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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 Bjor 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.

### SUMMARY INTERIM REPORT 3Q 2022

The operating result for Norwegian Hull Club for the first nine months of 2022 is USD 21.5 million. Technical result from insurance operations is USD 64.4 million, while the result from investments and other financial items is minus USD 42.9 million.

Profitability on insurance operations is above expectations due to positive claims development and higher premium income. The combined ratio is 69 % so far in 2022.

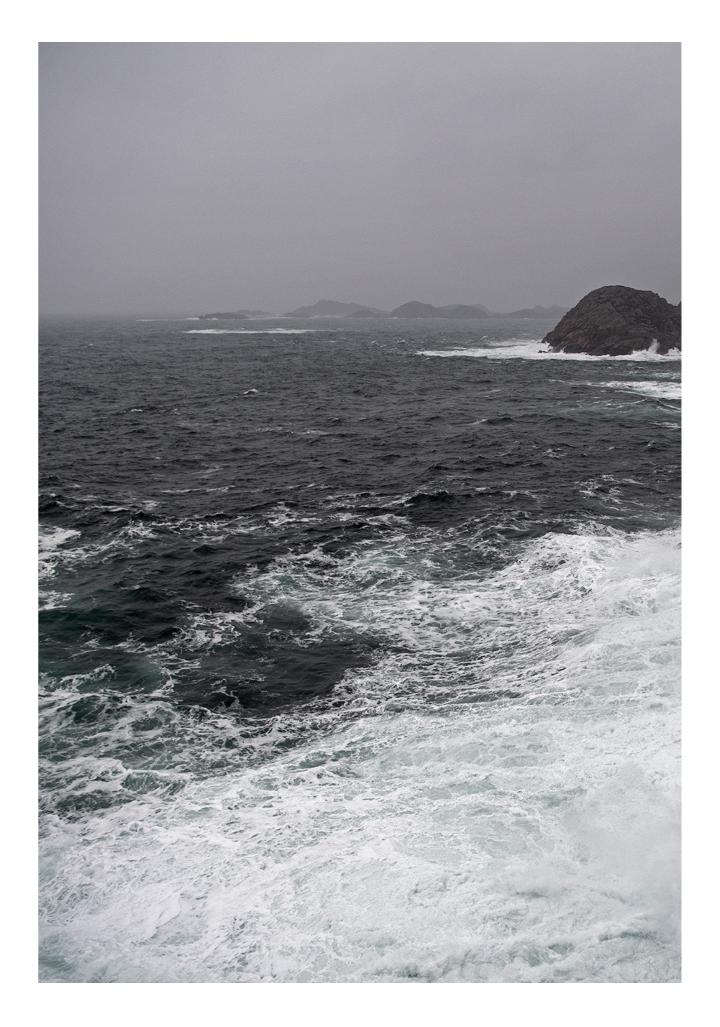
Return on the investment portfolio is minus 6.0 %. The USD return corresponds to minus USD 44 million. The balance of financial income stems from interest earned on bank accounts and receivables, as well as foreign exchange items.

Capital adequacy has improved since the end of 2021 and equity is USD 380.6 million at the end of September 2022.

