

2ND QUARTER REPORT

2022



NORWEGIAN HULL CLUB

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2Q 2022*
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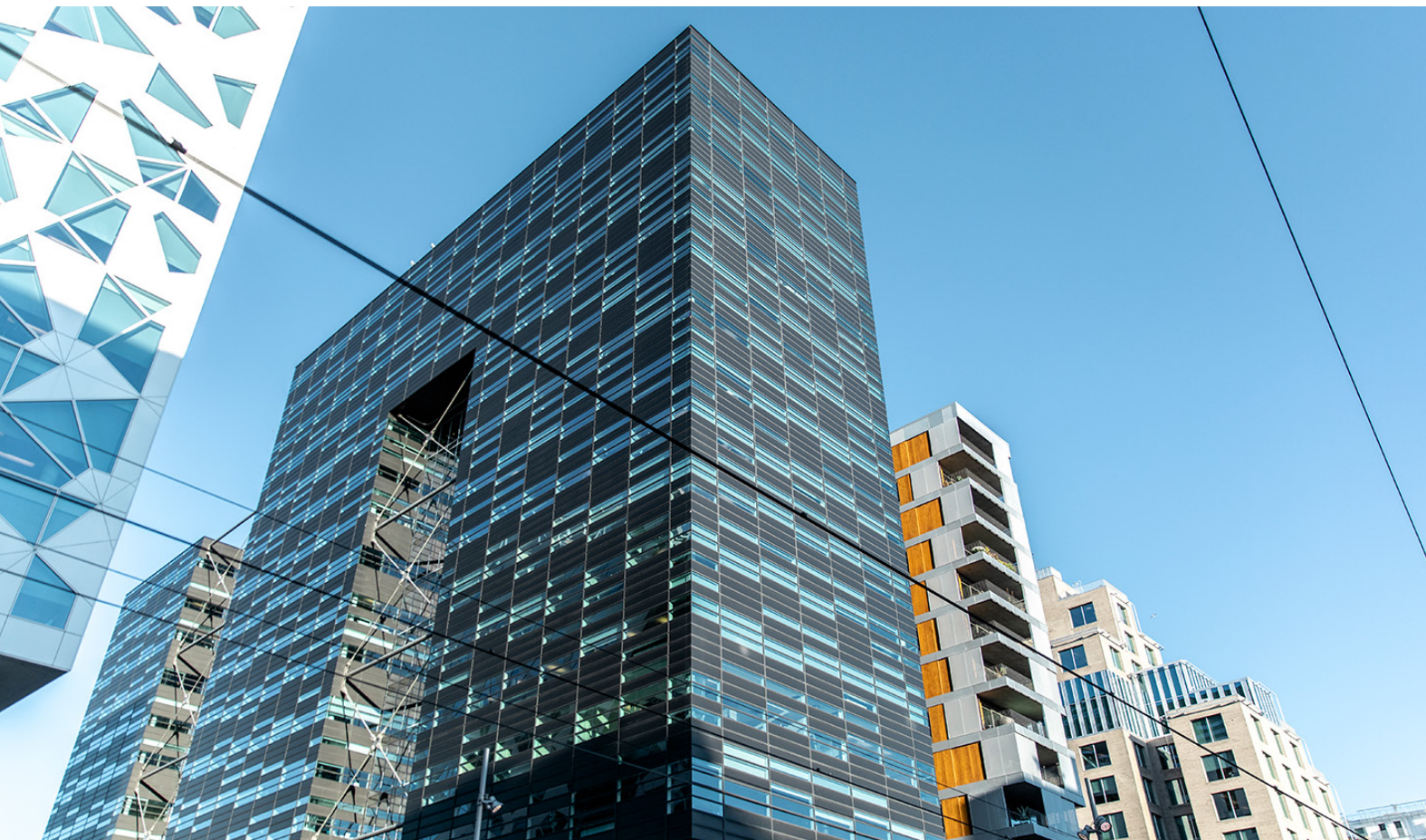
SUMMARY INTERIM REPORT 2Q 2022

The result for Norwegian Hull Club for the first six months of 2022 is USD 20.8 million. Technical result from insurance operations is USD 49.4 million while the result from investments and other financial items is minus USD 28.6 million.

