

# THIRD QUARTER REPORT 2009



The bottom line result currently stands at USD 64.7 million lifting the free reserves to USD 208.6 million.

The club continues to achieve positive technical results (premium income less claims and operating expenses) with the level of reported claims at a more modest level in the current policy year. However, we are entering the most claims intensive period of the year and an upturn in claims during the last quarter cannot be ruled out.

#### Positive technical results

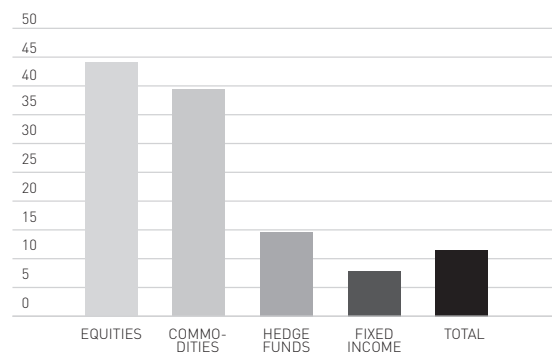
We are pleased to report a positive technical result of USD 23.7 million, an improvement of USD 17.1 million compared to Q3 2008. The positive performance is mainly a result of lower claims reporting within the Club's retention level than normally expected at this time of the year. At the same time we notice deterioration on pool claims from previous policy years as well as a significant increase in the number of pool claims from other clubs in the current policy year compared to what was seen in 2008.

#### Reduced risk on investments

Although we have reduced the risk profile on our investments compared to previous years, an 11.5% investment return as per 20 November is considered satisfactory. The financial markets are not fully recovered and even though there are signs of optimism, the markets still appear to be fragile.

Our membership base is growing. At the end of the third quarter 2009 total entered mutual gross tonnage stands at 52 million GT.

INVESTMENT RETURN AS OF 20 NOVEMBER 2009  
/ IN PERCENT



Yours Sincerely  
Assuranceforeningen Skuld (Gjensidig)

DOUGLAS JACOBSON  
CHIEF EXECUTIVE OFFICER

CONSOLIDATED  
INCOME AND  
EXPENDITURE  
ACCOUNT AS  
OF 20.11.09

MUSD	2009 (Q3)	2008 (Q3)
<b>TECHNICAL ACCOUNT</b>		
Premiums and calls	187.2	162.2
Reinsurance premiums	-18.8	-16.6
Premiums for own account	168.4	145.6
Claims incurred for own account	-115.8	-115.1
Acquisition costs	-22.3	-16.7
Administrative expenses	-6.7	-7.3
<b>Net operating expenses</b>	<b>-28.9</b>	<b>-24.0</b>
<b>Balance carried to non-technical account</b>	<b>23.7</b>	<b>6.6</b>
<b>NON TECHNICAL ACCOUNT</b>		
Balance from technical account	23.7	6.6
Net investment income	46.1	-89.7
Taxes	-5.0	-0.2
<b>Balance carried to contingency reserve</b>	<b>64.7</b>	<b>-83.3</b>

BALANCE  
SHEET AS OF  
20.11.09

MUSD	2009 (Q3)	2008 (Q3)
<b>ASSETS</b>		
Financial investments	494.1	365.8
Debtors	44.6	41.7
Other assets	58.6	59.8
Prepayment and accrued income	8.1	1.8
<b>Total assets</b>	<b>605.4</b>	<b>469.0</b>
<b>LIABILITIES</b>		
Provision for outstanding claims for own account	308.5	291.3
Contingency reserve	208.6	120.2
Technical provision for own account	517.1	411.5
Provisions for other liabilities	13.9	7.3
Creditors	8.7	2.2
Accruals and deferred income	65.7	48.0
<b>Total liabilities</b>	<b>605.4</b>	<b>469.0</b>

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