



2ND QUARTER REPORT

2021



NORWEGIAN HULL CLUB

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SUMMARY INTERIM REPORT 1H 2021

The result before tax for Norwegian Hull Club for the first six months of 2021 is USD 45.7 million. Technical result from insurance operations is USD 38.2 million while the result from investments and other financial items is USD 7.5 million.

Profitability on insurance operations is above expectations due to positive claims development and higher premium income. The combined ratio is 65 % so far in 2021. There is no clear, negative net impact of the Covid-19 pandemic.

Return on the investment portfolio is 1.8 %. The USD return corresponds to USD 9.1 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 2020.

Equity is USD 370.6 million at the end of June 2021.



Norwegian Hull Club's head office on the top floor of the Skipet building, Bergen

KEY FIGURES

All figures in USD 000's

	01.01.-30.06.2021	01.01.-30.06.2020	2Q 2021	2Q 2020	2020
Gross earned premiums	134 375	125 096	65 250	61 456	229 959
Gross claims	-64 194	-67 862	-28 513	-38 082	-175 733
Gross result	70 181	57 235	36 737	23 373	54 226
Premiums for own account	110 373	99 529	54 486	48 359	181 340
Claims for own account	-63 508	-56 950	-30 770	-28 993	-146 109
Insurance result for own account	46 865	42 579	23 716	19 366	35 232
Net operating expenses	-8 665	-7 235	-4 099	-3 137	-20 224
Technical result	38 199	35 344	19 616	16 229	15 007
Net financial items	7 502	1 789	8 561	22 512	28 281
Operating result	45 701	37 132	28 178	38 740	43 288
Loss ratio for own account	58 %	57 %	57 %	60 %	81 %
Combined ratio	65 %	64 %	64 %	66 %	92 %

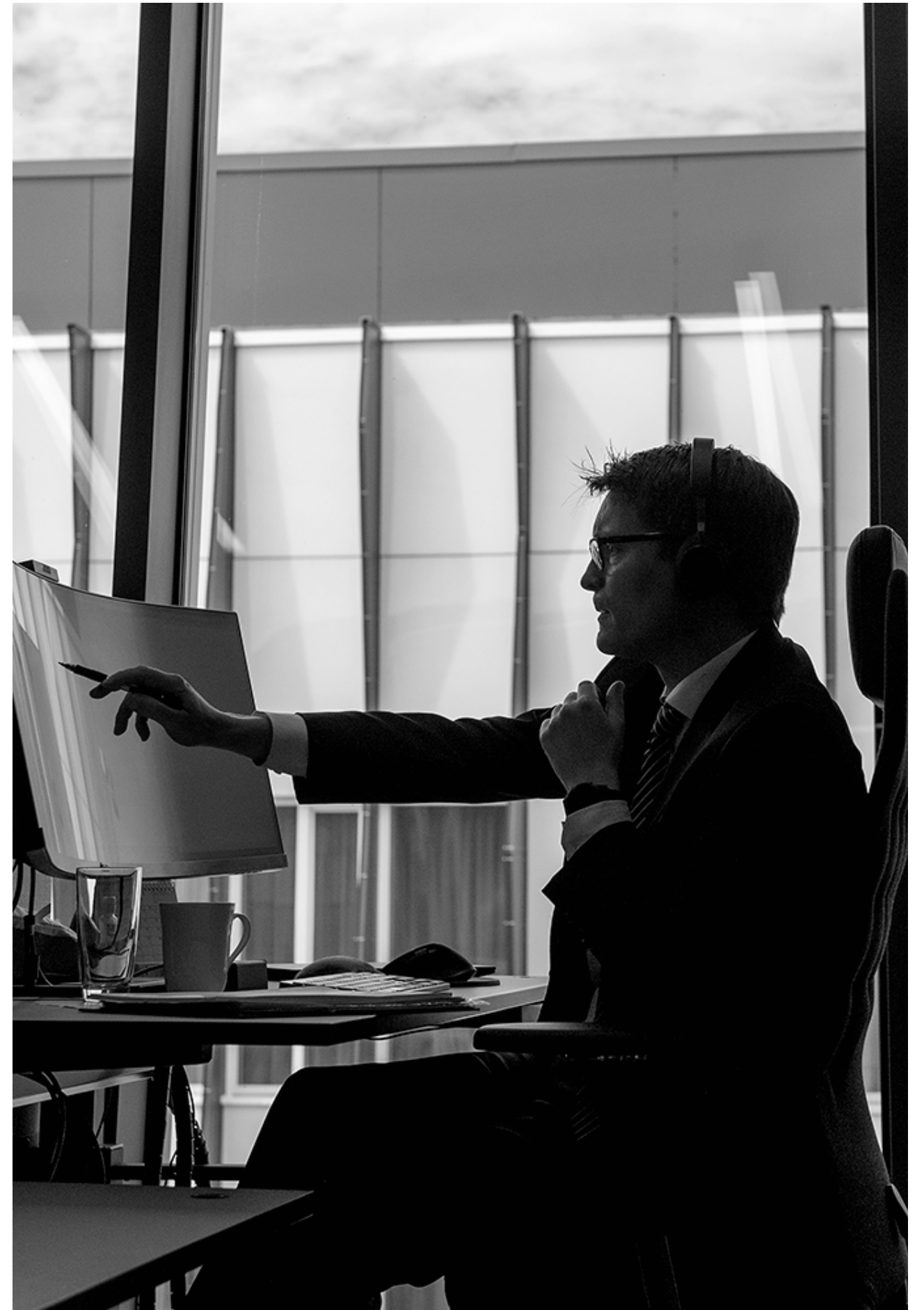
	30.06.2021	31.12.2020
Investment portfolio	535 008	536 124
Bank deposits	40 453	25 493
Receivables	283 696	244 735
Other assets	26 040	26 781
TOTAL ASSETS	885 197	833 133
Equity	370 611	336 335
Claims provision	207 704	225 363
Other provisions	174 428	133 319
Payables and other liabilities	132 454	138 116
TOTAL EQUITY AND LIABILITIES	885 197	833 133



