



# Nine-month report 2022/23

Accounts 21.02.2022–20.11.2022

125  
YEARS  
YOUNG

SKULD





## Skuld reports positive nine-month result in benign claims environment

Skuld delivered a positive result of USD 13.4 million for the first nine months of the 2022/23 financial year (ending 20 February 2023), an improvement of USD 33.9 million compared with the same period last year.

The technical result also continued the positive development from the half-year, ending this reporting period at USD 21.6 million, with an overall combined ratio of 94% driven by the positive contribution from the commercial book of business.

Gross premium and calls ended at USD 350.5 million, an increase of USD 41.5 million compared with the same period last year, and with growth both from mutual and commercial lines of business.

As with the half-year, the nine-month result was characterised by a benign large-claims environment compared with last year. During the first nine months there was a gradual improvement in

the technical result of mutual products, but with a combined ratio above target, expectations of inflation increases and an uncertain claims environment, there remains a need for further rate improvements for the mutual portfolio.

The net investment return contributed negatively with -1.5% in the quarter. Markets across asset classes were highly volatile, and central banks in developed markets continued their tightening course, trying to calm labour markets and dampen inflation. Due to the negative investment result together with foreign exchange fluctuations, changes in tax liabilities had a positive effect on the nine-month financial result.

Skuld is in a very robust financial state. Notwithstanding a relatively benign claims environment, global inflation is likely to impact claims costs negatively as we move into 2023, and we need to remain mindful of accuracy in pricing

- Positive technical result
- Premium growth
- Volatile investment markets

and selective underwriting. Our efforts to ensure balance in the mutual portfolio will continue as we maintain our leadership position through financial strength and world class coverage and service, ensuring that our members, brokers, and clients can rest assured with Skuld.

