

3RD QUARTER REPORT

2021



NORWEGIAN HULL CLUB

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3Q 2021*
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SUMMARY INTERIM REPORT 3Q 2021

The result for Norwegian Hull Club for the first nine months of 2021 is USD 62.2 million. Technical result from insurance operations is USD 53.8 million, while the result from investments and other financial items is USD 8.4 million.

Profitability on insurance operations is above expectations due to positive claims development and higher premium income. Combined ratio is 69 % so far in 2021.

Return on the investment portfolio is 2.4 %. The USD return corresponds to USD 10.5 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 382.5 million at the end of September 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.-30.09.2021	01.01.-30.09.2020	3Q 2021	3Q 2020	2020
Gross earned premiums	210 796	186 873	76 421	61 776	229 959
Gross claims	-118 685	-120 337	-54 491	-52 476	-175 733
Gross result	92 111	66 535	21 930	9 301	54 226
Premiums for own account	173 623	148 154	63 250	48 625	181 340
Claims for own account	-106 246	-99 555	-42 738	-42 605	-146 109
Insurance result for own account	67 377	48 599	20 512	6 020	35 232
Net operating expenses	-13 550	-11 511	-4 885	-4 276	-20 224
Technical result	53 826	37 088	15 627	1 744	15 007
Net financial items	8 385	11 275	882	9 487	28 281
Operating result	62 211	48 363	16 510	11 231	43 288
Loss ratio for own account	61 %	67 %	68 %	88 %	81 %
Combined ratio	69 %	75 %	75 %	96 %	92 %

	30.09.2021	31.12.2020
Investment portfolio	541 964	536 124
Bank deposits	50 917	25 493
Receivables	294 256	244 735
Other assets	25 278	26 781
TOTAL ASSETS	912 414	833 133
Equity	382 454	336 335
Claims provision	225 720	225 363
Other provisions	166 732	133 319
Payables and other liabilities	137 508	138 116
TOTAL EQUITY AND LIABILITIES	912 414	833 133



STATEMENT OF COMPREHENSIVE INCOME

All figures in USD

	30.09.2021	30.09.2020
Gross earned premiums	210 796 056	186 872 580
Reinsurance premiums	-37 173 538	-38 718 637
A Premiums for own account	173 622 519	148 153 943
B Other insurance related income	4 800 948	5 821 119
Gross accrued claims	118 685 006	120 337 457
Reinsurers share of gross claims	-12 439 213	-20 782 577
C Claims for own account	106 245 793	99 554 881
Marketing expenses	8 672 658	7 998 066
D Total insurance related expenses for own account	8 672 658	7 998 066
E Other insurance related expenses	9 678 546	9 334 402
F Operating result technical accounts (A+B-C-D-E)	53 826 469	37 087 714
Financial income	7 816 897	8 723 524
Realised gains and losses	3 772 239	8 881 756
Adjustment investment portfolio	-1 598 397	-5 025 628
G Total financial income	9 990 739	12 579 651
H Administration expenses financial assets	1 606 157	1 304 393
I Result from ordinary operations (F+G-H)	62 211 051	48 362 972
J Tax expenses (income)	16 091 529	13 060 592
K Result before other result components (I-J)	46 119 522	35 302 380



BALANCE SHEET

Assets

<i>All figures in USD</i>		
	30.09.2021	31.12.2020
Shares in subsidiaries	3 527 981	3 432 104
Other shares	7 748 999	7 748 999
Mortgage loans	6 172 219	7 589 776
Stocks and shares	109 393 337	108 301 170
Syndicated loans	1 499 265	
Bonds and foreign exchange contracts	421 017 348	424 273 589
Financial derivatives	547 956	0
Bank deposits investment portfolio	9 505 788	3 548 842
Total financial assets	559 412 892	554 894 479
Reinsured proportion of gross premium provisions	28 923 779	27 488 964
Reinsured proportion of gross claims provision	34 161 490	40 733 557
Total reinsured proportion of insurance provisions	63 085 268	68 222 522
Insurance related receivables	184 642 623	120 721 891
Reinsurance receivables	4 229 003	4 228 945
Disbursements	24 624 621	35 245 254
Other receivables	17 674 295	16 315 949
Total receivables	231 170 542	176 512 038
Properties	2 607 565	2 777 085
Equipment and fixtures	4 283 564	4 171 575
Cash and bank deposits	50 916 709	25 493 424
Deferred tax		
Total other assets	57 807 838	32 442 084
Accrued interest	937 507	1 061 497
TOTAL ASSETS	912 414 047	833 132 621