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	30.06.2021	30.06.2020
Gross earned premiums	134 375 336	125 096 089
Reinsurance premiums	-24 002 607	-25 567 050
A Premiums for own account	110 372 729	99 529 039
B Other insurance related income	3 179 519	4 255 962
Gross accrued claims	64 194 465	67 861 544
Reinsurers share of gross claims	-686 331	-10 911 191
C Claims for own account	63 508 133	56 950 353
Marketing expenses	5 362 035	5 303 958
D Total insurance related expenses for own account	5 362 035	5 303 958
E Other insurance related expenses	6 482 958	6 187 159
F Operating result technical accounts (A+B-C-D-E)	38 199 122	35 343 531
Financial income	5 409 972	5 984 313
Realised gains and losses	1 033 867	9 839 381
Adjustment investment portfolio	2 172 387	-13 018 768
G Total financial income	8 616 227	2 804 926
H Administration expenses financial assets	1 114 000	1 016 379
I Result from ordinary operations (F+G-H)	45 701 349	37 132 078
J Tax expenses (income)	11 425 337	12 567 354
K Result before other result components (I-J)	34 276 012	24 564 723



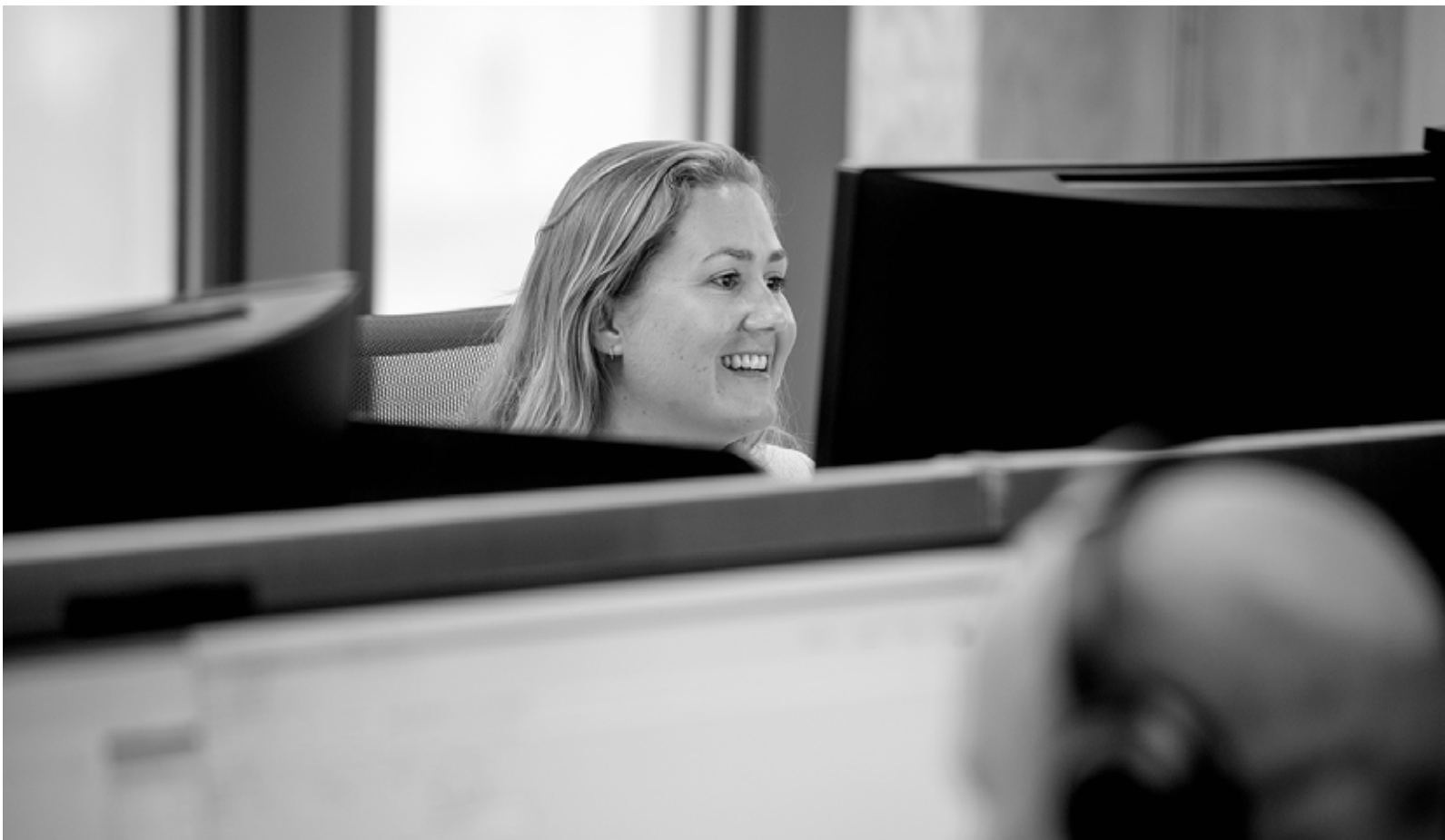
