



1ST QUARTER REPORT

2022



NORWEGIAN HULL CLUB

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SUMMARY INTERIM REPORT 1Q 2022

The result for Norwegian Hull Club for the first three months of 2022 is USD 10.8 million. Technical result from insurance operations is USD 23.2 million, while the result from investments and other financial items is minus USD 12.4 million.

Profitability on insurance operations is above expectations due to positive claims development and higher premium income. The combined ratio is 61 % so far in 2022.

Return on the investment portfolio is minus 2.3 %. The USD return corresponds to minus USD 12.3 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 381.3 million at the end of March 2022.



The photographs in this report were taken in and around The Club's Lime Street premises in London.

KEY FIGURES

All figures in USD 000's

	01.01.-31.03.2022	01.01.-31.03.2021	2021
Gross earned premiums	71 156	69 125	267 642
Gross claims	-31 642	-35 681	-175 700
Gross result	39 514	33 444	91 942
Premiums for own account	59 871	55 887	222 068
Claims for own account	-30 828	-32 738	-159 067
Insurance result for own account	29 044	23 149	63 001
Net operating expenses	-5 848	-4 566	-23 494
Technical result	23 196	18 583	39 507
Net financial items	-12 373	-1 059	7 489
Operating result	10 823	17 524	46 996
Loss ratio for own account	51 %	59 %	72 %
Combined ratio	61 %	67 %	82 %

	31.03.2022	31.12.2021
Investment portfolio	538 041	552 664
Bank deposits	49 002	38 012
Receivables	285 320	289 901
Other assets	24 171	24 585
TOTAL ASSETS	896 535	905 162
Equity	381 308	374 396
Claims provision	227 879	247 704
Other provisions	170 752	162 180
Payables and other liabilities	116 595	120 882
TOTAL EQUITY AND LIABILITIES	896 535	905 162



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	31.03.2022	31.03.2021
Gross earned premiums	71 155 861	69 125 457
Reinsurance premiums	-11 284 402	-13 238 734
A Premiums for own account	59 871 458	55 886 723
B Other insurance related income	1 652 173	1 449 159
Gross accrued claims	31 641 927	35 681 445
Reinsurers share of gross claims	-814 326	-2 943 729
C Claims for own account	30 827 601	32 737 716
Marketing expenses	3 625 756	2 868 335
D Total insurance related expenses for own account	3 625 756	7 998 066
E Other insurance related expenses	3 874 716	3 146 871
F Operating result technical accounts (A+B-C-D-E)	23 195 557	18 582 960
Financial income	2 446 286	3 237 855
Realised gains and losses	739 603	39 991
Adjustment investment portfolio	-15 027 775	-3 784 042
G Total financial income	-11 841 886	-506 197
H Administration expenses financial assets	531 135	553 000
I Result from ordinary operations (F+G-H)	10 822 536	17 523 763
J Tax expenses (income)	3 910 270	4 380 941
K Result before other result components (I-J)	6 912 266	13 142 822



BALANCE SHEET

Assets

All figures in USD

	31.03.2022	31.12.2021
Shares in subsidiaries	3 609 044	3 432 104
Other shares	7 738 052	7 738 052
Mortgage loans	5 720 177	6 158 067
Stocks and shares	113 700 703	112 288 883
Syndicated loans	1 988 631	
Bonds and foreign exchange contracts	420 465 098	436 574 158
Financial derivatives	901 873	1 220 978
Bank deposits investment portfolio	984 805	2 575 924
Total financial assets	555 108 381	570 168 873
Reinsured proportion of gross premium provisions	31 422 424	29 240 468
Reinsured proportion of gross claims provision	23 340 548	35 609 546
Total reinsured proportion of insurance provisions	55 762 972	64 850 014
Insurance related receivables	173 442 194	164 833 941
Reinsurance receivables	9 918 000	3 874 862
Disbursements	25 810 977	36 917 927
Other receivables	20 386 183	19 424 668
Total receivables	229 557 354	225 051 398
Properties	2 089 030	2 089 030
Equipment and fixtures	3 938 821	4 003 946
Cash and bank deposits	49 002 298	38 012 302
Deferred tax		
Total other assets	55 030 149	44 105 278
Accrued interest	1 076 272	986 480
TOTAL ASSETS	896 535 128	905 162 043

