Solvency and Financial Condition Report Gard group

31 December

2022

Contents

Executive summary

This report covers Gard's business and performance, system of governance, risk profile, valuation for solvency purposes and capital management. The ultimate administrative body that has the responsibility for these matters is the Board of Directors, with the help of various governance and control functions that are put in place to monitor and manage the business.

This report is a joint report for Gard P. & I. (Bermuda) Ltd. on a consolidated basis (Gard group), Assuranceforeningen Gard – gjensidig – (Gard Norway) and Gard Marine & Energy (Europe) AS (Gard M&E Europe)[1]. Information specific to the legal entities is elaborated in Appendices 1 and 2.

Gard has been granted approval by the Norwegian Financial Supervisory Authority ('Finanstilsynet') to use its internal model to calculate insurance and market risk for regulatory purposes for the Gard group, Gard Norway and Gard M&E Europe. All figures displayed in relevant solvency tables are based on a partial internal model.

Due to the change in the financial year from 20 February to 31 December, all figures presented in the tables are as of 31 December compared to 20 February 2022 which is the date of the last SFCR.

In the tables, values are stated in USD million. Values below USD 500,000 are displayed as '0'. An empty cell means that there is no value to state. Rounding differences +/– one unit can occur.

Gard fulfils the minimum and solvency capital requirements (hereafter referred to as MCR and SCR) stipulated by 31 December 2022 supervisory authority as of the reporting date.

The principles used to determine the solvency ratio are explained in this document. Chapter D describes the valuation principles used to determine the eligible own funds, and Chapter E describes the principles used to determine the SCR.

A Business and performance

Gard is a Marine and Energy insurance group that is active in Protection and Indemnity (P&I) and Marine and Energy (M&E) business. Gard operates in global markets, offering insurance solutions to mainly corporate customers, often through insurance brokers. Its global presence and activities allow the company to achieve efficient risk diversification.

The financial statements for the year ending 31 December 2022 cover the activity for the period from 21 February 2022 to 31 December 2022 – a period of 314 days. However, the accounts for the previous year used as a comparison cover the period from 21 February 2021 to 20 February 2022, i.e. a period of 365 days. Due to the different number of days in these two periods, the numbers for this year and the previous year will not be fully comparable.

The year ending 31 December 2022 produced a total comprehensive profit on an estimated total call (ETC) basis of USD 2 million. This is a good result with a strong contribution from the technical result of USD 150 million that was setoff by a negative non-technical result of USD 149 million.

Gard has given a five per cent Owners' General Discount (OGD) to mutual entries renewed with Gard for the 2022 policy year amounting to USD 20 million, and five per cent for those renewing for the 2023 policy year. The total comprehensive loss including OGD was USD 18 million for FY 2022.

Gross written premium on an ETC basis was USD 994.8 million and exceeds Gard's expectations and targets. The premium growth is driven by hardening rates for P&I mutual, P&I Fixed and Marine and business volume growth for P&I Mutual, Builders Risk and Marine.

Claims incurred for own account totalled USD 527.0 million. There have been five large P&I claims above USD 5 million, within own retention, during the period, several large reductions of reserves and just two new claims reported from the International Group of P&I Clubs. Gard had no new claims of entering the Pool in the year 31 December 2022. This is a very

[1] According to Article 256 of Directive 2009/138/EC, where a participating insurance or reinsurance undertaking, or an insurance holding company so decides, and subject to the agreement of the group supervisor, it may provide a single solvency and financial condition report comprising of the information at the level of the group and the relevant subsidiaries within the group.

satisfactory level considering the growth in business volume from last year.

Operating costs have been lower than expected due to limited activity in the first half of the financial year 2022 as a consequence of COVID-19. This is now normalised.

The technical result was a strong profit of USD 150 million and a combined ratio net on an ETC basis of 81 per cent.

The non-technical result was below expectation at a negative USD 149 million. The Group's investment portfolio experienced a volatile year where the main drivers were inflation, rapidly increasing interest rates in addition to geopolitical tension and turbulence. The net negative return of the investment portfolio for the Gard Group was 6.3 per cent, compared with a negative 6.9 per cent for the strategic benchmark.

Details on business and performance can be found in section A.

A. System of governance

Gard has an effective system of governance, which provides for sound and prudent management.

The risk management system is assessed to be adequate considering the size and complexity of the operations.

The individual elements of the System of Governance can be found in section B.

B. Risk profile

In the context of its business operations, Gard enters into a broad variety of risks. These risks are illustrated in the risk landscape overview. Individual risk elements are described in section C.

C. Valuation for Solvency purposes

The fair value of assets is mainly measured on a mark-to-market basis, determined by references to published price quotations in active markets.

For unquoted financial assets, the fair value has been estimated using a valuation technique based on assumptions that are supported by observable market prices (mark-to-model).