## **KEY FIGURES**

#### All figures in USD 000's

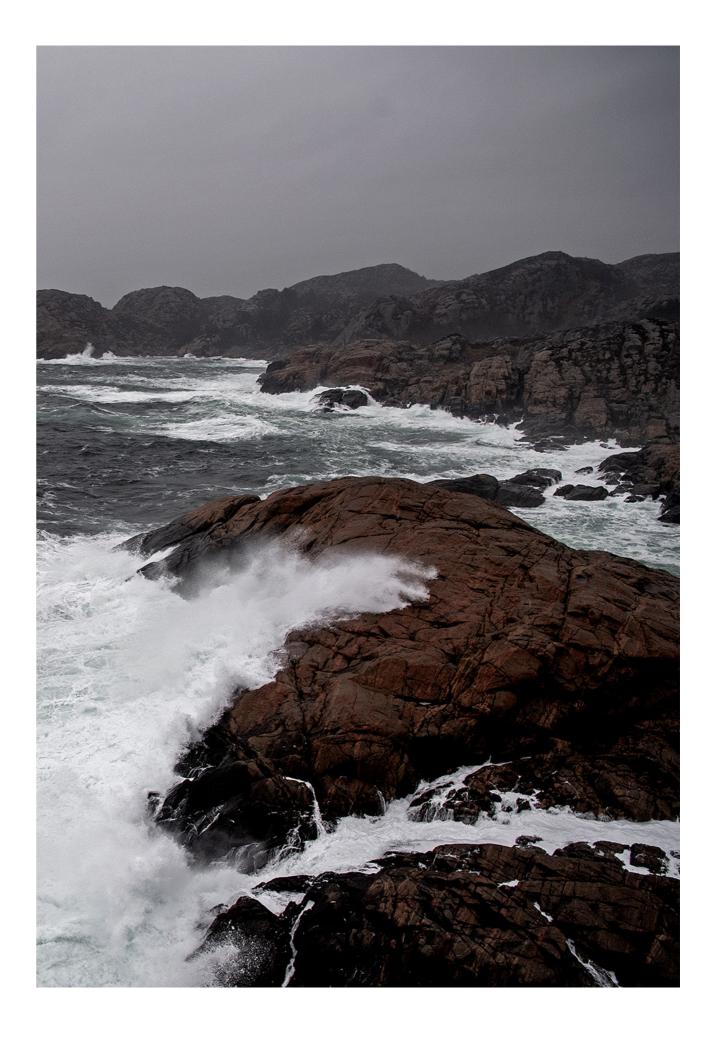
	01.0130.09.2022	01.0130.09.2021	3Q2022	2021
Gross earned premiums	254 662	210 796	90 082	267 642
Gross claims	-147 700	-118 685	-70 063	-175 700
Gross result	106 962	92 111	20 020	91 942
Premiums for own account	210 320	173 623	74 250	222 068
Claims for own account	-129 137	-106 246	-53 566	-159 067
Insurance result for own account	81 183	67 377	20 684	63 001
Net operating expenses	-16 775	-13 550	-5 634	-23 494
Technical result	64 407	53 826	15 050	39 507
Net financial items	-42 919	8 385	-14 338	7 489
Operating result	21 488	62 111	711	46 996
Loss ratio for own account	61 %	61 %	72 %	72 %
Combined ratio	69 %	69 %	80 %	82 %
	30.09.2022	31.12.2021		
Investment portfolio	518 041	552 664		
Bank deposits	85 376	38 012		
Receivables	305 010	289 901		
Other assets	23 382	24 585		
TOTAL ASSETS	931 809	905 162		
Equity	380 616	374 396		
Claims provision	285 279	247 704		
Other provisions	161 158	162 180		
Payables and other liabilities	104 752	120 882		
TOTAL EQUITY AND LIABILITIES	931 809	905 162		



## STATEMENT OF **COMPREHENSIVE INCOME**

All figures in USD

		30.09.2022	30.09.2021
	Gross earned premiums	254 661 898	210 796 056
	Reinsurance premiums	-44 341 948	-37 173 538
Α	Premiums for own account	210 319 951	173 622 519
В	Other insurance related income	4 465 837	4 800 948
	Gross accrued claims	147 700 239	118 685 006
	Reinsurers share of gross claims	-18 562 963	-12 439 213
С	Claims for own account	129 137 276	106 245 793
	Marketing expenses	8 614 934	8 672 658
D	Total insurance related expenses for own account	8 614 934	8 672 658
E	Other insurance related expenses	12 626 370	9 678 546
F	Operating result technical accounts (A+B-C-D-E)	64 407 208	53 826 469
	Financial income	7 693 710	7 816 897
	Realised gains and losses	7 900 347	3 772 239
	Adjustment investment portfolio	-56 854 018	-1 598 397
G	Total financial income	-41 259 961	9 990 739
Н	Administration expenses financial assets	1 658 760	1 606 157
I	Result from ordinary operations (F+G-H)	21 488 487	62 211 051
J	Tax expenses (income)	15 267 971	16 091 529
	Result before other result components (I-J)	6 220 516	46 119 522



### BALANCE SHEET

### Assets

ΑII	fiaures	in	LISD
ΜII	liquies	IIII	USU

	30.09.2022	31.12.2021
Shares in subsidiaries	3 609 044	3 609 044
Other shares	7 738 052	7 738 052
Mortgage loans	4 764 093	6 158 067
Stocks and shares	92 865 323	112 288 883
Syndicated loans	1 935 203	
Bonds and foreign exchange contracts	417 595 611	436 574 158
Financial derivatives	4 738 603	1 220 978
Bank deposits investment portfolio	906 238	2 575 924
Total financial assets	534 152 166	570 168 873
Reinsured proportion of gross premium provisions	26 934 222	29 240 468
	46 906 517	35 609 546
Reinsured proportion of gross claims provision  Total reinsured proportion of insurance provisions	73 840 738	64 850 014
Total remsured proportion of insurance provisions	73 040 730	04 830 014
Insurance related receivables	163 802 218	164 833 941
Reinsurance receivables	2 573 461	3 874 862
Disbursements	46 602 340	36 917 927
Other receivables	18 191 390	19 424 668
Total receivables	231 169 409	225 051 398
Properties	2 089 030	2 089 030
Equipment and fixtures	3 687 908	4 003 946
Cash and bank deposits	85 375 856	38 012 302
Deferred tax		
Total other assets	91 152 795	44 105 278
Accrued interest	1 494 286	986 480
TOTAL ASSETS	931 809 395	905 162 043

