



3RD QUARTER REPORT

2023



NORWEGIAN HULL CLUB

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3Q 2023

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SUMMARY INTERIM REPORT 3Q 2023

The operating result for Norwegian Hull Club for the first nine months of 2023 is USD 35.8 million. The technical result from insurance operations is USD 23.6 million, while the result from investments and other financial items is USD 12.2 million.

Profitability on insurance operations is below expectations, while premium income is higher than anticipated. Claims costs and gross claims ratio are greater than last year but still at satisfactory levels. The combined ratio is 88 % so far in 2023.

Return on the investment portfolio is 1.8 %. The USD return corresponds to USD 9.8 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 406.7 million at the end of September 2023.



THE LIGHT OF A NEW DAY Dawn breaks over London, illuminating the ultra-modern skyline of the City, home to Norwegian Hull Club's Lime Street office. Close by and yet a world away, the famous White Tower - the oldest part of the Tower of London - greets the new day, as it has for almost a thousand years.

KEY FIGURES

All figures in USD 000's

	01.01.-30.09.2023	01.01.-30.09.2022	3Q 2023	3Q 2022	2022
Gross earned premiums	241 962	254 662	76 234	93 424	323 659
Gross claims	-184 549	-147 700	-61 461	-45 996	-239 740
Gross result	57 414	106 962	14 772	47 428	83 918
Premiums for own account	197 061	210 320	58 942	76 199	265 043
Claims for own account	-156 961	-129 137	-56 332	-44 744	-190 641
Insurance result for own account	40 100	81 183	2 609	31 455	74 402
Net operating expenses	-16 475	-16 775	-6 019	-5 293	-25 247
Technical result	23 625	64 407	-3 410	26 162	49 155
Net financial items	12 188	-42 919	1 208	-16 207	-28 153
Operating result	35 813	21 488	-2 201	9 954	21 002
Loss ratio for own account	80 %	61 %	95.6 %	59 %	72 %
Combined ratio	88 %	69 %	106 %	66 %	82 %

	31.09.2023	31.12.2022
Investment portfolio	555 506	531 447
Bank deposits	126 949	119 162
Receivables	299 869	325 314
Other assets	32 122	33 125
TOTAL ASSETS	1 014 446	1 009 048
Equity	406 737	383 144
Claims provision	335 353	332 759
Other provisions	169 070	166 431
Payables and other liabilities	103 286	126 715
TOTAL EQUITY AND LIABILITIES	1 014 446	1 009 048



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	30.09.2023	30.09.2022
Gross earned premiums	241 962 383	254 661 898
Reinsurance premiums	-44 901 564	-44 341 948
A Premiums for own account	197 060 819	210 319 951
B Other insurance related income	6 271 097	4 465 837
Gross accrued claims	184 548 814	147 700 239
Reinsurers share of gross claims	-27 587 854	-18 562 963
C Claims for own account	156 960 961	129 137 276
Marketing expenses	9 321 184	8 614 934
D Total insurance related expenses for own account	9 321 184	8 614 934
E Other insurance related expenses	13 425 019	12 626 370
F Operating result technical accounts (A+B-C-D-E)	23 624 752	64 407 208
Financial income	13 665 247	7 693 710
Realised gains and losses	-6 934 251	7 900 347
Adjustment investment portfolio	8 786 473	-56 854 018
G Total financial income	15 517 469	-41 259 961
H Administration expenses financial assets	3 329 157	1 658 760
I Result from ordinary operations (F+G-H)	35 813 063	21 488 487
J Tax expenses (income)	12 219 893	15 267 971
K Result before other result components (I-J)	23 593 170	6 220 516



BALANCE SHEET

Assets

All figures in USD		
	30.09.2023	31.12.2022
Shares in subsidiaries	3 609 044	3 609 044
Other shares	7 110 598	7 110 598
Mortgage loans	7 314 310	5 741 396
Stocks and shares	93 423 233	97 759 136
Syndicated loans	1 954 833	1 960 297
Bonds and foreign exchange contracts	455 027 359	427 940 243
Financial derivatives	1 582 337	299 750
Bank deposits investment portfolio	3 518 146	3 487 225
Total financial assets	573 539 859	547 907 689
Reinsured proportion of gross premium provisions	36 245 679	28 543 309
Reinsured proportion of gross claims provision	44 564 128	69 984 127
Total reinsured proportion of insurance provisions	80 809 807	98 527 436
Insurance related receivables	158 884 686	166 475 870
Reinsurance receivables	16 882 238	1 745 905
Disbursements	27 651 292	41 422 074
Other receivables	15 641 392	17 42 571
Total receivables	219 059 607	226 786 420
Properties	2 089 030	2 089 030
Equipment and fixtures	11 091 368	13 201 334
Cash and bank deposits	126 948 668	119 161 766
Total other assets	140 129 066	134 452 131
Accrued interest	907 226	1 373 919
TOTAL ASSETS	1 014 445 565	1 009 047 595