Valuation methods are elaborated on in section D

D. Capital management

Gard aims to hold sufficient capital and liquidity as well as constrain its risk-taking to ensure that the group can continue to operate following an extreme loss event with the same risk tolerance for insurance risk. The probability that Gard would have to raise additional capital from its mutual Members by way of unbudgeted supplementary calls should be low.

Gard group aims to manage its capital such that all its regulated entities meet local regulatory capital requirements at all times. This was the case throughout the financial year to 31 December 2022.

Gard has a capital structure consisting of Tier 1 capital through equity capital, which is earned and available and high-quality, Tier 2 capital in the form of unbudgeted supplementary calls on mutual Members and Tier 3 capital as deferred tax assets.

The solvency ratio as of 31 December 2022 was 331 per cent.

A share of 85 per cent of all available capital is assigned to the highest quality level (Tier 1). Capital management is described in section E.

Gard Group, key figures

USD million	31.12.2022	20.02.2022
Solvency II balance sheet		
Assets	3,048	3,090
Technical provisions	1,578	1,616
Other liabilities	181	251
Excess of assets over liabilities	1,290	1,222
Eligible own funds		
Tier 1 Basic own funds (unrestricted)	1,160	1,145
Tier 2 Ancillary own funds	206	245
Tier 3 Other own funds	0	0
Eligible own funds	1,366	1,391
Capital Requirement		
Solvency Capital Requirement (SCR)	413	491
Minimum Capital Requirement (MCR)	299	301
Solvency ratio		
Eligible own funds to meet SCR	331%	283%
Eligible own funds to meet MCR	388%	381%
Tier 1 share of total eligible own funds	85%	82%

A Business and performance

A1 Business

A 1.1 Group structure

The parent company of the group, Gard Bermuda, is a mutual insurance association. The other companies in the group are joint-stock companies fully owned and controlled by Gard Bermuda, except for Gard Norway, which is a mutual insurance association controlled by Gard Bermuda through an agreement on the exercise of ownership rights.

There are no external capital owners involved who expect a return on capital invested, or who otherwise have voting rights at the general meetings of the companies.

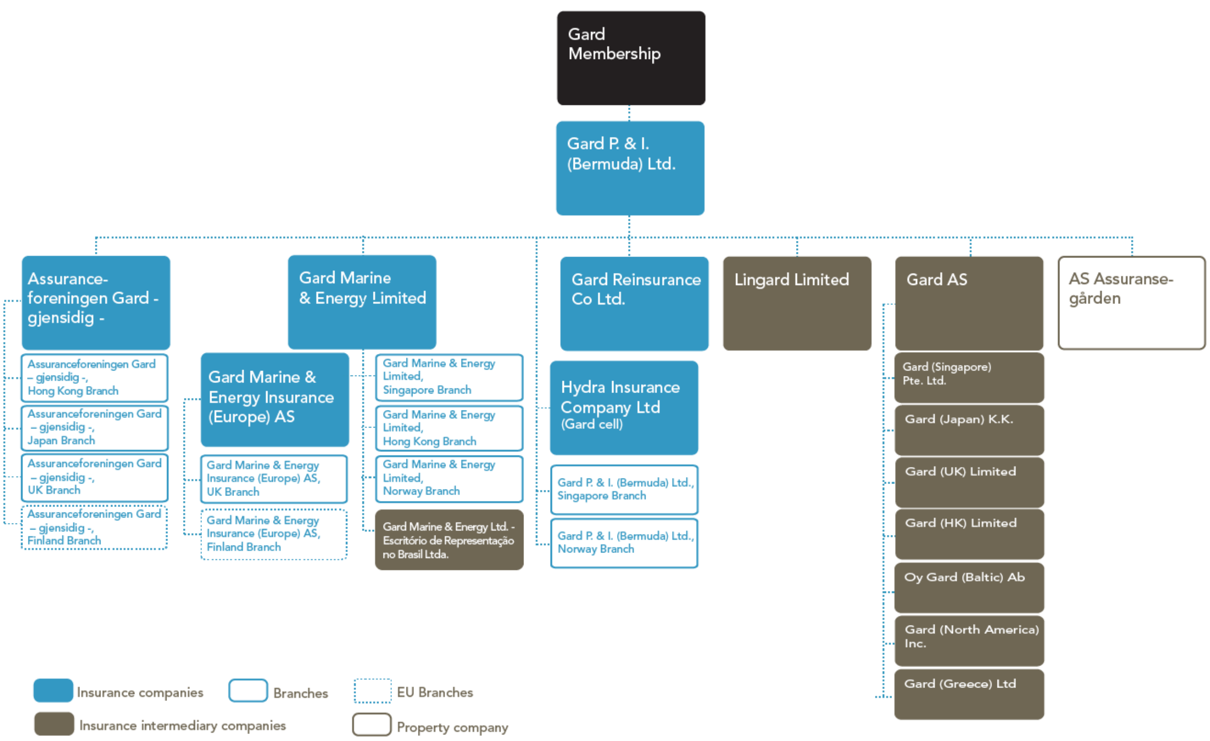
The mutual Members of Gard Bermuda obtain the benefit of the value creation generated by the group's business through reduced mutual premiums. Correspondingly, the right and ability to levy unbudgeted supplementary calls to recapitalize the group is a fundamental element of the Members' mutual risk-sharing.