### **Equity and Liabilities**

#### All figures in USD

	30.09.2022	31.12.2021
Equity	8 042 072	8 042 072
Guarantee provision	2 084	2 084
Other equity	372 571 995	366 351 479
Total equity	380 616 150	374 395 634
Unearned gross premium provision	161 158 296	162 179 692
Gross claims provision	285 279 032	247 704 327
Unearned commission provision	0	0
Total gross insurance provisions	446 437 327	409 884 019
Pension liability	4 251 799	4 251 799
Withheld payroll tax, social security etc.	2 762 916	4 518 326
Deferred tax	40 869 868	47 905 911
Taxes payable	18 348 498	16 114 417
Total tax and pension payable	66 233 081	72 790 454
Payables direct insurance accounts	14 835 797	15 069 829
Payables reinsurance	13 285 919	17 779 957
Financial derivitives	461 557	324 696
Payables other accounts	9 935 866	14 917 454
Total payables	38 519 140	48 091 936
TOTAL EQUITY AND LIABILITIES	931 809 395	905 162 044

 $8 \mid$  Balance Sheet  $\mid 9$ 

## STATEMENT OF CASH FLOW

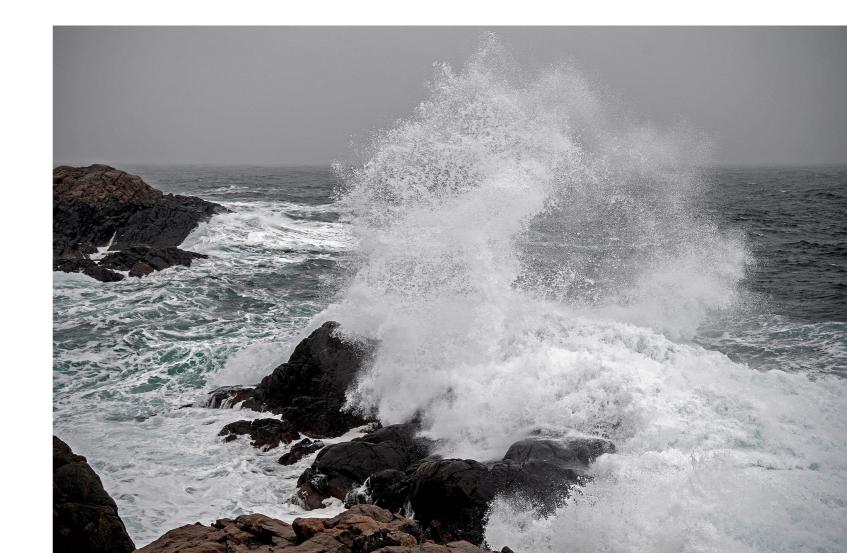
#### All figures in USD

All figures in USD	20.00.2022	2021
Drafit of the year hefere toy	<b>30.09.2022</b> 26 767 365	<b>2021</b> 46 995 878
Profit of the year before tax		
Change in net technical reserves	27 562 584	54 574 733
Unrealised value change other shares	0	10 947
Net profit on sale of fixed shares	0	0
Change in disbursements	-9 684 413	-1 672 673
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	-123 674
Change in net receivables	-13 681 654	-49 605 152
Depreciation	644 100	627 537
Taxes paid	-20 983 980	-21 192 281
Net cash flow from operations before financial assets	10 624 002	29 615 315
Change in net bonds	17 047 111	-12 304 336
Change in net stocks and shares	19 423 560	-3 987 713
Change in net financial derivatives	-3 380 764	-3 190 131
	0	0
Net cash flow from financial assets	33 089 908	-19 482 180
A Net cash flow from operational activities	43 713 910	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	-325 311	-443 962
Change in mortgage loans	1 393 974	1 431 708
B Net cash inflow/outflow from investment activities	1 068 664	810 806
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	911 296	602 018
		44
A+B+C+D Net change in cash and cash equivalents	45 693 870	11 545 960
Cash and cash equivalents 01.01	40 588 225	29 042 265
Cash and cash equivalents	86 282 095	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		6 220 516		6 220 516
Equity at 31.09.2022	8 042 072	372 571 995	2 084	380 616 150



# 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

	30.09.2022	30.09.2021
Gross claims	147 700 239	118 685 006
Claims for own account	129 137 276	106 245 793
Run off gain (+) / loss (-) gross	3 428 828	-8 104 641
Run off gain (+) / loss (-) for own account	4 443 179	378 556

### Note 3 - Market value adjustments

	31.12.2021		30.09.2022	Change		
	Book Value	Market Value	Book Value	Market Value	<b>Book Value</b>	Market Value
Bonds	436 574 158	436 574 158	417 595 610	417 595 610	(18 978 548)	(18 978 548)
Stocks and shares	112 288 883	112 288 883	92 865 323	92 865 323	(19 423 560)	(19 423 560)
Derivatives	1 220 978	1 220 978	4 738 603	4 738 603	3 517 625	3 517 625
In total	550 084 020	550 084 020	515 199 536	515 199 536	(34 884 484)	(34 884 484)

### Note 4 - Off balance items

	30.09.2022	31.12.2021
Guarantee liability regarding claims		
Gross guarantees issued	111 477 984	122 110 549
Counter-guarantees from co-insurers	74 358 890	98 829 751
Guarantees for own account	37 119 094	23 280 798

All quarantees 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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