
NINE MONTHS REPORT 2014

20.02.14-20.11.14



SERVICE
AND
COMPETENCE
YOU CAN
RELY ON



SKULD OVERCOMES CLAIMS TO ANNOUNCE POSITIVE NINE MONTHS RESULTS

Skuld ended the latest nine months with a positive bottom-line result of USD 5 million. However, a series of larger member claims in the last quarter has led to a negative underwriting result of USD 6.5 million.

Since the release of our half-year figures we have witnessed a higher number of larger member claims (in excess of USD 1 mill.) These claims still fall within Skuld's own club retention and are not shared by the International Group of P&I clubs' pooling system. Our claims analyses indicate a tendency towards increasing cargo and collision claims.

After nine months of policy year 2014 Skuld's premium income has increased by USD 29 million.

The increasing claims costs and the challenging churn on the owners' book of business underline the importance of Skuld's diversification strategy. The non-mutual products and our Lloyd's syndicate 1897 both enhance the service offering and mitigate some of the required premium increases for our members.

In spite of volatile financial markets the net investment income has contributed with USD 12 million and the bottom-line shows a USD 5 million contribution to the contingency reserves. The financial updates from Skuld prove the volatility in our business throughout the year and the importance of having a strong balance sheet to protect our members.

During 2014 we have expanded our commitments in the London market and this is a key success factor to our continued growth. Skuld's London operation has a strong team of skilled underwriters for our Lloyd's syndicate and the office has been further strengthened with its own risk manager. As a further step in Skuld's diversification, the London office is now fully equipped to also service all P&I products, including Owners Mutual P&I/FDD and Charterers P&I/FDD in addition to Skuld Offshore, Skuld Fixed P&I and Skuld Yachts.

Skuld continues to focus on service, innovation, diversification and growth. Investment in our people is essential as we continue our commitment to provide our members, clients and brokers with first-class service and competence they can rely on.

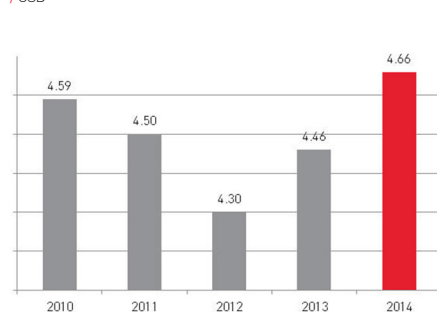
Yours sincerely
Assuranceforeningen Skuld (Gjensidig)

DOUGLAS JACOBSON
PRESIDENT & CEO

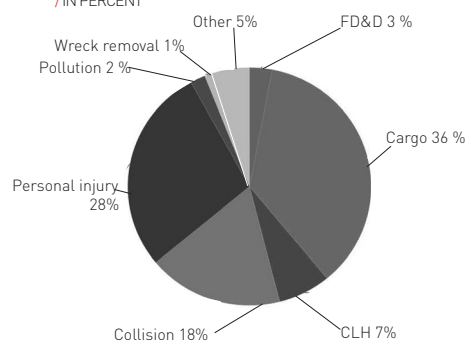
HIGHLIGHTS

- Positive bottom line result of 5 million USD
- 11% Premium growth compared with same period last year
- Strong organisation and P&I from London

RESERVES PER GT /USD



WHAT WE SPEND MONEY ON /IN PERCENT



CONSOLIDATED
INCOME AND
EXPENDITURE
ACCOUNT AS
OF 20.11.14

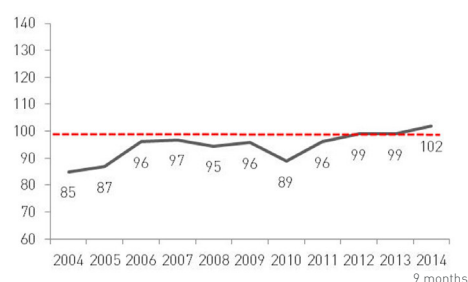
MUSD	2014 (9 months)	2013 (9 months)
TECHNICAL ACCOUNT		
Premiums and calls	307.6	277.8
Reinsurance premiums	-47.3	-40.0
Premiums for own account	259.2	237.8
Claims incurred for own account	-197.5	-164.0
Acquisition costs	-54.1	-43.9
Administrative expenses	-14.0	-14.1
Net operating expenses	-68.2	-58.8
Balance carried to non-technical account	-6.5	15.8
NON - TECHNICAL ACCOUNT		
Balance from technical account	-6.5	15.8
Net investment income	11.9	16.8
Taxes	-0.3	-1.7
Balance carried to contingency reserve	5.1	31.0

BALANCE
SHEET AS OF
20.11.14

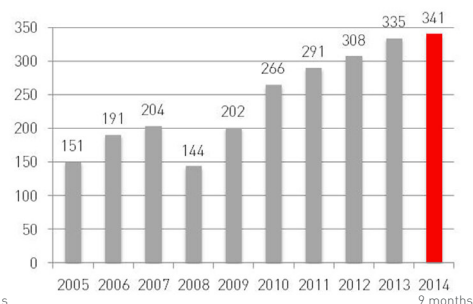
MUSD	2014 (9 months)	2013 (9 months)
ASSETS		
Financial investments	650.9	639.4
Debtors	115.8	80.9
Other assets	224.5	81.2
Prepayment and accrued income	18.8	11.2
Total assets	1,010.0	898.1
LIABILITIES		
Provision for outstanding claims for own account	513.2	420.2
Contingency reserve	340.5	338.7
Technical provisions for own account	853.7	758.9
Provisions for other liabilities	7.8	8.5
Creditors	9.0	2.8
Accruals and deferred income	139.4	127.8
Total liabilities	1,010.0	898.1

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

COMBINED RATIO
/ IN PERCENT



CONTINGENCY RESERVES
/ MUSD



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