

# Assuranceforeningen Gard - gjensidig -

## Statement of comprehensive income

	Q2		YTD 30.06	
	Current year 01.04.24 to 30.06.24	Previous year 01.04.23 to 30.06.23	Current year 01.01.24 to 30.06.24	Previous year 01.01.23 to 30.06.23
Amounts in USD 000's				
<b>Technical account</b>				
Gross written premium on ETC basis *	6,831	5,986	259,746	237,270
Gross earned premium **	61,794	58,051	121,320	111,615
Ceded reinsurance	(26,002)	(29,319)	(56,177)	(56,492)
<b>Earned premium for own account</b>	<b>35,792</b>	<b>28,732</b>	<b>65,143</b>	<b>55,123</b>
<b>Other insurance related income</b>	<b>217</b>	<b>239</b>	<b>416</b>	<b>413</b>
Gross incurred claims	28,920	27,175	88,756	63,175
Reinsurers' share of gross incurred claims	12,646	(1,961)	(20,972)	(17,072)
<b>Claims incurred for own account</b>	<b>41,566</b>	<b>25,214</b>	<b>67,785</b>	<b>46,103</b>
Acquisition costs	1,914	2,175	3,991	4,911
Agents' commission	3,014	2,867	5,757	5,434
Commission received	(3,387)	(2,765)	(6,190)	(5,334)
<b>Insurance related expenses for own account</b>	<b>1,541</b>	<b>2,277</b>	<b>3,558</b>	<b>5,010</b>
<b>Other insurance related expenses</b>	<b>776</b>	<b>631</b>	<b>1,608</b>	<b>1,439</b>
<b>Technical result</b>	<b>(7,875)</b>	<b>849</b>	<b>(7,391)</b>	<b>2,984</b>
<b>Non-technical account</b>				
Interest and similar income/(expenses)	(158)	725	817	1,494
Change in unrealised gain/(loss) on investments	(328)	(408)	1,168	5,819
Gain on realisation of investments	1,229	0	1,230	317
Other expenses	(148)	(176)	(303)	(337)
<b>Non-technical result</b>	<b>596</b>	<b>141</b>	<b>2,912</b>	<b>7,294</b>
<b>Profit/(loss) before tax</b>	<b>(7,279)</b>	<b>990</b>	<b>(4,479)</b>	<b>10,278</b>
Corporate income tax	(2,947)	695	(1,004)	4,807
<b>Net result</b>	<b>(4,332)</b>	<b>296</b>	<b>(3,475)</b>	<b>5,471</b>
* Owners' General Discount not included in Gross written premium	87	(25)	18,172	8,434
** Owners' General Discount included in Gross earned premium	4,510	2,086	7,667	4,004

# Assuranceforeningen Gard - gjensidig -

## Balance sheet

Amounts in USD 000's	As at 30.06.24	As at 31.12.23
<b>Assets</b>		
<b>Investments</b>		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	36,500	36,357
Interest-bearing securities and funds	217,856	221,294
Other financial investments	2	2
<b>Total investments</b>	<b>254,359</b>	<b>257,654</b>
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<b>Reinsurers' share of technical provisions</b>		
Reinsurers' share of gross premium reserve	68,889	16,552
Reinsurers' share of gross claims reserve	133,355	128,564
<b>Total reinsurers' share of technical provisions</b>	<b>202,245</b>	<b>145,116</b>
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<b>Receivables</b>		
<i>Receivables from direct insurance operations</i>		
Policyholders	135,849	19,592
<i>Receivables from reinsurance operations</i>		
Receivables from group companies	2,369	523
<i>Other receivables</i>		
Other receivables	1	1
Other receivables - group companies	971	611
<b>Total receivables</b>	<b>139,190</b>	<b>20,727</b>
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<b>Other assets</b>		
Equipment	3,631	3,624
Cash and cash equivalents	93,256	73,501
Other financial assets	8,036	8,074
<b>Total other assets</b>	<b>104,923</b>	<b>85,199</b>
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<b>Prepayments and accrued income</b>		
Accrued income and other prepayments	8,339	4,888
<b>Total prepayments and accrued income</b>	<b>8,339</b>	<b>4,888</b>
<b>Total assets</b>	<b>709,055</b>	<b>513,584</b>

