

The background is a complex digital collage. On the left, a semi-transparent portrait of a man with a beard and mustache is visible. To the right, there's a depiction of a ship, possibly a battleship, with a network of blue lines and dots overlaid on it, suggesting a digital or technological theme. The overall color palette is dominated by blues, greys, and warm tones from the ship's image.

# 3RD QUARTER REPORT

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## 2022



NORWEGIAN HULL CLUB



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# 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.



**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.-30.09.2022	01.01.-30.09.2021	3Q2022	2021
Gross earned premiums	254 662	210 796	90 082	267 642
Gross claims	-147 700	-118 685	-70 063	-175 700
<b>Gross result</b>	<b>106 962</b>	<b>92 111</b>	<b>20 020</b>	<b>91 942</b>
Premiums for own account	210 320	173 623	74 250	222 068
Claims for own account	-129 137	-106 246	-53 566	-159 067
<b>Insurance result for own account</b>	<b>81 183</b>	<b>67 377</b>	<b>20 684</b>	<b>63 001</b>
Net operating expenses	-16 775	-13 550	-5 634	-23 494
<b>Technical result</b>	<b>64 407</b>	<b>53 826</b>	<b>15 050</b>	<b>39 507</b>
Net financial items	-42 919	8 385	-14 338	7 489
<b>Operating result</b>	<b>21 488</b>	<b>62 111</b>	<b>711</b>	<b>46 996</b>
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
<b>TOTAL ASSETS</b>	<b>931 809</b>	<b>905 162</b>
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
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>931 809</b>	<b>905 162</b>





# 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
<b>A Premiums for own account</b>	<b>210 319 951</b>	<b>173 622 519</b>
<b>B Other insurance related income</b>	<b>4 465 837</b>	<b>4 800 948</b>
Gross accrued claims	147 700 239	118 685 006
Reinsurers share of gross claims	-18 562 963	-12 439 213
<b>C Claims for own account</b>	<b>129 137 276</b>	<b>106 245 793</b>
Marketing expenses	8 614 934	8 672 658
<b>D Total insurance related expenses for own account</b>	<b>8 614 934</b>	<b>8 672 658</b>
<b>E Other insurance related expenses</b>	<b>12 626 370</b>	<b>9 678 546</b>
<b>F Operating result technical accounts (A+B-C-D-E)</b>	<b>64 407 208</b>	<b>53 826 469</b>
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
<b>G Total financial income</b>	<b>-41 259 961</b>	<b>9 990 739</b>
<b>H Administration expenses financial assets</b>	<b>1 658 760</b>	<b>1 606 157</b>
<b>I Result from ordinary operations (F+G-H)</b>	<b>21 488 487</b>	<b>62 211 051</b>
<b>J Tax expenses (income)</b>	<b>15 267 971</b>	<b>16 091 529</b>
<b>K Result before other result components (I-J)</b>	<b>6 220 516</b>	<b>46 119 522</b>



# BALANCE SHEET

## Assets

All figures in USD		
	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
<b>Total financial assets</b>	<b>534 152 166</b>	<b>570 168 873</b>
Reinsured proportion of gross premium provisions	26 934 222	29 240 468
Reinsured proportion of gross claims provision	46 906 517	35 609 546
<b>Total reinsured proportion of insurance provisions</b>	<b>73 840 738</b>	<b>64 850 014</b>
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
<b>Total receivables</b>	<b>231 169 409</b>	<b>225 051 398</b>
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		
<b>Total other assets</b>	<b>91 152 795</b>	<b>44 105 278</b>
Accrued interest	1 494 286	986 480
<b>TOTAL ASSETS</b>	<b>931 809 395</b>	<b>905 162 043</b>

## 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
<b>Total equity</b>	<b>380 616 150</b>	<b>374 395 634</b>
Unearned gross premium provision	161 158 296	162 179 692
Gross claims provision	285 279 032	247 704 327
Unearned commission provision	0	0
<b>Total gross insurance provisions</b>	<b>446 437 327</b>	<b>409 884 019</b>
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
<b>Total tax and pension payable</b>	<b>66 233 081</b>	<b>72 790 454</b>
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
<b>Total payables</b>	<b>38 519 140</b>	<b>48 091 936</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>931 809 395</b>	<b>905 162 044</b>



# STATEMENT OF CASH FLOW

All figures in USD

	30.09.2022	2021
Profit of the year before tax	26 767 365	46 995 878
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
<b>Net cash flow from operations before financial assets</b>	<b>10 624 002</b>	<b>29 615 315</b>
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
<b>Net cash flow from financial assets</b>	<b>33 089 908</b>	<b>-19 482 180</b>
<b>A Net cash flow from operational activities</b>	<b>43 713 910</b>	<b>10 133 136</b>
<b>Cash generated/used by investing activities</b>		
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>B Net cash inflow/outflow from investment activities</b>	<b>1 068 664</b>	<b>810 806</b>
<b>C Net financing activities - dividend paid to members</b>	<b>0</b>	<b>0</b>
<b>D Effect of changes in exchange rates on cash and cash equivalents</b>	<b>911 296</b>	<b>602 018</b>
<b>A+B+C+D Net change in cash and cash equivalents</b>	<b>45 693 870</b>	<b>11 545 960</b>
<b>Cash and cash equivalents 01.01</b>	<b>40 588 225</b>	<b>29 042 265</b>
<b>Cash and cash equivalents</b>	<b>86 282 095</b>	<b>40 588 225</b>

# DEVELOPMENT IN EQUITY

All figures in USD

	Owners' funds	Other equity	Guarantee provision	Total equity
<b>Equity at 31.12.2021</b>	<b>8 042 072</b>	<b>366 351 479</b>	<b>2 084</b>	<b>374 395 634</b>
Allocation		6 220 516		6 220 516
<b>Equity at 31.09.2022</b>	<b>8 042 072</b>	<b>372 571 995</b>	<b>2 084</b>	<b>380 616 150</b>



# 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
<i>Run off gain (+) / loss (-) gross</i>	3 428 828	-8 104 641
<i>Run off gain (+) / loss (-) for own account</i>	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	Book Value	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 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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