

# GARD MARINE & ENERGY INSURANCE (EUROPE) AS

## Statement of comprehensive income

Amounts in USD 000's	Q2		YTD 20.08	
	Current year	Previous year	Current year	Previous year
	21.05.22 to 20.08.22	21.05.21 to 20.08.21	21.02.22 to 20.08.22	21.02.21 to 20.08.21
<b>Technical account</b>				
Gross written premium	47 343	42 627	93 096	82 557
Gross earned premium	49 446	36 699	96 885	68 597
Ceded reinsurance	(36 232)	(26 656)	(71 180)	(49 748)
<b>Earned premium for own account</b>	<b>13 214</b>	<b>10 043</b>	<b>25 705</b>	<b>18 849</b>
<b>Other insurance related income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gross incurred claims	23 631	21 002	57 440	37 724
Reinsurers' share of gross incurred claims	(15 208)	(12 927)	(39 364)	(24 196)
<b>Claims incurred for own account</b>	<b>8 423</b>	<b>8 075</b>	<b>18 076</b>	<b>13 528</b>
Acquisition costs	2 305	1 735	4 933	3 627
Agents' commission	5 247	4 275	10 446	8 342
Commission received	(8 772)	(6 121)	(16 149)	(11 803)
<b>Insurance related expenses for own account</b>	<b>(1 220)</b>	<b>(111)</b>	<b>(770)</b>	<b>167</b>
<b>Other insurance related expenses</b>	<b>373</b>	<b>253</b>	<b>727</b>	<b>530</b>
<b>Technical result</b>	<b>5 638</b>	<b>1 825</b>	<b>7 672</b>	<b>4 625</b>
<b>Non-technical account</b>				
Interest and similar income/(expenses)	(1 236)	(1 088)	(3 151)	(891)
Change in unrealised gain (loss) on investments	12	(224)	(1 930)	(18)
Other expenses	-3	-1	-8	-1
<b>Non-technical result</b>	<b>(2 108)</b>	<b>(1 313)</b>	<b>(5 971)</b>	<b>(911)</b>
<b>Profit before tax</b>	<b>3 530</b>	<b>512</b>	<b>1 701</b>	<b>3 714</b>
Corporate income tax	737	(731)	1 410	182
<b>Net result</b>	<b>2 794</b>	<b>1 243</b>	<b>291</b>	<b>3 532</b>

# GARD MARINE & ENERGY INSURANCE (EUROPE) AS

## Balance sheet

Amounts in USD 000's	As at 20.08.22	As at 20.02.22
<b>Assets</b>		
<b>Investments</b>		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	2 599	2 912
Interest-bearing securities and funds	101 932	74 769
<b>Total investments</b>	<b>104 531</b>	<b>77 681</b>
<b>Reinsurers' share of technical provisions</b>		
Reinsurers' share of gross premium reserve	69 866	71 327
Reinsurers' share of gross claims reserve	93 894	75 202
<b>Total reinsurers' share of technical provisions</b>	<b>163 759</b>	<b>146 530</b>
<b>Receivables</b>		
<i>Receivables from direct insurance operations</i>		
Policyholders	1 334	1 468
Intermediaries	95 620	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	13	10
Other receivables from group companies	1 260	25
<b>Total receivables</b>	<b>98 228</b>	<b>111 477</b>
<b>Other assets</b>		
Cash and cash equivalents	11 313	14 560
Other financial assets	5 417	5 400
<b>Total other assets</b>	<b>16 730</b>	<b>19 960</b>
<b>Prepayments and accrued income</b>		
Accrued income and other prepayments	10 141	10 239
<b>Total prepayments and accrued income</b>	<b>10 141</b>	<b>10 239</b>
<b>Total assets</b>	<b>393 389</b>	<b>365 888</b>