The Gard group consists of four direct insurance entities, two captive reinsurance companies, one insurance management company, eight insurance intermediary companies, one representative office and a property company. The insurance entities have eleven branches in six different jurisdictions.

In general, there are separate direct insurance companies for the P&I business and the Marine & Energy business. There are EEA-domiciled direct insurance companies and Bermuda-based insurance entities. Risk and capital in the group are pooled through the captive Gard Re.

Hydra is a Bermuda-registered segregated accounts company that was established by the 13 parties to the International Group of P&I Clubs' Pooling Agreement to reinsure certain layers of risk retained by the parties to the Pooling Agreement. The Hydra Gard cell is wholly owned by Gard Bermuda. Branches have been established where required to conduct business.

Group structure



A 1.2 Legal entities

A 1.2.1 Gard group

'Gard group' is the totality of legal entities ultimately controlled by Gard P. & I. (Bermuda) Ltd. The Gard group is under group supervision by the Norwegian Financial Supervisory Authority (FSA) (Finanstilsynet), based on an agreement between FSA and the Bermuda Monetary Authority (BMA).

A 1.2.2 Gard Bermuda

Gard P. & I. (Bermuda) Ltd. ('Gard Bermuda') is the parent company of the Gard group. The company is a mutual insurance association domiciled in Bermuda and registered by the Bermuda Monetary Authority (BMA). The manager of Gard Bermuda is Lingard Limited.

Gard Bermuda provides Protection & Indemnity (P&I) and related insurance products to its Members, who are shipowners, operators and charterers with ships entered into the association. As a mutual insurance association, the company is owned by its Members. There are no external capital owners.

Gard Bermuda carries out its direct insurance business through branches in Norway and Singapore. The general agents of the branches are Gard AS in Norway and Gard (Singapore) Pte. Ltd. in Singapore.

The Members of Gard Bermuda are also Members of Gard Norway and *vice versa.*[2] However, all of the Members of the two associations exercise membership rights through the parent company in accordance with the group structure. Gard Bermuda has been given the right to exercise membership rights on behalf of the entire membership in Gard Norway. Thus, Gard Norway is treated as a subsidiary of Gard Bermuda in the same way as the other wholly-owned subsidiaries, such as Gard M&E, Gard Re, Lingard, and Gard AS.

Gard Bermuda and Gard Norway are members of the International Group of P&I Clubs and both are parties to the International Group of P&I Clubs' Pooling Agreement. The Pooling Agreement is the contractual basis for the sharing of claims among the P&I Clubs and the collective purchase of market reinsurance. The two associations are recorded as 'Paired Associations' in the Pooling Agreement, with Gard Bermuda as the principal.

Gard Bermuda is regulated by the BMA.

A 1.2.3 Gard Norway

Assuranceforeningen Gard - gjensidig - ('Gard Norway') is the Norwegian P&I Club founded in Arendal, Norway, in 1907. The company is registered and domiciled in Norway and is licensed by the Norwegian Ministry of Finance. The head office of Gard Norway is in Arendal, Norway. Gard AS acts as an intermediary for Gard Norway.

Gard Norway provides P&I and related insurance products to its Members, who are shipowners, operators and charterers with ships entered into the club. As a mutual insurance association, the company is owned by its Members. There are no external capital owners.

Based on the group's governance structure, Gard Bermuda has the power to govern and control the business activities of Gard Norway. This includes the power to appoint the members of its Board of Directors. Based on internationally accepted accounting standards, this creates the legal basis required for the consolidation of the two companies' accounts.[3]

Gard Norway is primarily used as a vehicle for writing direct P&I business in certain countries where an EU/EEA-based insurer is required or preferred to comply with local regulations.

Gard Norway is regulated by the Norwegian FSA.

1.2.4 Gard M&E

Gard Marine & Energy Limited ('Gard M&E') is a joint-stock company and a wholly-owned subsidiary of Gard Bermuda. The company is domiciled in Bermuda. The manager of Gard M&E is Lingard Limited.

Gard M&E offers Marine and Energy insurance products on a commercial basis to shipowners and operators, and operators within the international oil

[2] See Article 2.6 of the Byelaws of Gard P&I Bermuda and Article 4.7 of the Statutes of Gard P&I Norway. Gard P&I Bermuda and Gard P&I Norway have entered into mutual reinsurance agreements whereby the two associations reinsure each other.

