

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

	Q3		YTD 20.11	
	Current year 21.08.22 to 20.11.22	Previous year 21.08.21 to 20.11.21	Current year 21.02.22 to 20.11.22	Previous year 21.02.21 to 20.11.21
Amounts in USD 000's				
Technical account				
Gross written premium	33 565	32 442	126 661	114 999
Gross earned premium	47 520	38 237	144 405	106 833
Ceded reinsurance	(34 866)	(28 011)	(106 046)	(77 759)
Earned premium for own account	12 653	10 225	38 359	29 074
Other insurance related income	0	0	0	0
Gross incurred claims	22 145	21 940	79 585	59 664
Reinsurers' share of gross incurred claims	(14 990)	(14 125)	(54 355)	(38 322)
Claims incurred for own account	7 155	7 814	25 231	21 342
Acquisition costs	2 100	2 679	7 033	6 306
Agents' commission	5 061	4 634	15 508	12 976
Commission received	(8 721)	(6 712)	(24 870)	(18 515)
Insurance related expenses for own account	(1 560)	601	(2 330)	768
Other insurance related expenses	814	391	1 541	921
Technical result	6 244	1 419	13 916	6 044
Non-technical account				
Interest and similar income/(expenses)	1 465	(359)	(1 687)	(1 250)
Change in unrealised gain (loss) on investments	(35)	(826)	(1 965)	(844)
Other expenses	0	30	(8)	29
Non-technical result	1 216	(1 154)	(4 755)	(2 065)
Profit before tax	7 461	265	9 161	3 978
Corporate income tax	12	(593)	1 422	(411)
Net result	7 449	858 0	7 739 0	4 390

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 20.11.22	As at 20.02.22
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	2 551	2 912
Interest-bearing securities and funds	109 876	74 769
Total investments	112 428	77 681
Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	59 397	71 327
Reinsurers' share of gross claims reserve	99 258	75 202
Total reinsurers' share of technical provisions	158 655	146 530
Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	1 946	1 468
Intermediaries	84 719	107 636
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	0	46
Receivables from group companies	0	2 292
<i>Other receivables</i>		
Other receivables	12	10
Other receivables from group companies	266	25
Total receivables	86 943	111 477
Other assets		
Cash and cash equivalents	11 271	14 560
Deferred tax asset	371	0
Other financial assets	5 454	5 400
Total other assets	17 095	19 960
Prepayments and accrued income		
Accrued income and other prepayments	9 307	10 239
Total prepayments and accrued income	9 307	10 239
Total assets	384 428	365 888

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Balance sheet

Amounts in USD 000's	As at 20.11.22	As at 20.02.22
Equity and liabilities		
Equity		
Statutory reserve	63 262	63 262
Other equity	19 040	11 300
Total equity	82 301	74 562
Technical provisions		
Gross premium reserve	83 222	100 967
Gross claims reserve	140 051	107 446
Total technical provisions	223 273	208 412
Provisions for other liabilities		
Income tax payable	3 894	1 908
Deferred tax	0	461
Total provisions for other liabilities	3 894	2 369
Payables		
Payables arising out of direct insurance operations	2 052	7 528
Payables arising out of reinsurance operations	1 778	1 965
Payables arising out of reinsurance operations - group companies	55 371	53 864
Payables to group companies	1	53
Other payables	1 101	784
Total payables	60 301	64 194
Accruals and deferred income		
Accruals and deferred income	14 658	16 351
Total accruals and deferred income	14 658	16 351
Total liabilities	302 127	291 326
Total equity and liabilities	384 428	365 888

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
Equity as at 21.02.2021	53 183	4 281	57 464
Net result	0	7 019	7 019
Capital increase	10 079	0	10 079
Equity as at 20.02.2022	63 262	11 300	74 562
Equity as at 21.02.2022	63 262	11 300	74 562
Net result	0	7 739	7 739
Equity as at 20.11.2022	63 262	19 039	82 302

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	21.02.22 to 20.11.22	21.02.21 to 20.08.21
Cash flow from operating activities		
Profit (loss) before tax	9 161	3 978
Tax (paid)/refunded	0	0
Change in unrealised gain/(loss) on investments	1 965	844
Change in receivables and payables	20 588	13 962
Change in technical provisions and other accruals	1 975	9 882
Financial investments	(36 712)	(37 500)
Change in valuation due to change in exchange rates	(268)	15
Net cash flow from operating activities	(3 289)	(8 818)
Net cash flow from investment activities	0	0
Cash flow from financial activities		
Increase of capital	0	10 079
Net cash flow from financial activities	0	10 079
Net change in cash and cash equivalents	(3 289)	1 261
Cash and cash equivalents at beginning of period	14 560	9 400
Cash and cash equivalents at end of period	11 271	10 661

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 1 - Accounting policies

Corporate information

Gard Marine & Energy Insurance (Europe) AS ("the Company") is a wholly owned subsidiary of Gard Marine & Energy Ltd ("Gard M&E Ltd."). The Company is registered and domiciled in Norway and licensed by the Norwegian Ministry of Finance to carry out direct insurance of Marine and Energy risks.