# Assuranceforeningen Gard - gjensidig -

## Balance sheet

Amounts in USD 000's	As at 30.06.24	As at 31.12.23
<b>Equity and liabilities</b>		
<b>Equity</b>		
<i>Retained earnings</i>		
Guarantee scheme	2	2
Other equity	115,158	118,633
<b>Total equity</b>	<b>115,159</b>	<b>118,634</b>
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<b>Technical provisions</b>		
Gross premium reserve	154,469	34,214
Gross claims reserve	340,606	323,717
<b>Total technical provisions</b>	<b>495,075</b>	<b>357,932</b>
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<b>Provisions for other liabilities</b>		
Pension obligations	1,271	1,379
Income tax payable	2,625	3,866
Deferred tax	9,573	11,790
<b>Total provisions for other liabilities</b>	<b>13,469</b>	<b>17,035</b>
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<b>Payables</b>		
Payables arising out of direct insurance operations	7,596	6,688
Payables arising out of reinsurance operations	29,323	2,627
Payables arising out of reinsurance operations - group companies	39,291	7,618
Payables group companies	704	930
Other payables	173	118
<b>Total payables</b>	<b>77,087</b>	<b>17,981</b>
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<b>Accruals and deferred income</b>		
Accruals and deferred income	8,265	2,002
<b>Total accruals and deferred income</b>	<b>8,265</b>	<b>2,002</b>
<b>Total liabilities</b>	<b>593,896</b>	<b>394,950</b>
<b>Total equity and liabilities</b>	<b>709,055</b>	<b>513,584</b>

# Assuranceforeningen Gard - gjensidig -

## Statement of changes in equity

Amounts in USD 000's	Guarantee Scheme	Other equity	Total equity
<b>Equity as at 01.01.23</b>	<b>3</b>	<b>104,468</b>	<b>104,471</b>
Net result	0	14,090	14,090
Remeasurement due to change in pension assumptions	0	97	97
Income tax related to change in pension assumptions	0	(24)	(24)
Provision for Norwegian Non-life insurance Guarantee Scheme	(1)	1	0
<b>Equity as at 31.12.23</b>	<b>2</b>	<b>118,633</b>	<b>118,634</b>
<b>Equity as at 01.01.24</b>	<b>2</b>	<b>118,633</b>	<b>118,634</b>
Net result	0	(3,475)	(3,475)
<b>Equity as at 30.06.24</b>	<b>2</b>	<b>115,158</b>	<b>115,159</b>

# Assuranceforeningen Gard - gjensidig -

## Cash flow analysis

Amounts in USD 000's	01.01.24 to 30.06.24	01.01.23 to 30.06.23
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	(4,479)	10,278
Tax paid	(1,725)	(245)
Change in unrealised (gain)/loss on investments	(1,168)	(5,819)
Change in pension obligations	(108)	(35)
Financial investments	4,464	16,353
Change in valuation due to change in exchange rates	(729)	(1,014)
Change in receivables and payables	(59,319)	(57,894)
Change in technical provisions and other accruals	82,826	47,647
<b>Net cash flow from operating activities</b>	<b>19,762</b>	<b>9,271</b>
<b>Cash flow from investment activities</b>		
Purchase of equipment net of sales	(7)	(102)
<b>Net cash flow from investment activities</b>	<b>(7)</b>	<b>(102)</b>
Net change in cash and cash equivalents	19,754	9,169
Cash and cash equivalents at beginning of period	73,501	78,253
<b>Cash and cash equivalents at end of period</b>	<b>93,256</b>	<b>87,422</b>

# Assuranceforeningen Gard - gjensidig -

## Notes to the accounts

### Note 1 - Accounting Policies

#### Corporate information

Assuranceforeningen Gard - gjensidig - is a mutual insurance association registered with the Norwegian Companies Register (organisation number 939 717 609). The registered office of the Association is Kittelsbukveien 31, 4836 Arendal. The Association is licensed by the Norwegian Ministry of Finance to carry out marine liability and legal costs insurances. As a mutual insurance association, the Association is owned by its Members, being the owners and charterers of the ships from time to time insured by the Association for Protection and Indemnity (P&I) risks. There are no external capital owners.

The principal activities of the Association are: to insure its Members for marine P&I risks, including the reinsurance of a proportion of the P&I risk underwritten by Gard P. & I. (Bermuda) Ltd. as a direct insurer; and management of its assets which are used to cover the technical provisions. The Members of the Association are also Members of Gard P. & I. (Bermuda) Ltd. and vice versa.

The Association has established branches in the UK, Hong Kong, Finland and Japan.