BALANCE SHEET

Assets

All figures in USD		
	30.06.2021	31.12.2020
Shares in subsidiaries	3 527 981	3 432 104
Other shares	7 748 999	7 748 999
Mortgage loans	6 808 591	7 589 776
Stocks and shares	109 531 757	108 301 170
Bonds and foreign exchange contracts	422 479 718	424 273 589
Financial derivatives	1 558 523	0
Bank deposits investment portfolio	1 438 032	3 548 842
Total financial assets	553 093 600	554 894 479
Reinsured proportion of gross premium provisions	30 112 791	27 488 964
Reinsured proportion of gross claims provision	28 336 059	40 733 557
Total reinsured proportion of insurance provisions	58 448 851	68 222 522
Insurance related receivables	182 737 976	120 721 891
Reinsurance receivables	10 106 167	4 228 945
Disbursements	14 081 866	35 245 254
Other receivables	18 321 351	16 315 949
Total receivables	225 247 360	176 512 038
Properties	2 607 565	2 777 085
Equipment and fixtures	4 313 337	4 171 575
Cash and bank deposits	40 452 501	25 493 424
Deferred tax		
Total other assets	47 373 404	32 442 084
Accrued interest	1 033 691	1 061 497
TOTAL ASSETS	885 196 905	833 132 621