[3] Reference is made to the International Accounting Standard 27 Consolidated and Separate Financial Statements (IAS 27).

and gas industry. Gard M&E carries out its direct insurance business through branches in Norway, Hong Kong and Singapore. The general agents of the branches are Gard AS in Norway, Gard (HK) Ltd. in Hong Kong and Gard (Singapore) Pte. Ltd. in Singapore.

Gard Marine & Energy Limited – Escritório de Representação no Brasil Ltda. (Gard Brazil) is a subsidiary of Gard M&E and is registered and domiciled in Brazil. Gard Brazil is authorised to carry out insurance agency activities in Brazil on behalf of Gard M&E.

A 1.2.5 Gard M&E Europe

Gard Marine & Energy Insurance (Europe) AS ('Gard M&E Europe') is a wholly-owned subsidiary of Gard M&E and is registered and domiciled in Arendal, Norway and licensed by the Norwegian Ministry of Finance to carry out Marine and Energy business.[4]

Gard M&E Europe is primarily used as a vehicle for writing M&E business in certain countries where an EU/EEA-based insurer is required or preferred to comply with local regulations. Gard AS acts as an intermediary for Gard M&E Europe.

Gard M&E Europe is regulated by the Norwegian FSA.

A.1.2.6 Gard Re

Gard Reinsurance Co Ltd ('Gard Re') is a joint-stock company and is a wholly-owned subsidiary of Gard Bermuda. The company is domiciled in Bermuda and is registered by the BMA. The manager of Gard Re is Lingard Limited.

Reinsurance agreements have been entered into between Gard Re, as the reinsurer, and Gard Bermuda and Gard M&E as the reassured, covering a certain proportion of these two direct insurers' retained risks. A stop-loss reinsurance agreement has also been entered into between Gard Re and Gard Norway.

Gard Re is regulated by the BMA.

A 1.2.7 Hydra Insurance Company Ltd

Hydra Insurance Company Ltd ('Hydra') is a segregated accounts company. It is permitted to create 'segregated accounts' or 'cells' to segregate the assets and liabilities attributable to a particular segregated account from those attributable to other segregated accounts and the company's general account.

Hydra was established by the parties to the International Group of P&I Clubs' Pooling Agreement as a captive insurance company to reinsure certain layers of risk retained by the parties to the Pooling Agreement. Each party to the Pooling Agreement owns a segregated account in Hydra and is responsible for its own account, or cell, within the company. The Hydra Gard cell is wholly owned by Gard Bermuda.

Hydra Insurance Company is regulated by the BMA.

A 1.2.8 Lingard Limited

Lingard Limited ('Lingard') is a joint-stock company domiciled in Bermuda. It is a wholly-owned subsidiary of Gard Bermuda and is registered as an Insurance Manager by the Bermuda Monetary Authority.

Lingard has entered into management agreements with each of Gard Bermuda, Gard M&E and Gard Re whereby it has delegated the responsibility of administering the day-to-day business and corporate functions of these Bermuda-domiciled companies. Certain insurance intermediary functions, such as *inter alia*, underwriting and claims handling, are sub-delegated under an agency agreement with Gard AS as an insurance intermediary.

Lingard is regulated by the BMA.

A.1.2.9 Gard AS

Gard AS is a Norwegian joint-stock company domiciled in Arendal, Norway, and a wholly-owned subsidiary of Gard Bermuda. Gard AS is registered with the Norwegian Financial Supervisory Authority as an insurance agent.

Gard AS has entered into separate agency agreements with Gard Norway, Gard M&E Europe and Lingard pursuant to which Gard AS acts as an agent and intermediary with regard to the portfolios of direct business of Gard Bermuda, Gard Norway, Gard M&E and Gard M&E Europe. The agency agreements give Gard AS, *inter alia*, the power to conclude contracts of insurance on behalf of the companies and to handle claims which fall within the scope of each company's insurance coverage.

[4] Classes 6, 8, 9, 12 and 13 in the Norwegian regulations of 18 September 1995 on insurance classes.

Gard AS has also established a service network of wholly-owned subsidiaries (random order);

i. Finland – Oy Gard (Baltic) Ab
ii. United Kingdom/England – Gard (UK) Limited
iii. United States – Gard (North America) Inc.
iv. Hong Kong – Gard (HK) Limited
v. Greece – Gard (Greece) Ltd
vi. Japan - Gard (Japan) K.K.
vii. Singapore - Gard (Singapore) Pte. Ltd.

These subsidiaries are the Members' and clients' local contact points and perform, *inter alia*, insurance intermediary services in their respective local markets on behalf of Gard AS' principals.

Gard AS is regulated by the Norwegian FSA.