STÅLE HANSEN  
President and CEO

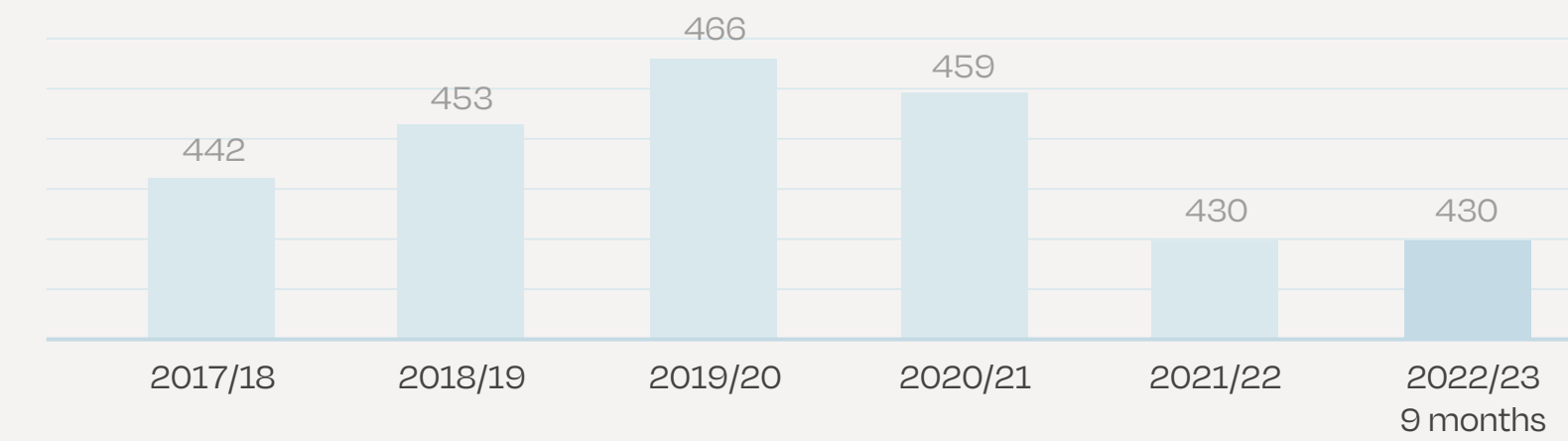


# Key figures

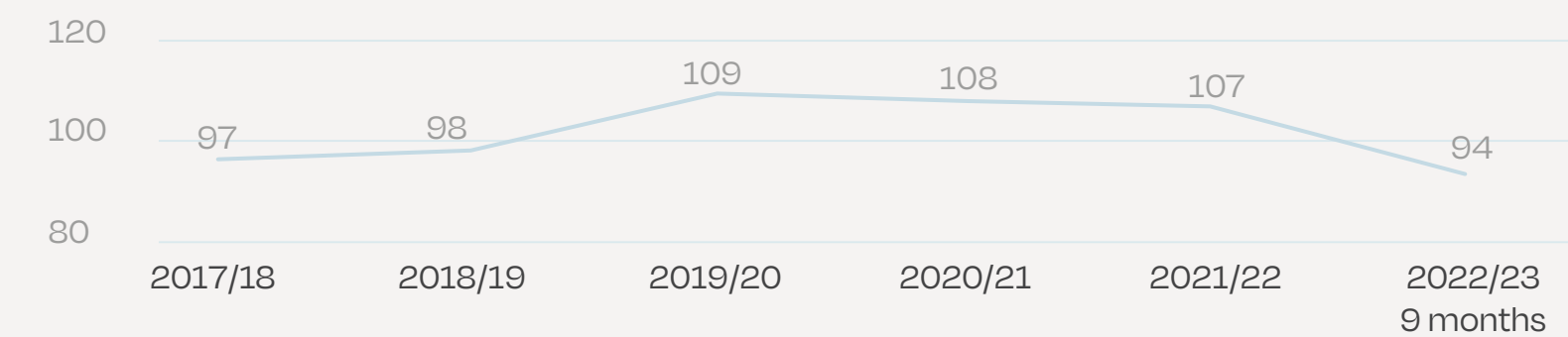
All figures in USD million

CONSOLIDATED INCOME STATEMENT AS AT 20 NOVEMBER	2022 (9 months)	2021 (9 months)
<b>TECHNICAL ACCOUNT</b>		
Premiums and calls	350.5	309.0
Reinsurance premium	-53.4	-41.7
<b>Premiums for own account</b>	<b>297.1</b>	<b>267.3</b>
Pool claims	-26.2	-32.0
Own claims for own account	-183.3	-229.6
<b>Claims for own account</b>	<b>-209.5</b>	<b>-261.6</b>
Acquisition costs	-51.4	-43.9
Administrative expenses	-14.5	-13.5
<b>Net operating expenses</b>	<b>-65.9</b>	<b>-57.3</b>
<b>Balance carried to non-technical account</b>	<b>21.6</b>	<b>-51.7</b>
<b>NON-TECHNICAL ACCOUNT</b>		
Balance from technical account	21.6	-51.7
Net investment income	-19.4	25.5
Taxes	11.2	5.6
<b>Balance carried to members' funds</b>	<b>13.4</b>	<b>-20.5</b>

CONTINGENCY RESERVE  
USD million



COMBINED RATIO  
In percent







## Nine-month accounts 2022/23

### Condensed consolidated income statement

All figures in USD million

	21.08-20.11		YTD (21.02-20.11)	
	2022/23	2021/22	2022/23	2021/22
TECHNICAL ACCOUNT				
<b>Premiums and calls</b>				
Gross premiums and calls	122.3	107.9	350.5	309.0
Reinsurance premiums	-19.1	-12.5	-53.4	-41.7
<b>Earned premiums and calls for own account</b>	<b>103.2</b>	<b>95.4</b>	<b>297.1</b>	<b>267.3</b>
Pool claims	-9.6	-0.1	-26.2	-32.0
Own claims for own account	-60.9	-72.8	-183.3	-229.6
<b>Claims incurred for own account</b>	<b>-70.4</b>	<b>-73.0</b>	<b>-209.5</b>	<b>-261.6</b>
Acquisition costs	-18.6	-15.5	-51.4	-43.9
Administrative expenses	-4.6	-4.5	-14.5	-13.5
<b>Net operating expenses</b>	<b>-23.2</b>	<b>-20.0</b>	<b>-65.9</b>	<b>-57.3</b>
<b>Balance carried to non-technical account</b>	<b>9.5</b>	<b>2.4</b>	<b>21.6</b>	<b>-51.7</b>
NON-TECHNICAL ACCOUNT				
<b>Balance from technical account</b>	<b>9.5</b>	<b>2.4</b>	<b>21.6</b>	<b>-51.7</b>
Net investment income	-15.3	8.9	-19.4	25.5
Taxes	1.1	-6.9	11.2	5.6
<b>Profit and loss</b>	<b>-4.6</b>	<b>4.4</b>	<b>13.4</b>	<b>-20.5</b>
<b>Balance carried to members' funds</b>	<b>-4.6</b>	<b>4.4</b>	<b>13.4</b>	<b>-20.5</b>

