



2ND QUARTER REPORT

2023



NORWEGIAN HULL CLUB

TABLE OF CONTENTS

- 3** *Summary Interim Report 2Q 2023*
- 4** *Key Figures*
- 6** *Statement of Comprehensive Income*
- 8** *Balance Sheet*
- 10** *Statement of Cash Flow*
- 11** *Development in Equity*
- 12** *Explanatory Notes to the Interim Financial Report*

SUMMARY INTERIM REPORT 2Q 2023

The operating result for Norwegian Hull Club for the first six months of 2023 is USD 38 million. Technical result from insurance operations is USD 27 million, while the result from investments and other financial items is USD 11 million.

Profitability on insurance operations is above expectations. Premium income is higher than expected. Claims costs and gross claims ratio are above last year's figures but are still at satisfactory levels. Combined ratio is 80 % so far in 2023.

Return on the investment portfolio is 1.6 %. The USD return corresponds to USD 8.4 million. The balance of financial income stems from interest earned on bank accounts and receivables as well as foreign exchange items.

Capital adequacy has been maintained since the end of 2022 and equity is USD 408.2 million at the end of June 2023.

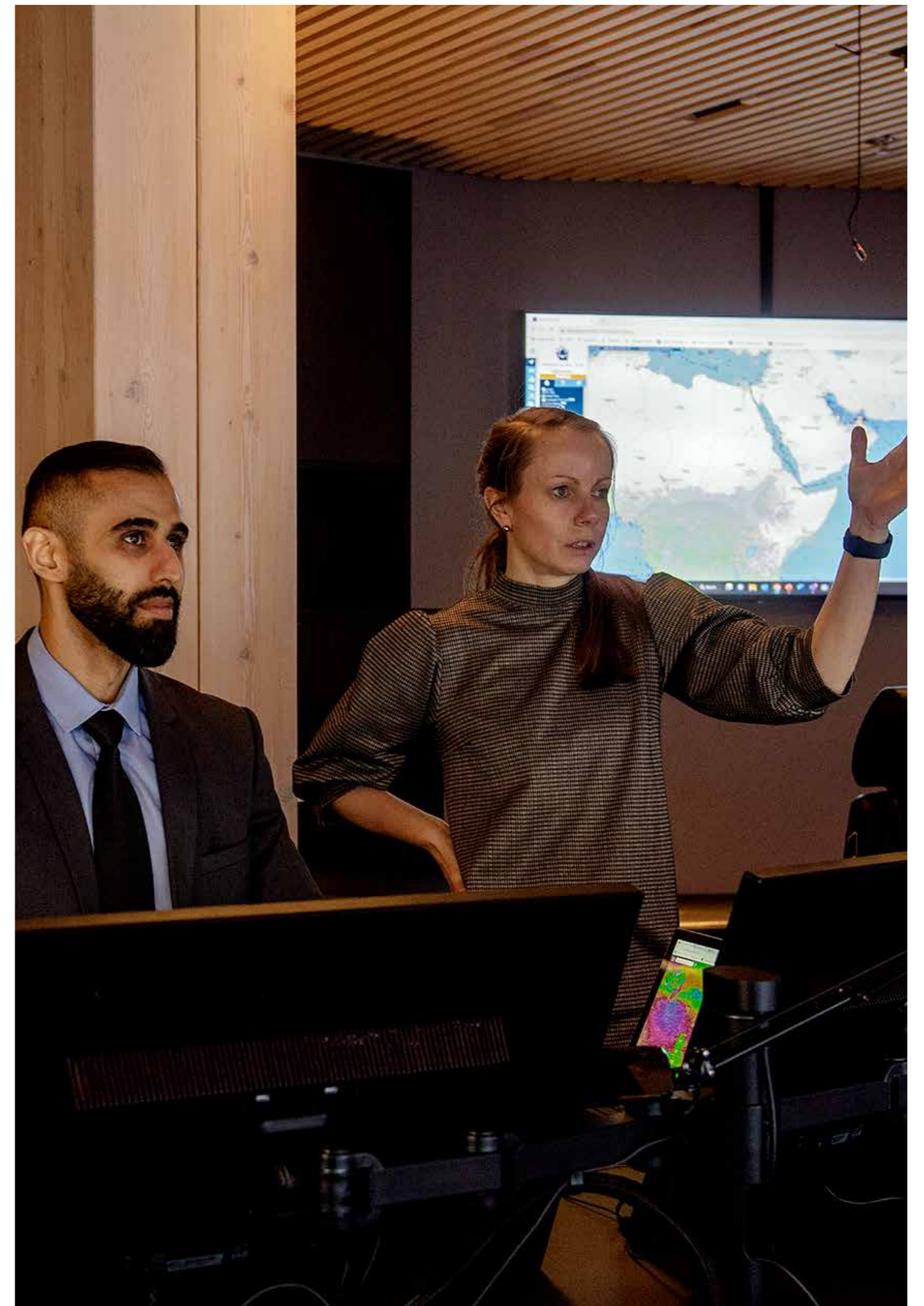


THE ART OF GLOBAL MARINE INSURANCE A striking work of art welcomes employees and visitors alike to Norwegian Hull Club's premises in Skipet, Bergen - providing a glimpse into our past, present and future. The piece - created by