Equity and Liabilities

All figures in USD		
	30.06.2021	31.03.2020
Equity	8 042 072	8 042 072
Guarantee provision	347	0
Other equity	362 568 323	328 292 311
Total equity	370 610 741	336 334 730
Unearned gross premium provision	174 428 339	133 319 155
Gross claims provision	207 703 754	225 362 640
Unearned commission provision	0	0
Total gross insurance provisions	382 132 093	358 681 794
Pension liability	4 375 473	4 375 473
Withheld payroll tax, social security etc.	3 007 996	4 476 682
Deferred tax	72 539 398	61 114 061
Taxes payable	10 789 295	15 233 665
Total tax and pension payable	90 712 162	85 199 881
Payables direct insurance accounts	13 433 790	13 330 528
Payables reinsurance	11 672 565	18 617 804
Financial derivatives	0	2 293 849
Payables other accounts	16 635 555	18 674 035
Total payables	41 741 910	52 916 215
TOTAL EQUITY AND LIABILITIES	885 196 905	833 132 621



STATEMENT OF CASH FLOW

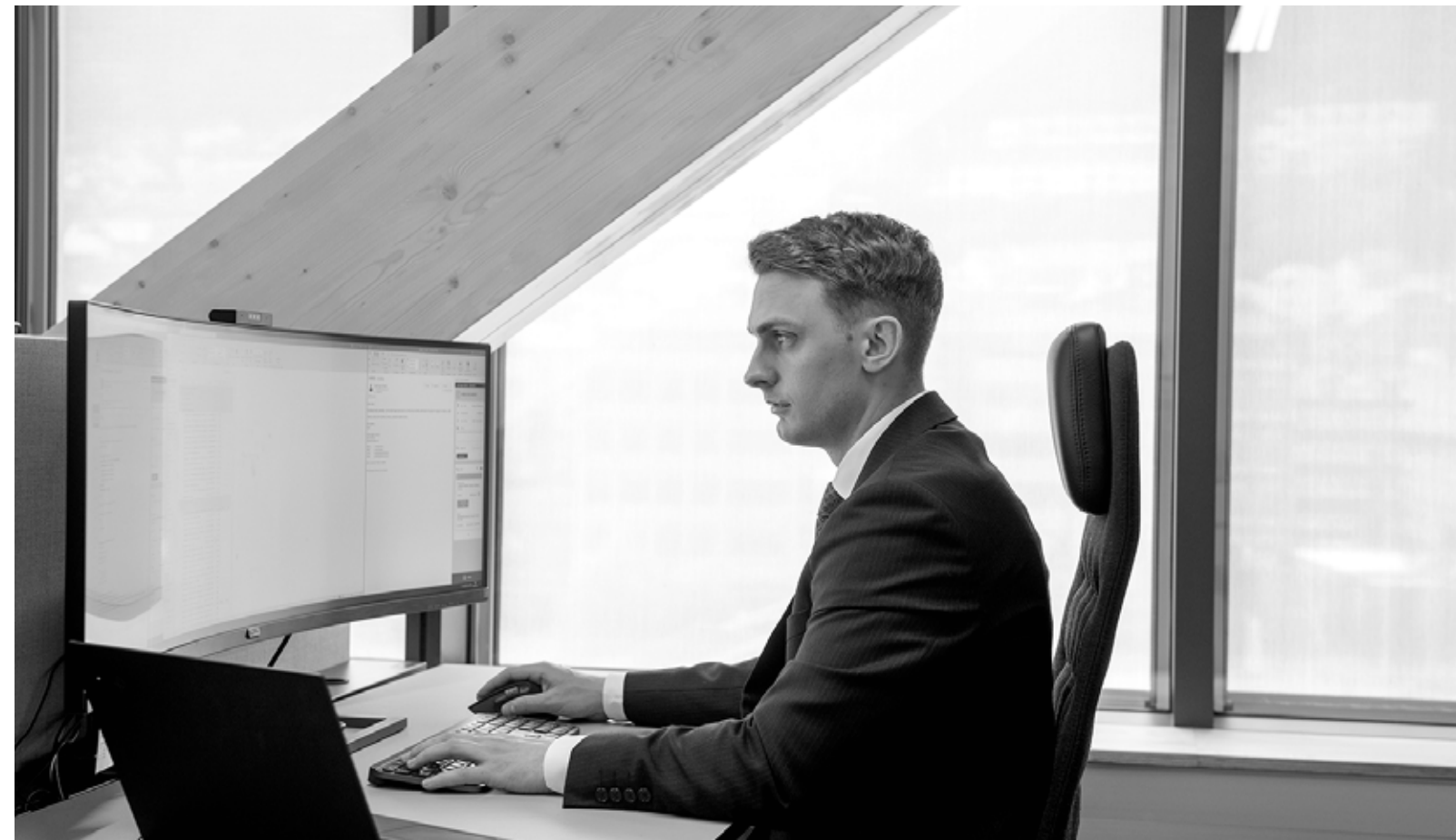
All figures in USD

	30.06.2021	31.12.2020
Profit of the year before tax	45 701 349	43 288 368
Change in net technical reserves	33 223 970	3 708 344
Unrealised value change other shares	0	-697 148
Net profit on sale of fixed shares	0	0
Change in disbursements	21 163 388	10 779 494
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	310 282
Change in net receivables	-80 475 510	38 440 423
Depreciation	290 189	584 726
Taxes paid	-4 444 370	-3 983 666
Net cash flow from operations before financial assets	15 459 015	92 430 822
Change in net bonds	1 793 871	-82 628 059
Change in net stocks and shares	-1 230 587	-5 735 630
Change in net financial derivatives	-3 852 372	2 293 849
	0	0