### Condensed consolidated statement of financial position

All figures in USD million

	20.11.22	20.02.22
ASSETS		
Financial assets	879.5	889.2
Debtors	24.9	11.2
Other assets	199.1	196.7
Prepayments and accrued income	17.0	19.0
<b>Total assets</b>	<b>1 120.5</b>	<b>1 116.0</b>
LIABILITIES		
<b>Technical provisions</b>		
Gross provision for outstanding claims	1027.8	917.6
Reinsurers' share	-441.2	-322.4
<b>Provisions for outstanding claims for own account</b>	<b>586.5</b>	<b>595.2</b>
Contingency reserve	430.0	430.1
<i>Members' funds</i>	384.1	370.7
<i>Deferred cessation tax</i>	45.9	59.4
<b>Technical provisions for own account</b>	<b>1 016.5</b>	<b>1 025.2</b>
Provisions for other liabilities	80.2	58.8
Other creditors	19.3	30.0
Accruals and deferred income	4.5	2.0
<b>Total liabilities</b>	<b>1 120.5</b>	<b>1 116.0</b>



## Cash flow statement

All figures in USD million

	21.02.22-20.11.22	21.02.21-20.02.22
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Premiums received	385.0	419.0
Paid claims	-278.8	-307.3
Paid tax	-5.4	-0.2
Operational expenses/change in accruals	-78.6	-73.5
<b>Net cash flow from operational activities</b>	<b>22.3</b>	<b>38.0</b>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Interests and dividends received	13.5	5.7
Investments in fixed assets	-2.3	-2.3
Net financial investments	-30.4	-38.0
<b>Net cash flow from investment activities</b>	<b>-19.2</b>	<b>-34.6</b>
<b>Net change in cash and cash equivalents</b>	<b>3.1</b>	<b>3.5</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>190.4</b>	<b>186.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>193.5</b>	<b>190.4</b>

## Statement of changes in contingency reserves

All figures in USD million

	21.02.22-20.11.22	21.02.21-20.02.22
<b>Members' funds opening balance</b>	<b>370.7</b>	<b>385.4</b>
Balance carried forward to members' funds	13.4	-14.7
<b>Members' funds closing balance</b>	<b>384.1</b>	<b>370.7</b>
Deferred cessation tax	45.9	59.4
<b>Contingency reserve closing balance</b>	<b>430.0</b>	<b>430.1</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 2022. No significant changes in accounting policies have been made in the period covered by this interim report.

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 2022 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 negative result of USD 12.0 million.

The interim report is unaudited.

## Note 2

### Financial investments

All figures in USD million

	20.11.22	20.02.22
<b>SHARES</b>		
Listed shares and funds	201.2	226.6
<b>Total shares</b>	<b>201.2</b>	<b>226.6</b>
<b>BONDS</b>		
Treasuries	458.3	479.6
Corporate Securities	178.6	122.2
Cash and Money Market	-0.9	1.7
Other	15.0	16.5
<b>Total bonds</b>	<b>650.9</b>	<b>620.0</b>
<b>Other investments</b>		
Hedge Funds	11.7	14.2
Infrastructure	12.4	11.8
Private Equity	4.6	6.1
<b>Total other investments</b>	<b>28.7</b>	<b>32.2</b>



Rest assured.