





HIGHLIGHTS

- Improved combined ratio
- Strong financial position
- Premium credit and Members' Performance Bonus distributed to mutual members in November 2018

SKULD MAINTAINS FINANCIAL STRENGTH AND IMPROVES COMBINED RATIO

The first nine months of the 2018/19 policy year shows an improved combined ratio of 101% compared with 104% in the same period last year. The mutual book of business recorded a reduced number of claims, reflecting the high-quality tonnage entered with Skuld.

The result ended at USD -16 million compared with USD 27 million in the same period last year, with the contingency reserve now standing at USD 426 million, compared with USD 421 million in the same period last year.

We have seen an increase in pool-able claims from other clubs affecting Skuld's nine-month result. Positive contributions from our commercial operations, including Offshore and Charterers, have been partly offset by the operations at Lloyd's; the current incident year is still being affected by a few large claims earlier in the year, alongside deterioration on earlier years. We have taken several measures including continued selection of quality business, and are optimistic of improved results in 2019.

Volatile financial markets have had a negative impact on the bottom line result, following the decline in global equities and the increase in interest rates. The current volatility shows the importance of having a strong balance sheet. Skuld's solvency ratio remains on target, endorsing our robust financial position and our long-term commitment to sustainable growth.

Skuld is in an excellent position to continue to serve the global marine markets. Along with the Skuld Board strategy to maintain our A-rated position and the firm commitment to our

members, we are pleased for the third year in a row to be able to support our members with a credit of 2.5% on individual mutual premiums. The credit was given back in the November payment instalment. In addition, a USD 5 million Members' Performance Bonus allocated to eligible mutual members with a positive loss record was distributed in November 2018.

As has been the case now for many years, the Skuld P&I renewals for the policy year starting 20 February 2019 will be decided by individual assessments of members' own statistical records for the past five years, and with no general increase.

We would like to take this opportunity to send all our members, clients, brokers and other business associates our very best wishes for the upcoming holiday season and the New Year. In 2019, we look forward to continuing to deliver service and competence that our members, clients and brokers can rely on.

STÅLE HANSEN
President and CEO

KEY FIGURES

CONSOLIDATED INCOME STATEMENT AS AT 20 NOVEMBER

MUSD	2018 (9 MONTHS)	2017 (9 MONTHS)
TECHNICAL ACCOUNT		
Premiums and calls	301.6	313.4
Reinsurance premiums	-41.7	-54.6
Premiums for own account	259.8	258.8
Claims incurred for own account	-195.3	-201.3
Acquisition costs	-55.8	-55.1
Administrative expenses	-13.3	-15.0
Net operating expenses	-69.0	-70.0
Balance carried to non-technical account	-4.5	-12.6
NON TECHNICAL ACCOUNT		
Balance from technical account	-4.5	-12.6
Net investment income	-11.0	40.2
Taxes	-0.1	-0.7
Balance carried to contingency reserve	-15.7	26.9

BALANCE SHEET AS AT 20 NOVEMBER

MUSD	2018 (9 MONTHS)	2017 (9 MONTHS)
ASSETS		
Financial investments	781.2	834.5
Debtors	103.5	130.8
Other assets	200.1	169.8
Prepayment and accrued income	29.9	47.0
Total assets	1 114.8	1 182.0
LIABILITIES		
Provision for outstanding claims for own account	524.3	539.5
Contingency reserve	426.1	420.9
Minority interest	-3.4	-2.6
Technical provisions for own account	947.0	957.8
Provisions for other liabilities	7.0	16.8
Creditors	26.6	36.7
Accruals and deferred income	134.2	170.8
Total liabilities	1 114.8	1 182.0

In the consolidated income statement, a relevant portion of overhead expenses are allocated to claims-, acquisition- and investment expenses respectively.

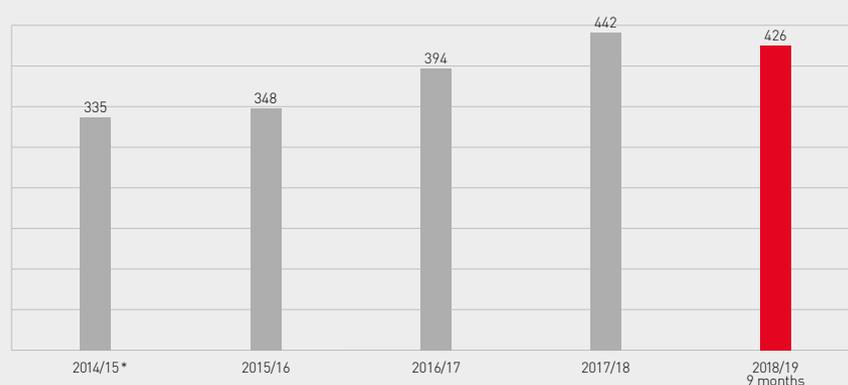
COMBINED RATIO

\ By percentage



CONTINGENCY RESERVE

\ USD mill.



* Contingency reserve for 2014/15 has been restated to recognise an actuarial loss of USD 12 mill.