Net cash flow from financial assets	-3 289 088	-86 069 839
A Net cash flow from operational activities	12 169 928	6 360 983
Cash generated/used by investing activities		
Net receipts/payments related to purchase/capitalization of subsidiaries and associated companies	-95 877	303 347
Net receipts/payments related to sale/purchase of fixed assets	-431 950	-1 259 275
Change in mortgage loans	781 185	278 658
B Net cash inflow/outflow from investment activities	253 358	-677 270
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	424 888	148 375
A+B+C+D Net change in cash and cash equivalents	12 848 173	5 832 088
Cash and cash equivalents 01.01	29 042 265	23 210 177
Cash and cash equivalents	31 890 439	29 042 265

DEVELOPMENT IN EQUITY

All figures in USD

	Owners' funds	Other equity	Guarantee provision	Total equity
Equity at 31.12.2020	8 042 072	328 292 311	347	336 334 730
Allocation		34 276 012		34 276 012
Equity at 31.03.2021	8 042 072	362 568 323	347	370 610 741



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

	30.06.2021	30.06.2020
Gross claims	64 194 465	67 861 544
Claims for own account	63 508 133	56 950 353
<i>Run off gain (+) / loss (-) gross</i>	-12 591 361	-20 368 338
<i>Run off gain (+) / loss (-) for own account</i>	-10 524 847	-2 044 511

Note 3 - Market value adjustments

	31.12.2020		30.06.2021		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	424 273 589	424 273 589	422 479 589	422 479 718	(1 793 871)	1 793 871
Stocks and shares	108 301 170	108 301 170	109 531 757	109 531 757	1 230 587	1 230 587
Derivatives	0	0	0	0	0	0
In total	532 574 759	532 574 759	532 011 475	532 011 475	563 284	563 284

