

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

Amounts in USD 000's	Q3		YTD 30.09	
	Current year	Previous year	Current year	Previous year
	01.07.23 to 30.09.23	01.07.22 to 30.09.22	01.01.23 to 30.09.23	21.02.22 to 30.09.22
Technical account				
Gross written premium	45,759	30,688	156,903	95,524
Gross earned premium	50,542	48,393	135,091	117,922
Ceded reinsurance	(36,950)	(35,351)	(98,568)	(86,505)
Earned premium for own account	13,591	13,042	36,523	31,417
Other insurance related income	117	7	295	7
Gross incurred claims	35,199	26,003	106,977	65,506
Reinsurers' share of gross incurred claims	(22,707)	(19,709)	(70,732)	(47,445)
Claims incurred for own account	12,492	6,293	36,245	18,061
Acquisition costs	3,196	(3,505)	8,797	405
Agents' commission	5,398	5,093	14,143	12,710
Commission received	(7,651)	(8,562)	(21,891)	(19,962)
Insurance related expenses for own account	943	(6,973)	1,049	(6,847)
Other insurance related expenses	403	10,556	1,112	11,090
Technical result	(130)	3,173	(1,588)	9,120
Non-technical account				
Interest and similar income/(expenses)	(605)	(1,143)	906	(3,337)
Change in unrealised gain (loss) on investments	(630)	(1,577)	96	(3,436)
Other expenses	(7)	(2)	(24)	(8)
Non-technical result	(1,107)	(2,721)	1,113	(7,661)
Profit before tax	(1,237)	452	(475)	1,458
Corporate income tax	(277)	2,582	(689)	2,808
Net result	(960)	(2,130)	214	(1,349)

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.09.23	As at 31.12.22
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	2,792	2,598
Interest-bearing securities and funds	137,676	102,603
Total investments	140,469	105,201
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Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	68,904	53,109
Reinsurers' share of gross claims reserve	127,278	97,627
Total reinsurers' share of technical provisions	196,181	150,736
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Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	1,434	1,571
Intermediaries	95,679	80,755
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	105	(0)
Receivables from group companies	0	0
<i>Other receivables</i>		
Other receivables	0	0
Other receivables from group companies	32	316
Total receivables	97,249	82,642
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Other assets		
Cash and cash equivalents	10,941	11,495
Deferred tax asset	870	106
Other financial assets	5,670	5,490
Total other assets	17,482	17,090
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Prepayments and accrued income		
Accrued income and other prepayments	9,558	13,598
Total prepayments and accrued income	9,558	13,598
 Total assets	 460,939	 369,267

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.09.23	As at 31.12.22
Equity and liabilities		
Equity		
Statutory reserve	63,262	63,262
Other equity	22,855	22,641
Total equity	86,117	85,903
Technical provisions		
Gross premium reserve	96,517	74,705
Gross claims reserve	182,441	138,370
Total technical provisions	278,958	213,075
Provisions for other liabilities		
Income tax payable	4,918	5,696
Total provisions for other liabilities	4,918	5,696
Payables		
Payables arising out of direct insurance operations	5,675	5,347
Payables arising out of reinsurance operations	2,127	2,020
Payables arising out of reinsurance operations - group companies	68,434	42,097
Payables to group companies	205	95
Other payables	1,579	984
Total payables	78,020	50,543
Accruals and deferred income		
Accruals and deferred income	12,926	14,051
Total accruals and deferred income	12,926	14,051
Total liabilities	374,822	283,364
Total equity and liabilities	460,939	369,267

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
Equity as at 21.02.2022	63,262	11,300	74,562
Net result	0	11,340	11,340
Equity as at 31.12.2022	63,262	22,641	85,903
Equity as at 01.01.2023	63,262	22,641	85,903
Net result	0	214	214
Equity as at 30.09.2023	63,262	22,855	86,117

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	01.01.2023 to 30.09.23	21.02.22 to 30.09.22
Cash flow from operating activities		
Profit (loss) before tax	(475)	1,458
Tax (paid)/refunded	(853)	(407)
Change in unrealised gain/(loss) on investments	(96)	3,436
Change in receivables and payables	12,689	15,878
Change in technical provisions and other accruals	23,353	(320)
Financial investments	(35,172)	(23,238)
Change in valuation due to change in exchange rates	(3)	0
Net cash flow from operating activities	(557)	(3,193)
Net cash flow from investment activities	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	(557)	(3,193)
Cash and cash equivalents at beginning of period	11,495	14,560
Cash and cash equivalents at end of period	10,941	11,366

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 1 January 2023 to 30 September 2023.

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 30 September 2023 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 30.09.23	As at 30.06.23
Own funds		
Ordinary share capital	62,385	62,385
Share premium account	23,731	24,692
Reconciliation reserve	5,074	4,297
Net deferred tax assets	870	622
Excess of assets over liabilities	92,061	91,995
Tier 1 - Unrestricted	91,191	91,373
Tier 1 - Restricted	0	0
Tier 3 - Net deferred tax assets	870	622
Total basic own funds / (equal to Excess of assets over liabilities)	92,061	91,995
Total available own funds to meet the SCR	92,061	91,995
Total available own funds to meet the MCR	91,191	91,373
Total eligible own funds to meet the SCR	92,061	91,995
Total eligible own funds to meet the MCR	91,191	91,373
SCR	42,751	45,954
MCR	15,707	14,640
Ratio of eligible own funds to SCR	215%	200%
Ratio of eligible own funds to MCR	581%	624%
Minimum Capital Requirement (MCR)		
Linear MCR	15,707	14,640
SCR	42,751	45,954
MCR cap (45% of SCR)	19,238	20,680
MCR floor (25% of SCR)	10,688	11,489
Combined MCR	15,707	14,640
Absolute floor of the MCR	3,966	3,966
MCR	15,707	14,640
Solvency Capital Requirement (SCR)		
Market risk	1,583	612
Counterparty default risk	20,009	20,398
Non-life underwriting risk	42,477	43,653
Diversification	(17,281)	(15,610)
Basic SCR	46,787	49,053
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(11,214)	(9,971)
Operational risk	7,179	6,873
SCR	42,751	45,954

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

6 November 2023

Trond Eilertsen
Chairman

Nils Aden

Jane Sy

Ian Beveridge

Rolf-Thore Roppestad
Managing Director