# GARD MARINE & ENERGY INSURANCE (EUROPE) AS

## Balance sheet

Amounts in USD 000's	As at 20.08.22	As at 20.02.22
<b>Equity and liabilities</b>		
<b>Equity</b>		
Statutory reserve	63 262	63 262
Other equity	11 591	11 300
<b>Total equity</b>	<b>74 853</b>	<b>74 562</b>
<b>Technical provisions</b>		
Gross premium reserve	97 177	100 967
Gross claims reserve	132 712	107 446
<b>Total technical provisions</b>	<b>229 889</b>	<b>208 412</b>
<b>Provisions for other liabilities</b>		
Income tax payable	1 794	1 908
Deferred tax	1 782	461
<b>Total provisions for other liabilities</b>	<b>3 576</b>	<b>2 369</b>
<b>Payables</b>		
Payables arising out of direct insurance operations	2 419	7 528
Payables arising out of reinsurance operations	3 879	1 965
Payables arising out of reinsurance operations - group companies	61 221	53 864
Payables to group companies	13	53
Other payables	951	784
<b>Total payables</b>	<b>68 484</b>	<b>64 194</b>
<b>Accruals and deferred income</b>		
Accruals and deferred income	16 587	16 351
<b>Total accruals and deferred income</b>	<b>16 587</b>	<b>16 351</b>
<b>Total liabilities</b>	<b>318 536</b>	<b>291 326</b>
<b>Total equity and liabilities</b>	<b>393 389</b>	<b>365 888</b>

# GARD MARINE & ENERGY INSURANCE (EUROPE) AS

## Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
<b>Equity as at 21.02.2021</b>	<b>53 183</b>	<b>4 281</b>	<b>57 464</b>
Net result	0	7 019	7 019
Capital increase	10 079	0	10 079
<b>Equity as at 20.02.2022</b>	<b>63 262</b>	<b>11 300</b>	<b>74 562</b>
<b>Equity as at 21.02.2022</b>	<b>63 262</b>	<b>11 300</b>	<b>74 562</b>
Net result	0	291	291
<b>Equity as at 20.08.2022</b>	<b>63 262</b>	<b>11 591</b>	<b>74 854</b>

# GARD MARINE & ENERGY INSURANCE (EUROPE) AS

## Statement of cash flow

Amounts in USD 000's	21.02.22 to 20.08.22	21.02.21 to 20.08.21
<b>Cash flow from operating activities</b>		
Profit (loss) before tax	1 701	3 714
Tax (paid)/refunded	(203)	0
Change in unrealised gain/(loss) on investments	1 930	18
Change in receivables and payables	17 523	5 678
Change in technical provisions and other accruals	4 581	8 423
Financial investments	(28 780)	(15 500)
Change in valuation due to change in exchange rates	0	(17)
<b>Net cash flow from operating activities</b>	<b>(3 247)</b>	<b>2 316</b>
<b>Net cash flow from investment activities</b>	<b>0</b>	<b>0</b>
<b>Net cash flow from financial activities</b>	<b>0</b>	<b>0</b>
Net change in cash and cash equivalents	(3 247)	2 316
Cash and cash equivalents at beginning of period	14 560	9 400
<b>Cash and cash equivalents at end of period</b>	<b>11 313</b>	<b>11 716</b>

# 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 August 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 August 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 20.08.22
<b>Own funds</b>	
Ordinary share capital	62 385
Share premium account	12 468
Reconciliation reserve	6 099
Net deferred tax assets	0
<b>Excess of assets over liabilities</b>	<b>80 952</b>
Tier 1 - Unrestricted	80 952
Tier 1 - Restricted	0
Tier 3 - Net deferred tax assets	0
<b>Total basic own funds / (equal to Excess of assets over liabilities)</b>	<b>80 952</b>
Total available own funds to meet the SCR	80 952
Total available own funds to meet the MCR	80 952
Total eligible own funds to meet the SCR	80 952
Total eligible own funds to meet the MCR	80 952
SCR	51 448
MCR	14 040
<b>Ratio of eligible own funds to SCR</b>	<b>157%</b>
<b>Ratio of eligible own funds to MCR</b>	<b>577%</b>
<b>Minimum Capital Requirement (MCR)</b>	
Linear MCR	14 040
SCR	51 448
MCR cap (45% of SCR)	23 152
MCR floor (25% of SCR)	12 862
Combined MCR	14 040
Absolute floor of the MCR	4 309
<b>MCR</b>	<b>14 040</b>
<b>Solvency Capital Requirement (SCR)</b>	
Market risk	3 174
Counterparty default risk	16 980
Non-life underwriting risk	41 936
Diversification	(11 830)
<b>Basic SCR</b>	<b>50 260</b>
<b>Calculation of SCR</b>	
Adj - Loss Absorbing Capacity of Deferred Tax	(4 879)
Operational risk	6 066
<b>SCR</b>	<b>51 448</b>

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**

30 September 2022

Trond Eilertsen  
Chairman

Jane Sy  
Deputy-chairman

Yngvil Åsheim

Nils Aden

Ian Beveridge

Rolf-Thore Roppestad  
Managing Director