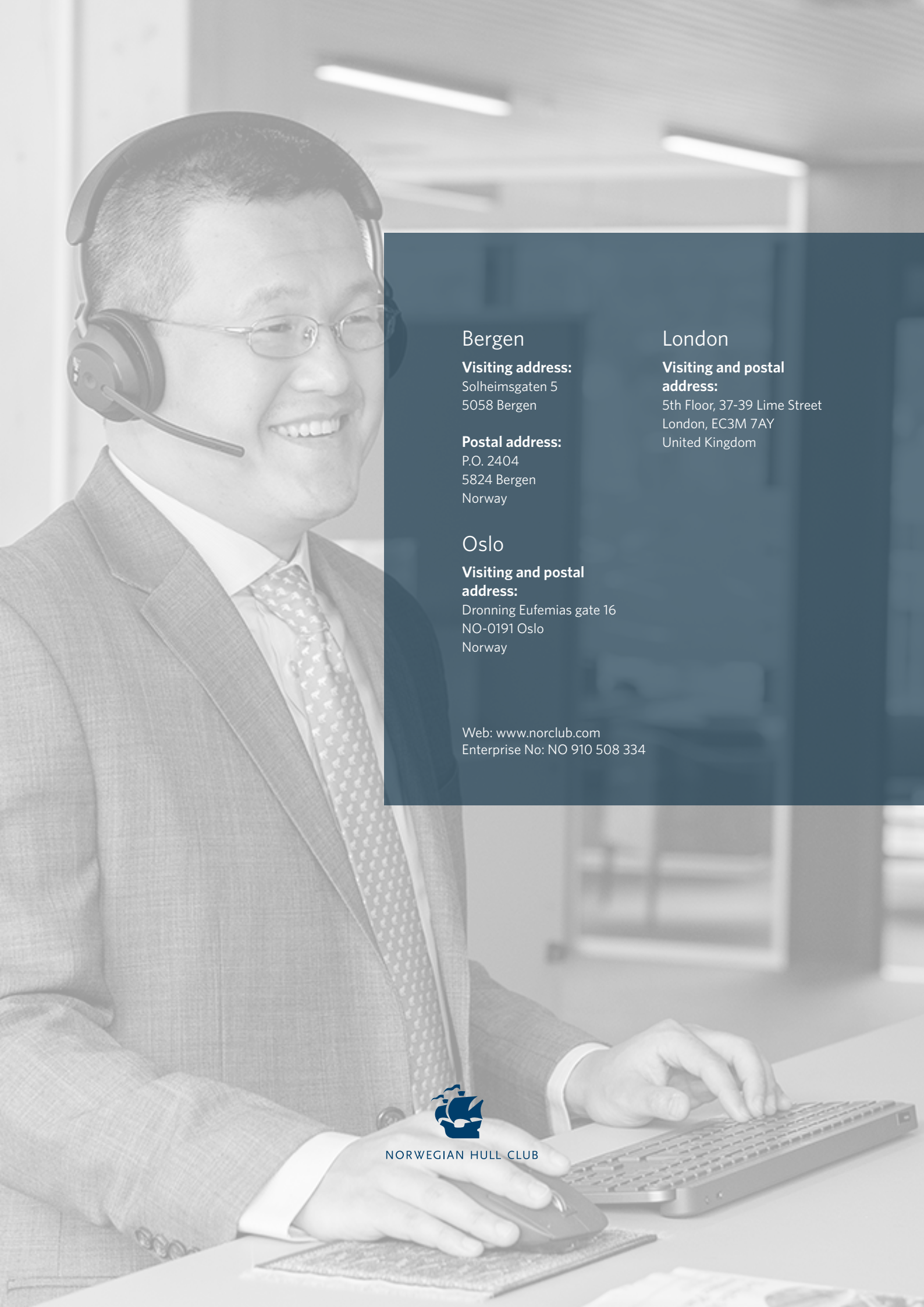
Note 4 - Off balance items

	30.06.2021	31.12.2020
Guarantee liability regarding claims		
Gross guarantees issued	125 518 827	112 428 237
Counter-guarantees from co-insurers	86 651 343	89 320 921
Guarantees for own account	36 867 484	23 107 316

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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