List of regulators and auditors

Name	Function	Entity
Norwegian Financial Supervisory Authority (Finanstilsynet) Revierstredet 3 0151 Oslo Norway Phone: +47 22 93 98 00 Main contact: Linn Therese Jørgensen	Regulator	Gard group Gard Norway Gard M&E Europe Gard AS Gard Bermuda NUF Gard M&E NUF
Bermuda Monetary Authority BMA House 43 Victoria Street Hamilton Bermuda Phone: +441 295 5278	Regulator	Gard Bermuda Gard M&E Gard RE Hydra Gard Cell Lingard
PricewaterhouseCoopers AS Kystveien 14 4841 Arendal Norway Phone: +47 95 26 00 00	External auditor	Gard group Gard Norway Gard M&E Europe Gard AS Gard Bermuda NUF Gard M&E NUF
PricewaterhouseCoopers Ltd. Dorchester House 7 Church Street West Hamilton HM 11 Bermuda Phone: +441 295 2000	External auditor	Gard group Gard Bermuda Gard M&E Gard RE Hydra Gard Cell Lingard

A 1.3 Lines of business and geographical areas

Gard is a mutual Marine and Energy insurance group which principally provides two lines of insurance business:

- Protection and Indemnity (P&I) is liability insurance for owners, charterers and operators of ships and mobile offshore units.

- Marine and Energy (M&E) which includes Marine products such as Hull & Machinery and Loss of Hire insurance for shipowners, as well as Builder's Risk insurance for shipyards. Energy includes products such as property and casualty insurance for operators and contractors in the upstream oil and gas industry, with a focus on offshore operations. Energy also includes insurance for offshore wind farms.

Gard's mission 'Together, we enable sustainable maritime development' - means the Association helps Members and clients, people and society make the most of opportunities at sea. This sets the direction of our business. The core purpose of the Association is to help Gard's Members and clients in the Marine industries to manage risk and its consequences. The two main components of Gard's value proposition are strong financial security and excellent service. This is combined with effective and efficient claims handling, strong risk selection and good pricing skills.

Gard operates in global markets, offering insurance solutions to mainly corporate customers, often through insurance brokers. Most markets where Gard operates are highly competitive. The main competitors besides the other P&I clubs are the London insurance market, large global insurance and reinsurance companies, and national and local insurance companies.

Gard Bermuda and Gard Norway are members of the International Group of P&I Clubs (IG), which covers close to 90 per cent of the world's ocean-going tonnage. The 13 P&I clubs in the IG share claims above a certain level and collectively purchase reinsurance programs. Gard is the largest club in the IG and insures approximately 19 per cent of the tonnage and represents about 15 per cent of the total premium written by the IG club. Gard is one of the world's leading Marine insurers with a market share of 8 per cent in the global Marine Hull market and is a medium-sized capacity provider in Energy.

A 1.4 Significant events in the reporting period

There are no significant events in the reporting period to be disclosed.

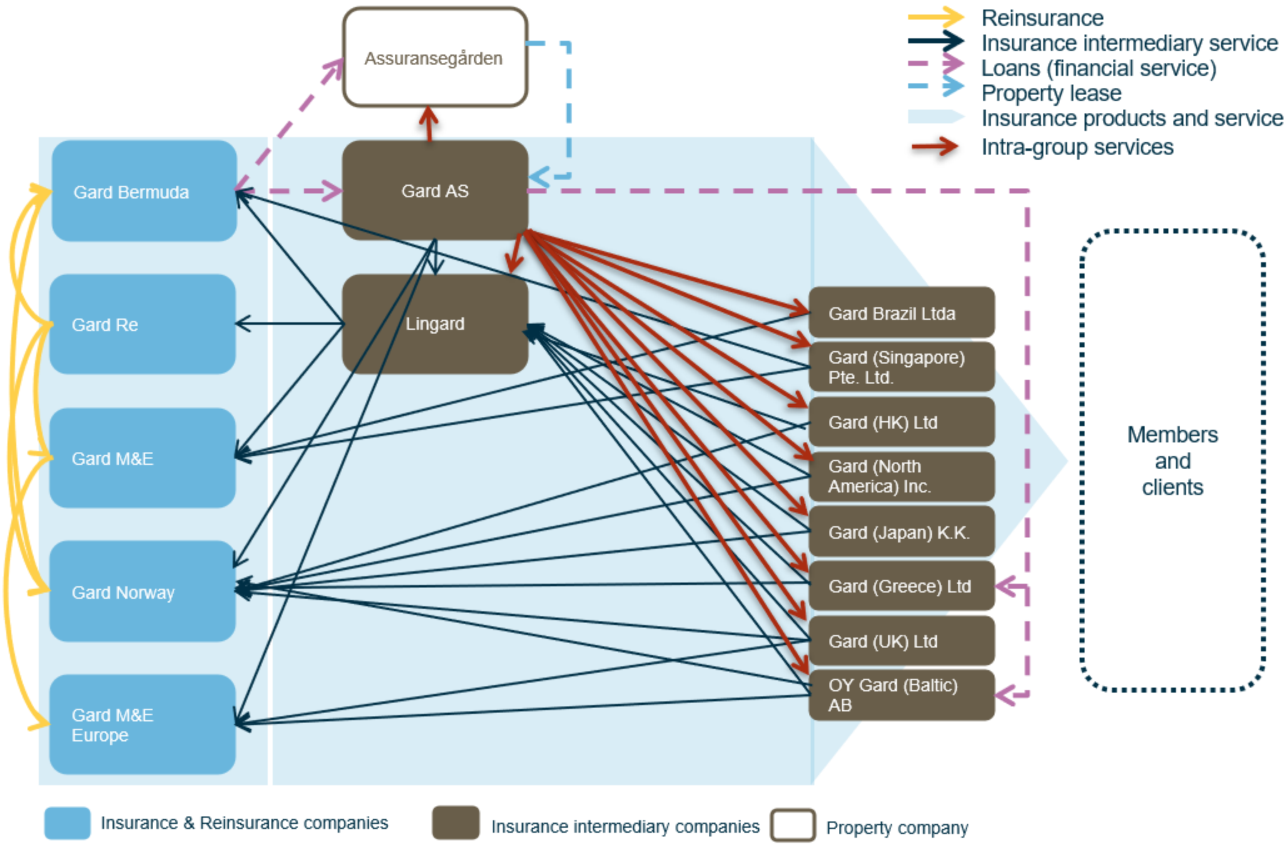
A 1.5 Operations and transactions within the group