Equity and Liabilities

All figures in USD

	31.03.2022	31.12.2021
Equity	8 042 072	8 042 072
Guarantee provision	2 084	0
Other equity	373 263 745	366 351 479
Total equity	381 307 900	374 395 634
Unearned gross premium provision	170 752 424	162 179 692
Gross claims provision	227 879 451	247 704 327
Unearned commission provision	0	0
Total gross insurance provisions	398 631 875	409 884 019
Pension liability	4 251 799	4 251 799
Withheld payroll tax, social security etc.	5 254 855	4 518 326
Deferred tax	36 698 067	47 905 911
Taxes payable	10 208 751	16 114 417
Total tax and pension payable	56 413 472	72 790 454
Payables direct insurance accounts	15 013 050	15 069 829
Payables reinsurance	17 058 315	17 779 957
Financial derivatives	385 928	324 696
Payables other accounts	27 724 588	14 917 454
Total payables	60 181 881	48 091 936
TOTAL EQUITY AND LIABILITIES	896 535 128	905 162 044

STATEMENT OF CASH FLOW

All figures in USD

	31.03.2022	2021
Profit of the year before tax	10 822 536	46 995 878
Change in net technical reserves	-2 165 102	54 574 733
Unrealised value change other shares	0	10 947
Net profit on sale of fixed shares	0	0
Change in disbursements	11 106 950	-1 672 673
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	-123 674
Change in net receivables	-2 937 456	-49 605 152
Depreciation	209 310	627 537
Taxes paid	-20 983 980	-21 192 281
Net cash flow from operations before financial assets	-3 947 741	29 615 315
Change in net bonds	14 124 197	-12 304 336
Change in net stocks and shares	-1 411 820	-3 987 713
Change in net financial derivatives	380 337	3 190 131
	0	0
Net cash flow from financial assets	13 092 713	-19 482 180
A Net cash flow from operational activities	9 144 972	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	-144 184	-443 962
Change in mortgage loans	437 890	1 431 708
B Net cash inflow/outflow from investment activities	293 706	810 806
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	-39 801	602 018
A+B+C+D Net change in cash and cash equivalents	9 398 877	11 545 960
Cash and cash equivalents 01.01	40 588 225	29 042 265
Cash and cash equivalents	49 987 102	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		6 912 266		6 912 266
Equity at 31.03.2022	8 042 072	373 263 745	2 084	381 307 900



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 2020 and the annual report contains the full description of the accounting policies.

Note 2- Claims expenses

	31.03.2022	31.03.2021
Gross claims	31 641 927	35 681 445
Claims for own account	30 827 601	32 737 716
<i>Run off gain (+) / loss (-) gross</i>	4 680 540	1 500 357
<i>Run off gain (+) / loss (-) for own account</i>	4 049 977	2 801 070

Note 3 - Market value adjustments

	31.12.2021		31.03.2022		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	436 574 158	436 574 158	420 465 097	420 465 097	(16 109 061)	(16 109 061)
Stocks and shares	112 288 883	112 288 883	113 700 703	113 700 703	1 411 820	1 411 820
Derivatives	1 220 978	1 220 978	901 873	901 873	(319 105)	(319 105)
In total	550 084 020	550 084 020	535 067 673	535 067 673	(15 016 347)	(15 016 347)

Note 4 - Off balance items

	31.03.2022	31.12.2021
Guarantee liability regarding claims		
Gross guarantees issued	129 600 494	122 110 549
Counter-guarantees from co-insurers	78 973 396	98 829 751
Guarantees for own account	41 063 997	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.

37-39
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