Gard Marine & Energy Insurance (Europe) AS is consolidated into the accounts of Gard M&E Ltd. and the consolidated accounts are available at the office of Gard M&E Ltd's management company Lingard Ltd in Bermuda.

The Company has established a branch in UK.

Basis of preparation of the Accounts

The quarterly accounts includes activity from 21 February 2022 to 20 November 2022.

The quarterly accounts have been prepared in accordance with Regulations for annual accounts for general insurance companies approved by the Norwegian Ministry of Finance.

The financial statements of insurance companies with operation in Norway are subject to regulations established by the Norwegian Ministry of Finance. According to a resolution from the Financial Supervisory Authority of Norway the Company has been given dispensation to present the financial statements in the English language and in USD currency.

The accounts as at 20 November 2022 has not been audited.

Use of accounting estimates when preparing the accounts

The preparation of the accounts requires management to make estimates and assumptions that affect assets, liabilities, revenues, expenses and contingent liabilities. Due to unforeseen circumstances, these estimates may change in the future. Estimates and their assumptions are considered continuously, and accounts adjusted accordingly.

Insurance contract liabilities are the main items in the balance sheet based upon judgements and estimates. Estimates have to be made both for the expected total cost of claims reported and for the expected total cost of claims incurred but not reported at the balance sheet date. Standard actuarial methods are used in estimating the total cost of outstanding claims. The actuarial method uses historical data as one of the elements in the model to estimate the future claims costs. It can take a significant period of time before the ultimate claims cost can be established with certainty.

Note 2 – Related party transactions

Reinsurance agreements

The Company cedes to Gard M&E Ltd by way of reinsurance 70 per cent of the Company's Marine & Energy risk underwritten by the Company that is not reinsured elsewhere.

Insurance agency agreement

The operations and insurance activities of the Company are carried out by the insurance intermediaries Gard AS, Gard (UK) Ltd., and Oy Gard Baltic Ab. Gard (UK) Ltd. and Oy Gard Baltic Ab are fully owned by Gard AS. Gard AS is a fully owned subsidiary of Gard P. & I. (Bermuda) Ltd.

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 3 – Capital Requirements

Amounts in USD 000's	As at 20.11.22
Own funds	
Ordinary share capital	62 385
Share premium account	19 916
Reconciliation reserve	5 972
Net deferred tax assets	371
Excess of assets over liabilities	88 644
Tier 1 - Unrestricted	88 273
Tier 1 - Restricted	0
Tier 3 - Net deferred tax assets	371
Total basic own funds / (equal to Excess of assets over liabilities)	88 644
Total available own funds to meet the SCR	88 644
Total available own funds to meet the MCR	88 273
Total eligible own funds to meet the SCR	88 644
Total eligible own funds to meet the MCR	88 273
SCR	49 658
MCR	13 794
Ratio of eligible own funds to SCR	179%
Ratio of eligible own funds to MCR	640%
Minimum Capital Requirement (MCR)	
Linear MCR	13 794
SCR	49 658
MCR cap (45% of SCR)	22 346
MCR floor (25% of SCR)	12 415
Combined MCR	13 794
Absolute floor of the MCR	3 966
MCR	13 794
Solvency Capital Requirement (SCR)	
Market risk	1 848
Counterparty default risk	16 547
Non-life underwriting risk	41 710
Diversification	(14 022)
Basic SCR	46 083
Calculation of SCR	
Adj - Loss Absorbing Capacity of Deferred Tax	(2 725)
Operational risk	6 300
SCR	49 658

The eligible own funds are calculated based on a partial internal model approved by the Financial Supervisory Authority of Norway (Finanstilsynet).

Board of Directors

Gard Marine & Energy Insurance (Europe) AS

26 January 2023

Trond Eilertsen
Chairman

Jane Sy
Deputy-chairman

Ian Beveridge

Nils Aden

Rolf-Thore Roppestad
Managing Director