Material intra-group operations and transactions within the group are:

- Reinsurance. Reinsurance of insurance risk between the insurance entities
- Insurance intermediary services. Services from the insurance intermediary companies to the insurance entities
- Intra-group services provided by Gard AS, such as technical, financial and human resource services
- Financial services. Loans and property leases between certain entities

Other intercompany transactions that exist between entities in the group are not listed as any such transactions are deemed non-material. Gard AS and its subsidiaries act as intermediary agents, and Lingard acts as Manager for the insurance entities in the Gard group. Some functions are sub-delegated from Lingard to Gard AS and subsidiaries.

Internal reinsurance agreements between entities in the group are established to achieve efficient utilisation of the capital in the group and to contain the risk profile of the direct insurance companies within their respective risk tolerance levels. Besides, the reinsurance arrangements between Gard Bermuda and Gard Norway facilitate the mutual membership of both associations.



A 1.6 Holders of qualifying holdings in the undertaking

Gard is established as a mutual insurance association, owned by its Members. There are no external capital owners. The Members of Gard P&I Bermuda are also Members of Gard Norway and vice versa. However, all the Members of the two associations exercise membership rights through the parent company in accordance with the group structure. Gard P&I Bermuda has been given the right to exercise membership rights on behalf of the entire membership in Gard Norway. Thus, Gard Norway is treated as a subsidiary of Gard P&I Bermuda in the same way as the other wholly-owned subsidiaries, such as Gard M&E and Gard Re.

A 1.7 Consolidation of group data

The consolidated financial statements comprise Gard P. & I. (Bermuda) Ltd. and the companies over which the Company has a controlling interest. In as much as the Company has the right to exercise membership rights in Gard Norway, the Company controls all voting rights in Gard Norway, being the legal basis for consolidating the two associations' accounts pursuant to the International Accounting Standard 27 Consolidated and Separate Financial Statements. Transactions between consolidated companies have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared following the same accounting principles for both parent and subsidiaries. The acquisition method is applied when accounting for business combinations.

A2 Underwriting performance

Gross written premium on an ETC basis was USD 994.8 million and exceeds Gard's expectations and targets. The premium growth was driven by hardening rates for P&I mutual, P&I Fixed and Marine and business volume growth for P&I Mutual, Builders Risk and Marine.

Claims incurred for own account totalled USD 527.0 million. There have been five large P&I claims above USD 5 million, within own retention, during the period, several large reductions of reserves and just two new claims reported from the International Group of P&I Clubs. Gard had no new claims of entering the Pool in the year to 31 December 2022. This is a very satisfactory level considering the growth in business volume from last year.

Operating costs have been lower than expected due to limited activity in the first half of the financial year 2022 as a consequence of COVID-19. This is now normalised.

Gard's consolidated technical result, on an ETC basis, for the year to 31 December 2022 was a strong USD 150 million. This is equivalent to a Combined Ratio Net (CRN) of 81 per cent.

The panel of reinsurers on the Gard group reinsurance programs remains stable. There is upward market pressure on the cost of reinsurance, but the impact on Gard has been acceptable due to strong, long-term relationships with reinsurers, satisfactory claims records relative to the overall market and changes to our risk profile.

