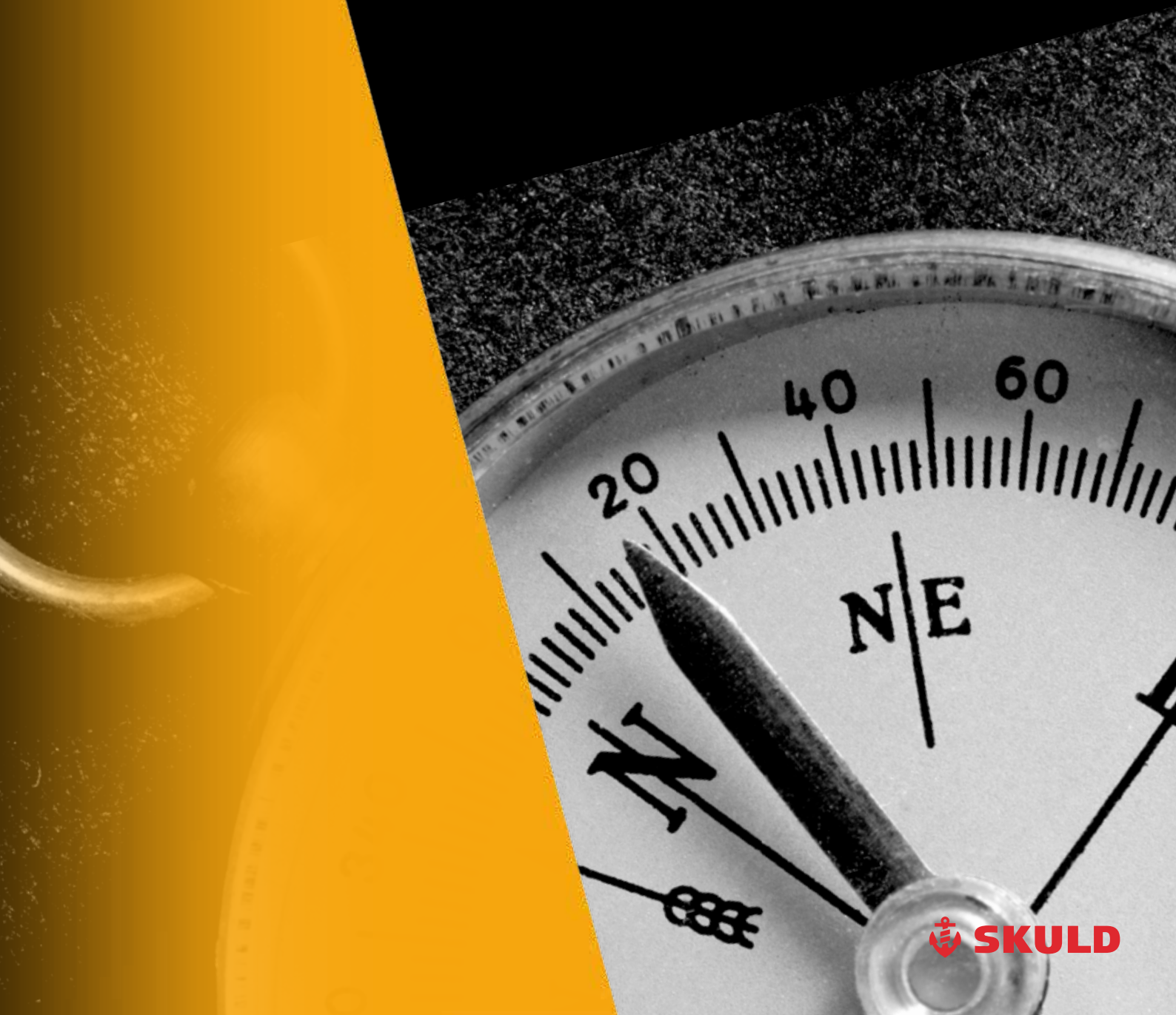


THIRD QUARTER REPORT 2012

20.02.12–20.11.12



RECORD HIGH CLAIMS COSTS FROM THE INTERNATIONAL GROUP'S POOLING SYSTEM

OUR STRATEGIC INVESTMENTS OUTSIDE THE INTERNATIONAL GROUP POOL HAVE SIGNIFICANTLY BENEFITTED OUR RESULT

Record high claims costs from the International Group's pooling system has led to a bottom-line deficit of USD 2.9 million with contingency reserves of USD 288 million.