Profitability on insurance operations is above expectations due to positive claims development and higher premium income. The combined ratio so far in 2022 is 64 %.

Return on the investment portfolio is minus 5.9 %. The USD return corresponds to minus USD 30.7 million. The balance of financial income stems from interest earned on bank accounts and receivables as well as foreign exchange items.

Capital adequacy has improved since the end of 2021 and equity is USD 383.9 million at the end of June 2022.



The photographs in this report were taken at Norwegian Hull Club's premises on Dronning Eufemias gate, Oslo.

KEY FIGURES

All figures in USD 000's			
	01.01.-30.06.2022	01.01.-30.06.2021	2021
Gross earned premiums	164 579	134 375	267 642
Gross claims	-77 637	-67 059	-175 700
Gross result	86 942	67 316	91 942
Premiums for own account	136 070	110 373	222 068
Claims for own account	-75 571	-66 373	-159 067
Insurance result for own account	60 499	44 000	63 001
Net operating expenses	-11 142	-12 029	-23 494
Technical result	49 357	31 971	39 507
Net financial items	-28 580	7 502	7 489
Operating result	20 777	39 473	46 996
Loss ratio for own account	56 %	60 %	72 %
Combined ratio	64 %	71 %	82 %

	30.06.2022	31.12.2021
Investment portfolio	510 527	552 664
Bank deposits	79 376	38 012
Receivables	307 134	289 901
Other assets	23 433	24 585
TOTAL ASSETS	920 470	905 162
Equity	383 924	374 396
Claims provision	243 681	247 704
Other provisions	193 583	162 180
Payables and other liabilities	99 282	120 882
TOTAL EQUITY AND LIABILITIES	920 470	905 162



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	30.06.2022	30.06.2021
Gross earned premiums	164 579 413	134 375 336
Reinsurance premiums	-28 509 365	-24 002 607
A Premiums for own account	136 070 048	110 372 729
B Other insurance related income	2 993 801	3 179 519
Gross accrued claims	77 637 461	67 059 383
Reinsurers share of gross claims	-2 066 354	-686 331
C Claims for own account	75 571 108	66 373 051
Marketing expenses	6 612 003	7 035 181
D Total insurance related expenses for own account	6 612 003	7 035 181
E Other insurance related expenses	7 523 356	8 172 977
F Operating result technical accounts (A+B-C-D-E)	49 357 383	31 971 040
Financial income	4 869 631	5 409 972
Realised gains and losses	5 676 324	1 033 867
Adjustment investment portfolio	-37 695 790	2 172 387
G Total financial income	-27 149 835	8 616 227
H Administration expenses financial assets	1 430 549	1 114 000
I Result from ordinary operations (F+G-H)	20 776 999	39 473 267
J Tax expenses (income)	11 248 508	9 868 317
K Result before other result components (I-J)	9 528 491	29 604 950



BALANCE SHEET

Assets

All figures in USD		
	30.06.2022	31.12.2021
Shares in subsidiaries	3 609 044	3 609 044
Other shares	7 738 052	7 738 052
Mortgage loans	5 174 190	6 158 067
Stocks and shares	100 905 657	112 288 883
Syndicated loans	1 935 579	
Bonds and foreign exchange contracts	404 962 389	436 574 158
Financial derivatives	2 400 796	1 220 978
Bank deposits investment portfolio	322 345	2 575 924
Total financial assets	527 048 050	570 168 873
Reinsured proportion of gross premium provisions	32 703 604	29 240 468
Reinsured proportion of gross claims provision	24 716 538	35 609 546
Total reinsured proportion of insurance provisions	57 420 142	64 850 014
Insurance related receivables	194 403 320	164 833 941
Reinsurance receivables	3 995 705	3 874 862
Disbursements	32 198 033	36 917 927
Other receivables	19 116 926	19 424 668
Total receivables	249 713 983	225 051 398
Properties	2 089 030	2 089 030
Equipment and fixtures	3 791 905	4 003 946
Cash and bank deposits	79 376 183	38 012 302
Deferred tax		
Total other assets	85 257 119	44 105 278
Accrued interest	1 030 925	986 480
TOTAL ASSETS	920 470 219	905 162 043