Gard Group, technical result, ETC basis	**31.12.2022**		
USD million	**P&I**	**M&E**	**Total**
Gross written premium	612	383	995
Gross earned premium	532	469	1,001
Ceded reinsurance	(105)	(125)	(230)
Earned premium for own account	**427**	**344**	**771**
Other insurance related income	**2**	**0**	**2**
Claims incurred, gross:			
Incurred this year	351	215	566
Incurred previous years	(11)	(15)	(26)
Total claims incurred, gross	340	200	540
Reinsurers' share of gross incurred claims	8	(21)	(13)
Claims incurred for own account	**347**	**180**	**527**
Insurance related expenses for own account	39	46	85

Gard Group, technical result, ETC basis

USD million, as of 20.02	20.02.2022 P&I	20.02.2022 M&E	20.02.2022 Total
Gross written premium	534	502	1,036
Gross earned premium	529	455	984
Ceded reinsurance	(99)	(103)	(202)
Earned premium for own account	**430**	**351**	**782**
Other insurance related income	**1**	**0**	**1**
Claims incurred, gross:			
Incurred this year	432	265	697
Incurred previous years	(19)	7	(12)
Total claims incurred, gross	413	272	685
Reinsurers' share of gross incurred claims	(29)	(27)	(56)
Claims incurred for own account	**384**	**245**	**629**
Insurance related expenses for own account	43	58	101
Other insurance related expenses	6	2	8

Gard Group, premium by geographical area, ETC

USD million, as of 31.12	31.12.2022	20.02.2022
EEA	452	523
Norway	126	127
Other areas	417	386
Total gross written premium	**995**	**1036**

For information related to underwriting performance specific to Gard Norway, see Appendix 1, section 1.2

For information related to underwriting performance specific to Gard M&E Europe, see Appendix 2, section 2.2.

A3 Investment performance

Gard's investment portfolio delivered a return of USD -142 million for the financial year, or -6.3 per cent, for the financial year up to 31 December 2022. The result for the previous year was USD 2 million (0 per cent). Losses came across the portfolio, with all asset classes delivering negative returns except for Alternatives.

The primary driver for the result was losses in the fixed-income portfolio. In response to continued inflationary pressures, with US CPI reaching a peak of 9 per cent in June, the Federal Reserve increased interest rates from 0.25 per cent in February 2022 to 4.50 per cent in December, the fastest increase in history. As a result, the yield of a US 3-year treasury bond, which is the most relevant to Gard's portfolio, rose from 1.7 per cent to 4.3 per cent. The change in interest rates and the corresponding re-pricing of bonds resulted in a return of -5.9 per cent (USD -46 million) for the fixed-income portfolio over the period.

The increase in interest rates was also reflected across prices of corporate bonds and equities, in part because of a re-pricing due to the resulting changes to discount rates, but also due to increasing fears of a recession. Gard's investments in corporate bonds and loans fell by USD -40 million (-6 per cent), whilst the equity portfolio dropped by USD -37 million (-11 per cent).

Alternatives contributed positively to the result, delivering a positive return of 5 per cent, or USD 6 million.

Whilst a negative result is always disappointing, Gard was increasingly concerned at the beginning of the year and was positioned defensively on 20 February 2022. As a result, a significant cash position throughout the period was held, which greatly helped the portfolio, and the portfolio outperformed its longer-term strategic benchmark.

There were no significant changes to the overall strategic allocation in the portfolio over the period, and the portfolio remains well diversified and relatively conservatively invested on 31 December 22. In line with a more dynamic approach to asset allocation, Gard remains vigilant for both risks and opportunities in the portfolio. Gard expects the future to be more volatile than the past, is prepared for the challenges this will bring, and are comfortable with the philosophy as a long-term and patient investors.

Most of the expenses related to investment activities are accounted for within the net asset value of investment funds and will have an impact on changes in unrealised gains and losses. Expenses outside investment funds are mainly related to interest payments on swap contracts. Total expenses linked to investment activities are in line with expectations.

Gard Group, investment income and expenses by asset class

31.12.2022 **Amounts in USD million**	**Equities and investment funds**	**Bonds**	**Financial derivatives**	**Other financial investments**	**Total**
Income	2	7	-	-	9
Expenses	-	-	-	-	-
Realised gain & loss	4	-	-	-	4
Change in unrealised gain & loss	(45)	(110)	-	-	(155)
Total	**(39)**	**(103)**	**-**	**-**	**(142)**

Gard Group, investment income and expenses by asset class

20.02.2022 **Amounts in USD million**	**Equities and investment funds**	**Bonds**	**Financial derivatives**	**Other financial investments**	**Total**
Income	2	3	-	-	5
Expenses	-	-	-	-	-
Realised gain & loss	7	17	-	-	24
Change in unrealised gain & loss	26	(53)	-	-	(27)
Total	**35**	**(33)**	**-**	**-**	**2**

For information related to investment performance specific to Gard Norway, see Appendix 1, section 1.3.

