

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

	Q1		YTD 20.05	
	Current year 21.02.22 to 20.05.22	Previous year 21.02.21 to 20.05.21	Current year 21.02.22 to 20.05.22	Previous year 21.02.21 to 20.05.21
Amounts in USD 000's				
Technical account				
Gross written premium	45,752	39,930	45,752	39,930
Gross earned premium	47,439	31,897	47,439	31,897
Ceded reinsurance	(34,948)	(23,091)	(34,948)	(23,091)
Earned premium for own account	12,491	8,806	12,491	8,806
Other insurance related income	0	0	0	0
Gross incurred claims	33,809	16,722	33,809	16,722
Reinsurers' share of gross incurred claims	(24,156)	(11,269)	(24,156)	(11,269)
Claims incurred for own account	9,653	5,453	9,653	5,453
Acquisition costs	2,627	1,893	2,627	1,893
Agents' commission	5,199	4,068	5,199	4,068
Commission received	(7,377)	(5,682)	(7,377)	(5,682)
Insurance related expenses for own account	450	278	450	278
Other insurance related expenses	354	276	354	276
Technical result	2,034	2,799	2,034	2,799
Non-technical account				
Interest and similar income/(expenses)	(1,916)	197	(1,916)	197
Change in unrealised gain (loss) on investments	(1,943)	206	(1,943)	206
Other expenses	(5)	(0)	(5)	(0)
Non-technical result	(3,863)	402	(3,863)	402
Profit before tax	(1,829)	3,202	(1,829)	3,202
Corporate income tax	673	913	673	913
Net result	(2,503)	2,289	(2,503)	2,289

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 20.05.22	As at 20.02.22
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	2,656	2,912
Interest-bearing securities and funds	88,089	74,769
Total investments	90,744	77,681
Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	72,022	71,327
Reinsurers' share of gross claims reserve	89,454	75,202
Total reinsurers' share of technical provisions	161,476	146,530
Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	2,479	1,468
Intermediaries	103,290	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	37	10
Other receivables from group companies	90	25
Total receivables	105,896	111,477
Other assets		
Cash and cash equivalents	13,149	14,560
Other financial assets	5,402	5,400
Total other assets	18,551	19,960
Prepayments and accrued income		
Accrued income and other prepayments	9,898	10,239
Total prepayments and accrued income	9,898	10,239
Total assets	386,565	365,888

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 20.05.22	As at 20.02.22
Equity and liabilities		
Equity		
Statutory reserve	63,262	63,262
Other equity	8,798	11,300
Total equity	72,060	74,562
Technical provisions		
Gross premium reserve	99,280	100,967
Gross claims reserve	125,599	107,446
Total technical provisions	224,880	208,412
Provisions for other liabilities		
Income tax payable	1,799	1,908
Deferred tax	1,060	461
Total provisions for other liabilities	2,859	2,369
Payables		
Payables arising out of direct insurance operations	2,451	7,528
Payables arising out of reinsurance operations	4,842	1,965
Payables arising out of reinsurance operations - group companies	61,983	53,864
Payables to group companies	43	53
Other payables	965	784
Total payables	70,284	64,194
Accruals and deferred income		
Accruals and deferred income	16,483	16,351
Total accruals and deferred income	16,483	16,351
Total liabilities	314,506	291,326
Total equity and liabilities	386,565	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	(2,503)	(2,503)
Equity as at 20.05.2022	63,262	8,797	72,060

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	21.02.22 to 20.05.22	21.02.21 to 20.05.21
Cash flow from operating activities		
Profit (loss) before tax	(1,829)	3,202
Tax (paid)/refunded	(183)	0
Change in unrealised gain/(loss) on investments	1,943	(206)
Change in receivables and payables	11,670	4,008
Change in technical provisions and other accruals	1,995	2,363
Financial investments	(15,006)	(9,000)
Change in valuation due to change in exchange rates	0	0
Net cash flow from operating activities	(1,411)	367
Net cash flow from investment activities	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	(1,411)	367
Cash and cash equivalents at beginning of period	14,560	9,400
Cash and cash equivalents at end of period	13,149	9,767

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 May 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 May 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 20.05.22
Own funds	
Ordinary share capital	62,385
Share premium account	9,674
Reconciliation reserve	5,738
Net deferred tax assets	0
Excess of assets over liabilities	77,797
Tier 1 - Unrestricted	77,797
Tier 1 - Restricted	0
Tier 3 - Net deferred tax assets	0
Total basic own funds / (equal to Excess of assets over liabilities)	77,797
Total available own funds to meet the SCR	77,797
Total available own funds to meet the MCR	77,797
Total eligible own funds to meet the SCR	77,797
Total eligible own funds to meet the MCR	77,797
SCR	47,653
MCR	13,633
Ratio of eligible own funds to SCR	163%
Ratio of eligible own funds to MCR	571%
Minimum Capital Requirement (MCR)	
Linear MCR	13,633
SCR	47,653
MCR cap (45% of SCR)	21,444
MCR floor (25% of SCR)	11,913
Combined MCR	13,633
Absolute floor of the MCR	4,309
MCR	13,633
Solvency Capital Requirement (SCR)	
Market risk	4,933
Counterparty default risk	17,324
Non-life underwriting risk	37,099
Diversification	(13,453)
Basic SCR	45,902
Calculation of SCR	
Adj - Loss Absorbing Capacity of Deferred Tax	(4,156)
Operational risk	5,907
SCR	47,653

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

13 June 2022

Trond Eilertsen

Chairman

Jane Sy

Deputy-chairman

Yngvil Åsheim

Nils Aden

Ian Beveridge

Rolf-Thore Roppestad

Managing Director