

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

	Q1		YTD 31.03	
	Current year 01.01.24 to 31.03.24	Previous year 01.01.23 to 31.03.23	Current year 01.01.24 to 31.03.24	Previous year 01.01.23 to 31.03.23
Amounts in USD 000's				
Technical account				
Gross written premium	56,495	50,412	56,495	50,412
Gross earned premium	47,031	39,021	47,031	39,021
Ceded reinsurance	(34,323)	(28,575)	(34,323)	(28,575)
Earned premium for own account	12,709	10,446	12,709	10,446
Other insurance related income	136	82	136	82
Gross incurred claims	41,172	35,935	41,172	35,935
Reinsurers' share of gross incurred claims	(26,875)	(24,248)	(26,875)	(24,248)
Claims incurred for own account	14,297	11,687	14,297	11,687
Acquisition costs	2,237	2,997	2,237	2,997
Agents' commission	5,067	4,425	5,067	4,425
Commission received	(6,540)	(8,326)	(6,540)	(8,326)
Insurance related expenses for own account	763	(904)	763	(904)
Other insurance related expenses	268	378	268	378
Technical result	(2,484)	(634)	(2,484)	(634)
Non-technical account				
Interest and similar income/(expenses)	(695)	849	(695)	849
Change in unrealised gain (loss) on investments	7	1,917	7	1,917
Other expenses	(4)	(18)	(4)	(18)
Non-technical result	(692)	2,748	(692)	2,748
Profit before tax	(3,176)	2,114	(3,176)	2,114
Corporate income tax	169	(324)	169	(324)
Net result	(3,345)	2,439	(3,345)	2,439

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 31.03.24	As at 31.12.23
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	3,258	3,070
Interest-bearing securities and funds	119,045	134,548
Other financial investments	1	1
Total investments	122,305	137,619
Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	67,620	59,751
Reinsurers' share of gross claims reserve	131,692	137,242
Total reinsurers' share of technical provisions	199,312	196,994
Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	1,890	1,008
Intermediaries	89,059	91,079
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	0	126
Receivables from group companies	6,299	0
<i>Other receivables</i>		
Other receivables	341	0
Other receivables from group companies	35	883
Total receivables	97,624	93,095
Other assets		
Cash and cash equivalents	10,787	12,023
Other financial assets	6,646	6,587
Total other assets	17,432	18,610
Prepayments and accrued income		
Accrued income and other prepayments	9,294	10,126
Total prepayments and accrued income	9,294	10,126
Total assets	445,967	456,443

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 31.03.24	As at 31.12.23
Equity and liabilities		
Equity		
Statutory reserve	63,262	63,262
Other equity	24,315	27,661
Total equity	87,577	90,923
Technical provisions		
Gross premium reserve	93,931	84,468
Gross claims reserve	190,956	196,878
Total technical provisions	284,887	281,345
Provisions for other liabilities		
Income tax payable	0	312
Deferred tax	1,112	1,079
Total provisions for other liabilities	1,112	1,391
Payables		
Payables arising out of direct insurance operations	241	10,739
Payables arising out of reinsurance operations	6,897	1,575
Payables arising out of reinsurance operations - group companies	50,648	57,291
Payables to group companies	140	510
Other payables	979	478
Total payables	58,905	70,594
Accruals and deferred income		
Accruals and deferred income	13,485	12,191
Total accruals and deferred income	13,485	12,191
Total liabilities	358,389	365,521
Total equity and liabilities	445,967	456,443

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
Equity as at 01.01.2023	63,262	22,641	85,903
Net result	0	5,020	5,020
Equity as at 31.12.2023	63,262	27,661	90,923
Equity as at 01.01.2024	63,262	27,661	90,923
Net result	0	(3,345)	(3,345)
Equity as at 31.03.2024	63,262	24,316	87,578

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	01.01.24 to 31.03.24	01.01.23 to 31.03.23
Cash flow from operating activities		
Profit (loss) before tax	(3,176)	2,114
Tax (paid)/refunded	(279)	(304)
Change in unrealised gain/(loss) on investments	(7)	1,917
Change in receivables and payables	(16,277)	8,399
Change in technical provisions and other accruals	3,350	9,497
Financial investments	15,321	(22,390)
Change in valuation due to change in exchange rates	(172)	1
Net cash flow from operating activities	(1,239)	(765)
Net cash flow from investment activities	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	(1,239)	(765)
Cash and cash equivalents at beginning of period	12,023	11,495
Cash and cash equivalents at end of period	10,787	10,730

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 and Finland.

Basis of preparation of the Accounts

The quarterly accounts includes activity from 1 January 2024 to 31 March 2024.

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 31 March 2024 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 31.03.24	As at 31.12.23
Own funds		
Ordinary share capital	62,385	62,385
Share premium account	25,192	28,921
Reconciliation reserve	5,543	3,079
Net deferred tax assets	0	0
Excess of assets over liabilities	93,120	94,386
Tier 1 - Unrestricted	93,120	94,386
Tier 1 - Restricted	0	0
Tier 3 - Net deferred tax assets	0	0
Total basic own funds / (equal to Excess of assets over liabilities)	93,120	94,386
Total available own funds to meet the SCR	93,120	94,386
Total available own funds to meet the MCR	93,120	94,386
Total eligible own funds to meet the SCR	93,120	94,386
Total eligible own funds to meet the MCR	93,120	94,386
SCR	38,642	41,504
MCR	15,680	15,541
Ratio of eligible own funds to SCR	241%	227%
Ratio of eligible own funds to MCR	594%	607%
Minimum Capital Requirement (MCR)		
Linear MCR	15,680	15,541
SCR	38,642	41,504
MCR cap (45% of SCR)	17,389	18,677
MCR floor (25% of SCR)	9,660	10,376
Combined MCR	15,680	15,541
Absolute floor of the MCR	4,248	4,248
MCR	15,680	15,541
Solvency Capital Requirement (SCR)		
Market risk	1,600	288
Counterparty default risk	14,924	17,946
Non-life underwriting risk	42,259	41,377
Diversification	(14,822)	(14,198)
Basic SCR	43,961	45,412
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(12,561)	(11,323)
Operational risk	7,242	7,415
SCR	38,642	41,504

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 April 2024

Trond Eilertsen

Chairman

Nils Aden

Ian Beveridge

Rolf-Thore Roppestad

Managing Director