To date Skuld has had no pool claims in 2012. However, the share of other clubs' pool claims is currently USD 14 million above our budget expectation for policy year 2012. This has led to an underwriting deficit of USD 6.6 million and corresponding combined ratio of 103%, even though our non-mutual book of business is profitable.

Premium income increased 5% compared with the third quarter last year, a more modest growth than seen in previous years as a result of thorough consolidation in the last renewal in order to maintain the high quality of the P&I owners' book.

Administrative expenses have been reduced by 7% compared with the third quarter last year.

Skuld has a modest and well diversified risk on investments, but the investment result continues to be volatile due to financial market turmoil. Net investment income was USD 5.3 million, an improvement of USD 5.7 million compared with the 2011 third quarter.

Skuld's solvency ratio continues to be stronger than ever, but this year's developments emphasise how important it is to achieve the appropriate premium level in order to maintain a balanced underwriting result.

Our strategic investments outside the International Group pool have significantly benefitted our result. We are very pleased that we have spent the time and energy following our philosophy of diversification, giving Skuld more than one revenue stream, especially in times when we are modelling record loss figures from the pool.

Our forecast for the year remains unchanged and we hope to either break even or to report a small surplus.

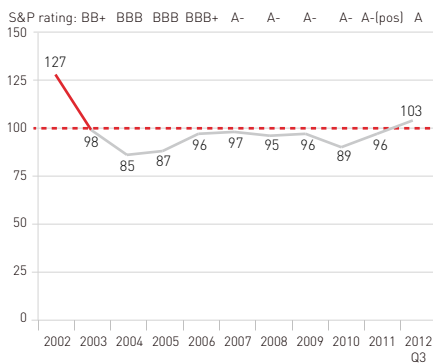
Our vision stands firm, we shall be a world leading marine insurance provider through innovation, financial strength and the talents of our people.

Yours sincerely
Assuranceforeningen Skuld (Gjensidig)

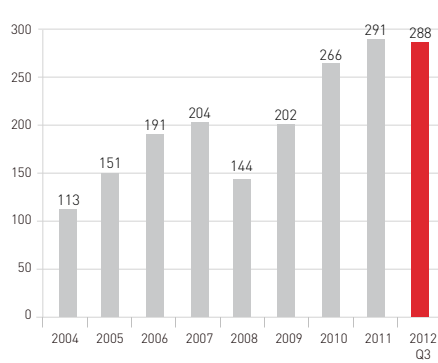


DOUGLAS JACOBSON
PRESIDENT & CHIEF EXECUTIVE OFFICER

COMBINED RATIO
/ IN PERCENT



CONTINGENCY RESERVES
/ MUSD



CONSOLIDATED
INCOME AND
EXPENDITURE
ACCOUNT AS
OF 20/11 2012

MUSD	2012 (Q3)	2011 (Q3)
TECHNICAL ACCOUNT		
Premiums and calls	234.0	222.9
Reinsurance premiums	-29.0	-26.2
Premiums for own account	205.0	196.7
Claims incurred for own account	-168.0	-132.0
Acquisition costs	-34.4	-32.3
Administrative expenses	-9.2	-9.9
Net operating expenses	-43.6	-42.1
Balance carried to non-technical account	-6.6	22.6
NON TECHNICAL ACCOUNT		
Balance from technical account	-6.6	22.6
Net investment income	5.3	-0.4
Taxes	-1.5	-1.5
Balance carried to contingency reserve	-2.9	20.6

BALANCE
SHEET AS OF
20/11 2012

MUSD	2012 (Q3)	2011 (Q3)
ASSETS		
Financial investments	639.4	631.4
Debtors	80.9	51.7
Other assets	81.2	69.1
Prepayment and accrued income	11.2	10.6
Total assets	812.6	762.8
LIABILITIES		
Provision for outstanding claims for own account	415.6	382.3
Contingency reserve	<u>288.0</u>	<u>287.0</u>
Technical provisions for own account	703.6	669.3
Provisions for other liabilities	9.4	6.2
Creditors	11.7	14.6
Accruals and deferred income	87.9	72.7
Total liabilities	812.6	762.8

In the P&L, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.



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