





HIGHLIGHTS

- Positive nine-month result of USD 27 million
- Investment return of 5.6%
- Mutual members' credit of 2.5% applied on November payment instalment

POSITIVE NINE-MONTH RESULT

Skuld ended the first nine months of 2017 with a positive bottom-line result of USD 27 million and the contingency reserve now stands at a record high of USD 421 million.

The first nine months have been challenging for some of our members who have experienced major losses. The number of small claims is low, but after nine months Skuld has experienced a few large claims and one confirmed pool claim. Hurricanes Irma and Harvey also had an impact on Skuld's loss estimates although the effect has been limited compared with other insurers in the market.

It is important for Skuld to embrace such challenges as an opportunity to show what our club is all about: first-class service and competence which our members can rely on. Our highly experienced claims teams provide high-quality service when it is crucial for our members. I am proud to receive very positive feedback from our members and brokers around the world.

The major claims have been partly offset by the positive contribution from our commercial operations. At the end of the third quarter the technical result amounted to USD -13 million with an overall combined ratio of 104%.

Skuld's diversification strategy continues to reduce our volatility and has contributed positively to the bottom line for the past 10 years. The commercial activities delivered a combined ratio of 92%.

Skuld's strong financial performance enables us to show our commitment to our mutual members by giving something back. The mutual members' credit was approved at the Annual General Meeting and the credit of 2,5% was given back to all mutual members on the November payment instalment.

Net investment income ended at USD 40.2 million with an investment return of 5.6%, mainly driven by strong equity markets and lower interest rates. Skuld's long-term conservative investment strategy, with a majority in low-risk bonds, remains unchanged and will reduce volatility and ensure that we have the sufficient capital for sustainable growth in the future.

I would like to take this opportunity to send all our members, clients, brokers and other business associates my best wishes for the upcoming holiday season and the New Year.

STÅLE HANSEN
President and CEO

KEY FIGURES

CONSOLIDATED INCOME STATEMENT AS AT 20 NOVEMBER

MUSD	2017 (9 MONTHS)	2016 (9 MONTHS)
TECHNICAL ACCOUNT		
Premiums and calls	313.4	292.6
Reinsurance premiums	-54.6	-48.0
Premiums for own account	258.8	244.5
Claims incurred for own account	-201.3	-181.8
Acquisition costs	-55.1	-51.9
Administrative expenses	-15.0	-13.8
Net operating expenses	-70.0	-65.7
Balance carried to non-technical account	-12.6	-3.1
NON TECHNICAL ACCOUNT		
Balance from technical account	-12.6	-3.1
Net investment income	40.2	19.7
Taxes	-0.7	-0.5
Balance carried to contingency reserve	26.9	16.1

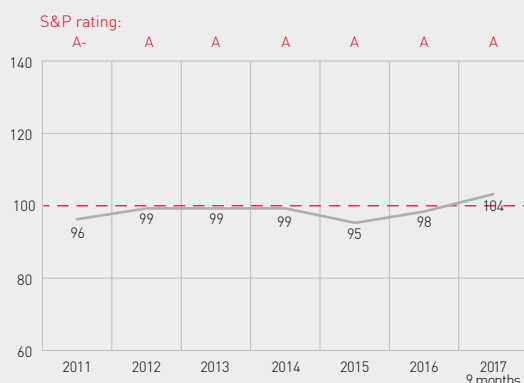
BALANCE SHEET AS AT 20 NOVEMBER

MUSD	2017 (9 MONTHS)	2016 (9 MONTHS)
ASSETS		
Financial investments	834.5	737.9
Debtors	130.8	110.8
Other assets	169.8	185.5
Prepayment and accrued income	47.0	41.6
Total assets	1,182.0	1,075.9
LIABILITIES		
Provision for outstanding claims for own account	539.5	524.9
Contingency reserve	420.9	364.4
Minority interest	-2.6	-0.9
Technical provisions for own account	957.8	888.5
Provisions for other liabilities	16.8	16.9
Creditors	36.7	13.6
Accruals and deferred income	170.8	156.9
Total liabilities	1,182.0	1,075.9

In the Consolidated Income Statement, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

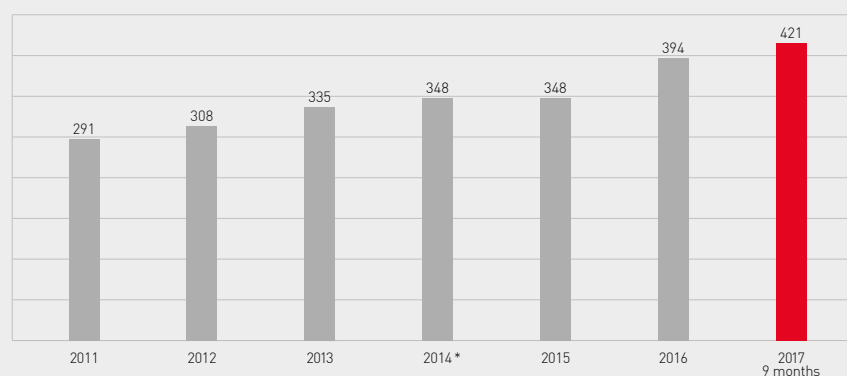
COMBINED RATIO

\ By percentage



CONTINGENCY RESERVE

\ USD mill.



* Contingency reserves for 2014 have been restated to recognise an actuarial loss of USD 12 mill.