Equity and Liabilities

<i>All figures in USD</i>		
	30.09.2021	31.03.2020
Equity	8 042 072	8 042 072
Guarantee provision	347	0
Other equity	374 411 833	328 292 311
Total equity	382 454 251	336 334 730
Unearned gross premium provision	166 732 095	133 319 155
Gross claims provision	225 720 159	225 362 640
Unearned commission provision	0	0
Total gross insurance provisions	392 452 254	358 681 794
Pension liability	4 375 473	4 375 473
Withheld payroll tax, social security etc.	2 690 189	4 476 682
Deferred tax	47 886 348	61 114 061
Taxes payable	39 845 325	15 233 665
Total tax and pension payable	94 797 335	85 199 881
Payables direct insurance accounts	13 343 375	13 330 528
Payables reinsurance	15 902 983	18 617 804
Financial derivitives	249 576	2 293 849
Payables other accounts	13 214 272	18 674 035
Total payables	42 710 206	52 916 215
TOTAL EQUITY AND LIABILITIES	912 414 047	833 132 621



STATEMENT OF CASH FLOW

All figures in USD

	30.09.2021	2020
Profit of the year before tax	62 211 051	43 288 368
Change in net technical reserves	38 907 713	3 708 344
Unrealised value change other shares	0	-697 148
Net profit on sale of fixed shares	0	0
Change in disbursements	10 620 633	10 779 494
Net profit on sale of fixed assets	0	0
Change in net pension funds	0	310 282
Change in net receivables	-71 687 885	38 440 423
Depreciation	471 024	584 726
Taxes paid	-4 399 101	-3 983 666
Net cash flow from operations before financial assets	36 123 436	92 430 822
Change in net bonds	1 756 976	-82 628 059
Change in net stocks and shares	-1 092 167	-5 735 630
Change in net financial derivatives	-2 592 229	2 293 849
	0	0
Net cash flow from financial assets	-1 927 420	-86 069 839
A Net cash flow from operational activities	34 196 016	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	-583 013	-1 259 275
Change in mortgage loans	1 417 557	278 658
B Net cash inflow/outflow from investment activities	738 667	-677 270
C Net financing activities - dividend paid to members	0	0
D Effect of changes in exchange rates on cash and cash equivalents	-3 554 452	148 375
A+B+C+D Net change in cash and cash equivalents	31 380 231	5 832 088
Cash and cash equivalents 01.01	29 042 265	23 210 177
Cash and cash equivalents	60 422 497	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		46 119 522		46 119 522
Equity at 31.03.2021	8 042 072	374 411 833	347	382 454 251



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

	30.09.2021	31.12.2020
Gross claims	118 685 006	120 337 457
Claims for own account	106 245 793	99 554 881
<i>Run off gain (+) / loss (-) gross</i>	<i>8 104 641</i>	<i>-20 368 338</i>
<i>Run off gain (+) / loss (-) for own account</i>	<i>-378 556</i>	<i>-2 044 511</i>

Note 3 - Market value adjustments

	31.12.2020		30.09.2021		Change	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Bonds	424 273 589	424 273 589	421 017 347	421 017 347	(3 256 242)	(3 256 242)
Stocks and shares	108 301 170	108 301 170	109 393 337	109 393 337	1 092 167	1 092 167
Derivatives	0	0	547 956	547 956	547 956	547 956
In total	532 574 759	532 574 759	530 958 640	530 958 640	(1 616 119)	(1 616 119)