Bergen-based artist Bjør Grønner - offers a glimpse into the Norwegian Hull Club of today, where its roots lie and future opportunities. There are also references to Solheimsviken - the area in which Skipet is located - and its history, together with the man who played a pivotal role in Bergen's marine insurance history, Michael Krohn.

KEY FIGURES

All figures in USD 000's

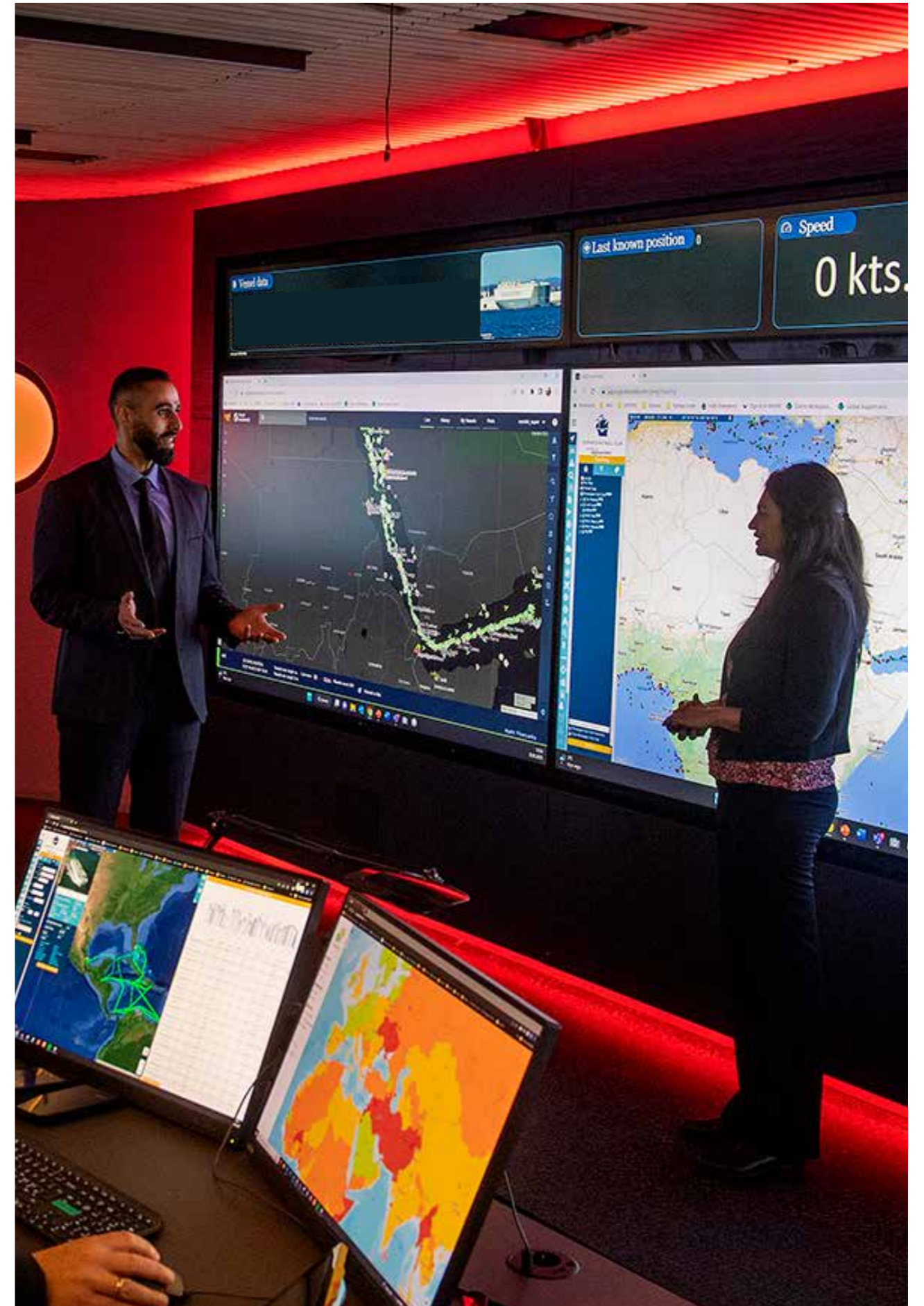
	01.01.-30.06.2023	01.01.-30.06.2022	2Q 2023	2022
Gross earned premiums	165 729	164 579	80 025	323 659
Gross claims	-123 087	-77 637	-64 847	-239 740
Gross result	42 641	86 942	15 178	83 918
Premiums for own account	138 119	136 070	66 973	265 043
Claims for own account	-100 629	-75 571	-51 016	-190 641
Insurance result for own account	37 491	60 499	15 957	74 402
Net operating expenses	-10 456	-11 142	-5 003	-25 247
Technical result	27 034	49 357	10 955	49 155
Net financial items	10 980	-28 580	540	-28 153
Operating result	38 014	20 777	11 495	21 002
Loss ratio for own account	73 %	56 %	76 %	72 %
Combined ratio	80 %	64 %	84 %	82 %
	31.06.2023	31.12.2022		
Investment portfolio	556 509	531 447		
Bank deposits	95 682	119 162		
Receivables	331 795	325 314		
Other assets	32 378	33 125		
TOTAL ASSETS	1 016 364	1 009 048		
Equity	408 250	383 144		
Claims provision	329 555	332 759		
Other provisions	184 697	166 431		
Payables and other liabilities	93 862	126 715		
TOTAL EQUITY AND LIABILITIES	1 016 364	1 009 048		