Assuranceforeningen Gard - gjensidig - is consolidated into the accounts of Gard P. & I. (Bermuda) Ltd. and the consolidated accounts are available at the office of Gard P. & I. (Bermuda) Ltd's management company Lingard Ltd in Bermuda.

#### Basis of preparation of the Accounts

The quarterly accounts include the activity from 1 January 2024 to 30 June 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 (FSA) the Association has been given dispensation to present the financial statements in the English language and in USD currency.

The accounts as at 30 June 2024 have 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 the valuation of 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 judgments and estimates. Estimates are 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

Gard P. & I. (Bermuda) Ltd. and the Association have entered into mutual reinsurance agreements. The Association reinsures a proportion amounting to 2 per cent of Gard P. & I. (Bermuda) Ltd. risks that is not reinsured elsewhere. The Association cedes to Gard P. & I. (Bermuda) Ltd. by way of reinsurance 25 per cent of the Association's risks that are not reinsured elsewhere. Premiums are calculated on financial year basis, claims are calculated on a claim year basis.

The Association has entered into a stop loss reinsurance agreement protecting the former against and adverse claims development with Gard Reinsurance Co Ltd (a company owned by Gard P.& I. (Bermuda) Ltd).

The Association and Gard P. & I. (Bermuda) Ltd. have entered into a reinsurance agreement with Hydra, which is a segregated accounts company. The Association's segregated account (cell) in Hydra is covering the former companies' liability to a layer of the International Group (IG) Pool and retention in the first market excess layer.

#### Insurance agency agreements

The Association has entered into an insurance agency agreement with Gard AS, a company owned by Gard P. & I. (Bermuda) Ltd. being the general agent, whereby Gard AS is delegated authority as an agent and insurance intermediary to perform claims handling and underwriting functions on behalf of the Association. The Association has also entered into agreements with the subsidiaries of Gard AS for services rendered to the Association.

# Assuranceforeningen Gard - gjensidig -

## Notes to the accounts

### Note 3 - Capital requirements

Amounts in USD 000's	As at 30.06.24	As at 31.12.23
<b>Own funds</b>		
Share premium account	115,159	119,951
Reconciliation reserve	11,788	(3,378)
<b>Excess of assets over liabilities</b>	<b>126,947</b>	<b>116,573</b>
Tier 1 - Unrestricted	126,947	116,573
<b>Total basic own funds / (equal to Excess of assets over liabilities)</b>	<b>126,947</b>	<b>116,573</b>
Tier 2 - Supplementary calls - Available	264,570	241,543
Tier 2 - Supplementary calls - Eligible	52,029	48,183
<b>Total ancillary own funds</b>	<b>264,570</b>	<b>241,543</b>
Total available own funds to meet the SCR	391,517	358,116
Total available own funds to meet the MCR	126,947	116,573
Total eligible own funds to meet the SCR	178,976	164,756
Total eligible own funds to meet the MCR	126,947	116,573
SCR	104,057	96,365
MCR	46,826	37,200
<b>Ratio of eligible own funds to SCR</b>	<b>172 %</b>	<b>171 %</b>
<b>Ratio of eligible own funds to MCR</b>	<b>271 %</b>	<b>313 %</b>
<b>Minimum Capital Requirement (MCR)</b>		
Linear MCR	47,440	37,200
SCR	104,057	96,365
MCR cap (45% of SCR)	46,826	43,364
MCR floor (25% of SCR)	26,014	24,091
Combined MCR	46,826	37,200
Absolute floor of the MCR	4,248	4,248
<b>MCR</b>	<b>46,826</b>	<b>37,200</b>
<b>Solvency Capital Requirement (SCR)</b>		
Market risk	9,038	9,179
Counterparty default risk	21,201	18,018
Non-life underwriting risk	115,668	108,331
Diversification	(38,255)	(35,250)
<b>Basic SCR</b>	<b>107,652</b>	<b>100,278</b>
<b>Calculation of SCR</b>		
Adj - Loss Absorbing Capacity of Deferred Tax	(16,621)	(13,771)
Operational risk	13,026	9,859
<b>SCR</b>	<b>104,057</b>	<b>96,365</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  
**Assuranceforeningen Gard - gjensidig -**  
 30 September 2024

\_\_\_\_\_  
 Trond Eilertsen  
 Chairman

\_\_\_\_\_  
 Ian Beveridge  
 Deputy Chairman

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 Turid Grotmoll

\_\_\_\_\_  
 Nils Aden

\_\_\_\_\_  
 Marit Lunde

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 Rolf-Thore Roppestad  
 Managing Director