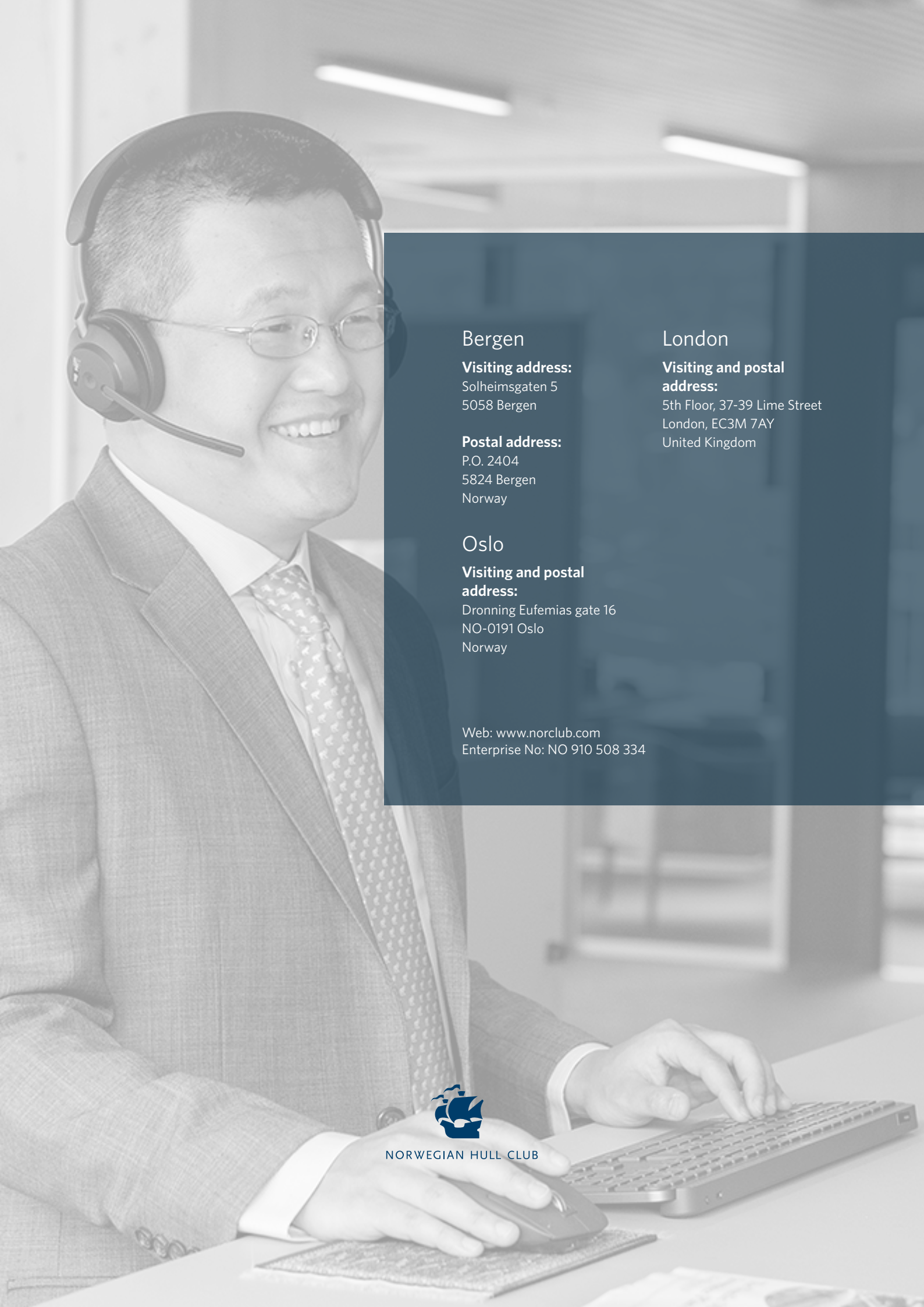
Note 4 - Off balance items

	30.09.2021	31.12.2020
Guarantee liability regarding claims		
Gross guarantees issued	129 600 494	112 428 237
Counter-guarantees from co-insurers	86 708 758	89 320 921
Guarantees for own account	42 891 736	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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