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	30.06.2023	30.06.2022
Gross earned premiums	165 728 773	164 570 413
Reinsurance premiums	-27 609 548	-28 509 365
A Premiums for own account	138 119 225	136 070 048
B Other insurance related income	4 183 368	2 993 801
Gross accrued claims	123 087 327	77 637 461
Reinsurers share of gross claims	-22 458 684	-2 066 354
C Claims for own account	100 628 643	75 571 108
Marketing expenses	5 912 477	6 612 003
D Total insurance related expenses for own account	5 912 477	6 612 003
E Other insurance related expenses	8 727 143	7 523 356
F Operating result technical accounts (A+B-C-D-E)	27 034 329	49 357 383
Financial income	8 268 663	4 869 631
Realised gains and losses	-5 054 655	5 676 324
Adjustment investment portfolio	10 532 353	-37 695 790
G Total financial income	13 746 361	-27 149 835
H Administration expenses financial assets	2 766 297	1 430 549
I Result from ordinary operations (F+G-H)	38 014 393	20 776 999
J Tax expenses (income)	12 907 974	11 248 508
K Result before other result components (I-J)	25 106 418	9 528 491



BALANCE SHEET

Assets

All figures in USD

	30.06.2023	31.12.2022
Shares in subsidiaries	3 609 044	3 609 044
Other shares	7 110 598	7 110 598
Mortgage loans	6 200 317	5 741 396
Stocks and shares	98 048 379	97 759 136
Syndicated loans	1 957 256	1 960 297
Bonds and foreign exchange contracts	450 453 137	427 940 243
Financial derivatives	541 229	299 750
Bank deposits investment portfolio	5 509 443	3 487 225
Total financial assets	573 429 403	547 907 689
Reinsured proportion of gross premium provisions	35 169 101	28 543 309
Reinsured proportion of gross claims provision	50 959 942	69 984 127
Total reinsured proportion of insurance provisions	86 129 044	98 527 436
Insurance related receivables	181 736 835	166 475 870
Reinsurance receivables	14 379 148	1 745 905
Disbursements	33 596 683	41 422 074
Other receivables	15 952 972	17 142 571
Total receivables	245 665 638	226 786 420
Properties	2 089 030	2 089 030
Equipment and fixtures	11 626 896	13 201 334
Cash and bank deposits	95 681 750	119 161 766
Deferred tax		
Total other assets	109 397 677	134 452 131
Accrued interest	1 741 776	1 373 919
TOTAL ASSETS	1 016 363 538	1 009 047 595

