| Administrative expenses | -5.5 | -4.6 | -17.0 | -14.5 |
| Net operating expenses | -24.1 | -23.2 | -72.2 | -65.9 |
| Balance carried to non-technical account | 13.8 | 9.5 | 35.1 | 21.6 |
| NON-TECHNICAL ACCOUNT | | | | |
| Balance from technical account | 13.8 | 9.5 | 35.1 | 21.6 |
| Net investment income | 15.9 | -15.2 | 35.4 | -18.2 |
| Taxes | -2.6 | 1.1 | -6.5 | 11.2 |
| Other income and expenses | 1.8 | 0.0 | 5.1 | -1.3 |
| Profit and loss | 28.9 | -4.6 | 69.1 | 13.4 |
| Balance carried to members' funds | 28.9 | -4.6 | 69.1 | 13.4 |

Condensed consolidated statement of financial position

All figures in USD million

| | 20.11.23 | 20.02.23 |
|--|----------------|----------------|
| ASSETS | | |
| Intangible assets | 4.0 | 2.0 |
| Financial assets | 989.0 | 912.7 |
| Debtors | 41.5 | 36.3 |
| Other assets | 199.9 | 181.0 |
| Prepayments and accrued income | 15.9 | 25.5 |
| Total assets | 1 250.3 | 1 157.5 |
| LIABILITIES | | |
| Technical provisions | | |
| Gross provision for outstanding claims | 1 024.0 | 1 107.2 |
| Reinsurers' share | -411.9 | -499.2 |
| Provisions for outstanding claims for own account | 612.1 | 608.0 |
| Contingency reserve | 505.6 | 444.6 |
| <i>Members' funds</i> | 470.3 | 401.2 |
| <i>Deferred cessation tax</i> | 35.3 | 43.4 |
| Technical provisions for own account | 1 117.7 | 1 052.6 |
| Provisions for other liabilities | 59.1 | 47.6 |
| Other creditors | 60.6 | 50.4 |
| Accruals and deferred income | 12.9 | 6.9 |
| Total liabilities | 1 250.3 | 1 157.5 |



Cash flow statement

All figures in USD million

| | 21.02.23-20.11.23 | 21.02.212-20.02.23 |
|--|-------------------|--------------------|
| CASH FLOW FROM OPERATIONAL ACTIVITIES | | |
| Premiums received | 426.7 | 471.8 |
| Paid claims | -296.7 | -348.3 |
| Paid tax | -0.5 | -5.0 |
| Operational expenses/change in accruals | -70.4 | -102.0 |
| Net cash flow from operational activities | 59.2 | 16.5 |
| CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Interests and dividends received | 14.0 | 15.2 |
| Investments in fixed assets | -1.7 | -3.7 |
| Acquisition of subsidiary and investment in associated companies | 30.5 | 34.5 |
| Net financial investments | -85.1 | -76.1 |
| Net cash flow from investment activities | -42.3 | -30.0 |
| Net change in cash and cash equivalents | 16.9 | -13.6 |
| Cash and cash equivalents at the beginning of the period | 176.8 | 190.4 |
| Cash and cash equivalents at the end of the period | 193.7 | 176.8 |

Statement of changes in contingency reserves

All figures in USD million

| | 21.02.23-20.11.23 | 21.02.22-20.02.23 |
|--|-------------------|-------------------|
| Members' funds opening balance | 401.2 | 370.7 |
| Change in earlier years | 0.0 | -1.3 |
| Balance carried forward to members' funds | 69.1 | 31.8 |
| Members' funds closing balance | 470.3 | 401.2 |
| Deferred cessation tax | 35.3 | 43.4 |
| Contingency reserve closing balance | 505.6 | 444.6 |



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 2023. IFRS 9 Financial instruments is mandatory for the Association from the accounting year starting 21. February 2023. The nine-month accounts for 2023/24 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 2023 for further details.

The interim report shows the consolidated accounts for Assuranceforeningen Skuld (Gjensidig). The nine-month statutory accounts for Assuranceforeningen Skuld (Gjensidig) ended with a positive result of USD 33.5 million.

The interim report is unaudited.

Note 2

Financial investments

All figures in USD million

| | 20.11.23 | 20.02.23 |
|--------------------------------|--------------|--------------|
| SHARES | | |
| Listed shares and funds | 230.1 | 212.1 |
| Total shares | 230.1 | 212.1 |
| BONDS | | |
| Debt funds | 289.9 | 286.0 |
| Central Government Bonds | 250.2 | 209.0 |
| Money Market funds | 190.9 | 176.0 |
| Total bonds | 731.1 | 670.9 |
| Other investments | | |
| Hedge Funds | 13.4 | 12.9 |
| Infrastructure | 12.7 | 12.3 |
| Private Equity | 3.7 | 4.3 |
| Total other investments | 29.7 | 29.6 |



Rest assured.