Equity and Liabilities

All figures in USD		
	30.06.2022	31.12.2021
Equity	8 042 072	8 042 072
Guarantee provision	347	0
Other equity	375 879 969	366 351 479
Total equity	383 924 125	374 395 634
Unearned gross premium provision	193 583 116	162 179 692
Gross claims provision	243 680 979	247 704 327
Unearned commission provision	0	0
Total gross insurance provisions	437 264 095	409 884 019
Pension liability	4 251 799	4 251 799
Withheld payroll tax, social security etc.	3 010 287	4 518 326
Deferred tax	41 547 378	47 905 911
Taxes payable	13 296 387	16 114 417
Total tax and pension payable	62 105 851	72 790 454
Payables direct insurance accounts	14 974 389	15 069 829
Payables reinsurance	12 555 979	17 779 957
Financial derivitives	6 286	324 696
Payables other accounts	9 639 495	14 917 454
Total payables	37 176 149	48 091 936
TOTAL EQUITY AND LIABILITIES	920 470 219	905 162 044

STATEMENT OF CASH FLOW

All figures in USD

	30.06.2022	2021
Profit of the year before tax	20 776 999	46 995 878
Change in net technical reserves	34 809 948	54 574 733
Unrealised value change other shares	0	10 947
Net profit on sale of fixed shares	0	0
Change in disbursements	4 719 894	-1 672 673
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	-123 674
Change in net receivables	-41 532 341	-49 605 152
Depreciation	418 915	627 537
Taxes paid	-20 983 980	-21 192 281
Net cash flow from operations before financial assets	-1 790 564	29 615 315
Change in net bonds	29 679 958	-12 304 336
Change in net stocks and shares	11 383 226	-3 987 713
Change in net financial derivatives	-1 498 229	-3 190 131
	0	0
Net cash flow from financial assets	39 564 956	-19 482 180
A Net cash flow from operational activities	37 774 392	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	-209 181	-443 962
Change in mortgage loans	983 878	1 431 708
B Net cash inflow/outflow from investment activities	774 696	810 806
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	561 215	602 018
A+B+C+D Net change in cash and cash equivalents	39 110 303	11 545 960
Cash and cash equivalents 01.01	40 588 225	29 042 265
Cash and cash equivalents	79 698 528	40 588 225

DEVELOPMENT IN EQUITY

All figures in USD

	Owners' funds	Other equity	Guarantee provision	Total equity
Equity at 31.12.2021	8 042 072	366 351 479	2 084	374 395 634
Allocation		9 528 491		9 528 491
Equity at 31.06.2022	8 042 072	375 879 969	2 084	383 924 125



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 2021 and the annual report contains the full description of the accounting policies.

Note 2- Claims expenses

	30.06.2022	30.06.2021
Gross claims	77 637 461	67 059 383
Claims for own account	75 571 108	66 373 051
<i>Run off gain (+) / loss (-) gross</i>	<i>1 125 990</i>	<i>12 591 361</i>
<i>Run off gain (+) / loss (-) for own account</i>	<i>900 284</i>	<i>10 524 847</i>

Note 3 - Market value adjustments

	31.12.2021		30.06.2022		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	436 574 158	436 574 158	404 962 388	404 962 388	(31 611 771)	(31 611 771)
Stocks and shares	112 288 883	112 288 883	100 905 657	100 905 657	(11 383 226)	(11 383 226)
Derivatives	1 220 978	1 220 978	2 400 796	2 400 796	1 179 818	1 179 818
In total	550 084 020	550 084 020	508 268 841	508 268 841	(41 815 179)	(41 815 179)

Note 4 - Off balance items

	30.06.2022	31.12.2021
Guarantee liability regarding claims		
Gross guarantees issued	116 911 626	122 110 549
Counter-guarantees from co-insurers	76 418 207	98 829 751
Guarantees for own account	40 493 419	23 280 798

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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