Equity and Liabilities

All figures in USD

	30.06.2023	31.12.2022
Equity	8 042 072	8 042 072
Guarantee provision	2 640	2 640
Other equity	400 205 210	375 098 791
Total equity	408 249 921	383 143 503
Unearned gross premium provision	184 696 811	166 430 661
Gross claims provision	329 555 085	332 758 898
Unearned commission provision	0	0
Total gross insurance provisions	514 251 896	499 189 559
Pension liability	3 123 685	3 123 685
Withheld payroll tax, social security etc.	3 108 218	4 222 813
Deferred tax	34 756 515	37 384 352
Taxes payable	15 535 812	21 969 826
Total tax and pension payable	56 524 229	66 700 675
Payables direct insurance accounts	11 557 247	11 596 414
Payables reinsurance	10 103 162	24 307 830
Financial derivatives	441 878	2 492 768
Payables other accounts	15 235 204	21 616 846
Total payables	37 337 491	60 013 858
TOTAL EQUITY AND LIABILITIES	1 016 363 538	1 009 047 596

STATEMENT OF CASH FLOW

All figures in USD

	30.06.2023	2022
Profit of the year before tax	38 014 393	46 995 878
Change in net technical reserves	27 460 730	54 574 733
Unrealised value change other shares	0	10 947
Net profit on sale of fixed shares	0	0
Change in disbursements	7 825 391	-1 672 673
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	-123 674
Change in net receivables	-48 812 538	-49 605 152
Depreciation	488 087	627 537
Taxes paid	-20 956 920	-21 192 281
Net cash flow from operations before financial assets	4 019 143	29 615 315
Change in net bonds	-22 509 852	-12 304 336
Change in net stocks and shares	-289 243	-3 987 713
Change in net financial derivatives	-2 292 369	-3 190 131
	0	0
Net cash flow from financial assets	-25 091 464	-19 482 180
A Net cash flow from operational activities	-21 072 322	10 133 136
Cash generated/used by investing activities		
Net receipts/payments related to purchase/capitalization of subsidiaries and associated companies	0	-176 940
Net receipts/payments related to sale/purchase of fixed assets	-146 638	-443 962
Change in mortgage loans	-458 921	1 431 708
B Net cash inflow/outflow from investment activities	-605 559	810 806
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	220 083	602 018
A+B+C+D Net change in cash and cash equivalents	-21 457 798	11 545 960
Cash and cash equivalents 01.01	122 648 991	29 042 265
Cash and cash equivalents	101 191 194	40 588 225

DEVELOPMENT IN EQUITY

All figures in USD

	Owners' funds	Other equity	Guarantee provision	Total equity
Equity at 31.12.2022	8 042 072	375 098 791	2 640	383 143 503
Allocation		25 106 418		25 106 418
Equity at 30.06.2023	8 042 072	400 205 210	2 640	408 249 921



EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

Note 1 - Accounting policies

Norwegian Hull Club's interim financial report is presented in accordance with IAS 34 interim financial reporting and in compliance with the Norwegian Accounting Act, Finance Ministry's prescribed regulations from December 16, 1998 on Financial Statements for Insurance companies and regulations from January 21, 2008 on simplified IFRS.

The application of IAS 34 means that the report is limited relative to the presentation of a full annual report.

The main accounting policies are unchanged from the Annual Report 2022 and the annual report contains the full description of the accounting policies.

Note 2 - Claims expenses

	30.06.2023	30.06.2022
Gross claims	123 087 327	77 637 461
Claims for own account	100 628 643	75 571 108
<i>Run off gain (+) / loss (-) gross</i>	-22 922 991	1 125 990
<i>Run off gain (+) / loss (-) for own account</i>	-8 095 286	900 284

Note 3 - Market value adjustments

	31.12.2022		30.06.2023		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	427 940 243	427 940 243	450 453 136	450 453 136	22 512 136	22 512 893
Stocks and shares	97 759 136	97 759 136	98 048 379	98 048 379	289 243	289 243
Derivatives	299 750	299 750	541 229	541 229	241 479	241 479
In total	525 999 129	525 999 129	542 042 745	542 042 745	23 043 615	23 043 615

Note 4 - Off balance items

	30.06.2023	31.12.2022
Guarantee liability regarding claims		
Gross guarantees issued	113 602 064	105 897 220
Counter-guarantees from co-insurers	80 954 614	88 990 281
Guarantees for own account	32 647 450	16 906 939

All guarantees relate to clients' liabilities in connection with collisions, groundings etc. associated with The Club's activities.

Note 5 - Material events subsequent to the end of the interim period

To the best of our knowledge, there have been no material events subsequent to the end of the interim period.

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