Equity and Liabilities

All figures in USD		
	30.09.2023	31.12.2022
Equity	8 042 072	8 042 072
Guarantee provision	2 640	2 640
Other equity	398 691 961	375 098 791
Total equity	406 736 673	383 143 503
Unearned gross premium provision	169 069 996	166 430 661
Gross claims provision	335 352 646	332 758 898
Total gross insurance provisions	504 422 643	499 189 559
Pension liability	3 123 685	3 123 685
Withheld payroll tax, social security etc.	3 003 227	4 222 813
Deferred tax	32 035 496	37 384 352
Taxes payable	17 568 750	21 969 826
Total tax and pension payable	55 731 158	66 700 675
Payables direct insurance accounts	11 503 748	11 596 414
Payables reinsurance	18 708 769	24 307 830
Financial derivitives	200 646	2 492 768
Payables other accounts	17 141 929	21 616 846
Total payables	47 555 092	60 013 858
TOTAL EQUITY AND LIABILITIES	1 014 445 565	1 009 047 596

STATEMENT OF CASH FLOW

All figures in USD

	30.09.2023	2022
Profit of the year before tax	35 813 063	21 001 956
Change in net technical reserves	22 950 713	55 628 117
Unrealised value change other shares	0	627 454
Net profit on sale of fixed shares	0	0
Change in disbursements	13 770 782	-4 504 147
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	-1 128 115
Change in net receivables	-16 963 505	-1 282 578
Depreciation	2 267 438	4 526 188
Taxes paid	-22 116 256	-17 489 145
Net cash flow from operations before financial assets	35 722 234	57 379 731
Change in net bonds	-27 081 650	6 677 384
Change in net stocks and shares	4 335 903	14 529 747
Change in net financial derivatives	-3 574 710	3 089 300
	0	0
Net cash flow from financial assets	-26 320 457	24 296 431
A Net cash flow from operational activities	9 401 777	81 676 162
Cash generated/used by investing activities		
Net receipts/payments related to purchase/capitalization of subsidiaries and associated companies	0	0
Net receipts/payments related to sale/purchase of fixed assets	-156 462	-598 482
Change in mortgage loans	-1 572 914	416 671
B Net cash inflow/outflow from investment activities	-1 729 376	-181 811
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	145 421	566 415
A+B+C+D Net change in cash and cash equivalents	7 817 822	82 060 766
Cash and cash equivalents 01.01	122 648 991	40 588 225
Cash and cash equivalents	130 466 814	122 648 991

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		23 593 170		23 593 170
Equity at 30.09.2023	8 042 072	398 691 961	2 640	406 736 673



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

	30.09.2023	30.09.2022
Gross claims	184 548 814	147 700 239
Claims for own account	156 960 961	129 137 276
<i>Run off gain (+) / loss (-) gross</i>	-26 203 475	3 428 828
<i>Run off gain (+) / loss (-) for own account</i>	-12 246 848	4 443 179

Note 3 - Market value adjustments

	31.12.2022		30.09.2023		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	427 940 243	427 940 243	455 027 358	455 027 358	27 087 114	27 087 114
Stocks and shares	97 759 136	97 759 136	93 423 233	93 423 233	(4 335 903)	(4 335 903)
Derivatives	299 750	299 750	1 582 337	1 582 337	1 282 587	1 282 587
In total	525 999 129	525 999 129	550 032 928	550 032 928	24 033 799	24 033 799

Note 4 - Off balance items

	30.09.2023	31.12.2022
Guarantee liability regarding claims		
Gross guarantees issued	126 023 677	105 897 220
Counter-guarantees from co-insurers	82 345 248	88 990 281
Guarantees for own account	43 678 429	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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