For information related to investment performance specific to Gard M&E Europe, see Appendix 2, section 2.3.

A4 Performance of other activities

A 4.1 Other material income and expenses

Other comprehensive income/loss consists of exchange differences for subsidiaries when converting from reporting currency to USD in the consolidation process and changes in pension commitment valuation. On a consolidated basis, other comprehensive income/(loss) amounted to an income of USD 0.6 million this year and a loss of USD 4.2 million last year.

Gard Norway and Gard M&E Europe did not have any other material comprehensive income/loss.

Gard group, Gard Norway and Gard M&E Europe have no material (external) leasing arrangements.

A 4.2 Any other material information regarding business and performance

There is no other material information to be disclosed.

B System of governance

B1 General information on the system of governance

B 1.1 Governance structure

Governance Principles

Gard Bermuda is the parent company of the Gard group. Each subsidiary is a legal entity organised under the law of its country of incorporation and subject to its domestic laws and regulations. The Boards of Directors (BoD) of each subsidiary give due consideration to applicable laws and the constitutional documents of the relevant company. To the extent appropriate and consistent with such laws and regulations, the BoD of the individual subsidiary shall comply with directions from the BoD of Gard Bermuda as the ultimate shareholder of the relevant subsidiary.

Composition of Boards and Committees

The Members of Gard Bermuda and Gard Norway are the owners of the Gard group. For this reason, the composition of the governing corporate bodies of the various legal entities of the group should to the extent possible and practical, mirror the composition of the membership of the two associations with regard to, *inter alia*, the categories of tonnage entered and geographical spread. Participation in sub-committees established by the BoD of the parent company is widely distributed.

Roles and responsibilities for governing bodies

The General Meeting of Gard Bermuda is the highest authority in the group. It has no direct risk governance function.

The BoD of Gard Bermuda is ultimately responsible for the management of the group. It sets the overall strategy and is involved in all significant decisions, including the establishment of general principles for the administration of the company's funds. It determines the risk appetite and Comfort zone at the group level through the Gard group Risk Policy as well as the Investment Guidelines. The BoD shall be informed of any breach of minimum capital requirements. It has delegated authority in respect of overseeing the day-to-day management to the Executive Committee (ExCom). The Risk Management function, the Compliance function and the Internal Audit function report to the BoD in matters relating to risk management and compliance.

The Executive Committee is given the task to implement strategies and decisions determined by the BoD and make the operational decisions that are required for this purpose within the overall strategy, risk appetite and Comfort zone established by the BoD. It makes recommendations on the risk appetite and Comfort zone. The Executive Committee approves the risk tolerance and overall limits for material risk exposures and determines how much risk each of the subsidiaries is allowed to take. It monitors compliance with the overall risk appetite and Investment Guidelines and shall make recommendations to the BoD following the contingency procedures. The Executive Committee shall be informed about any significant weaknesses in the Risk Management System and/or the internal model.

The Audit Committee is responsible for overseeing the integrity of the financial reporting, compliance monitoring, the performance of the external and internal auditors, internal control and treatment of complaints procedures. Reports from the Internal Audit function shall be addressed to the Audit Committee.

The Risk Committee shall have oversight of the group's risks with a particular focus on reviewing the group's risk strategy, risk appetite, risk tolerance, and risk profile and assessing the effectiveness of the risk management framework. The Risk Committee shall also consider the risks' impact on both the financial and non-financial goals of the group.

The Remuneration Committee's role is to establish transparent procedures for reviewing and determining the remuneration of the Directors and the Chief Executive Officer and to make recommendations thereon to the Executive Committee and the BoD as the case may be. The Remuneration Committee shall also review Gard's remuneration policy in general, including the operation of any employee incentive scheme from time to time. The Remuneration Committee shall ensure that the compensation structure is in line with the group risk appetite statement approved by the BoD.

The Boards of Directors of the subsidiary insurance companies (i.e., Gard M&E, Gard M&E Europe, Gard Norway and Gard Re) are responsible for considering and approving the financial plan and new business for underwriting and ensuring compliance with local regulations. They review and endorse the group risk appetite statement approved by the BoD and the Executive Committee.

The President holds the office of Chief Executive Officer (CEO) of Gard Bermuda, Gard M&E, Gard AS and Gard Norway and is an *ex officio* member of the Executive Committee. The CEO is responsible for implementing the Risk Management System and for ensuring that risk-taking is aligned with the risk appetite. The CEO shall monitor that all risks are appropriately managed and shall inform the Executive Committee and the BoD of any breaches in accordance with the contingency procedures.

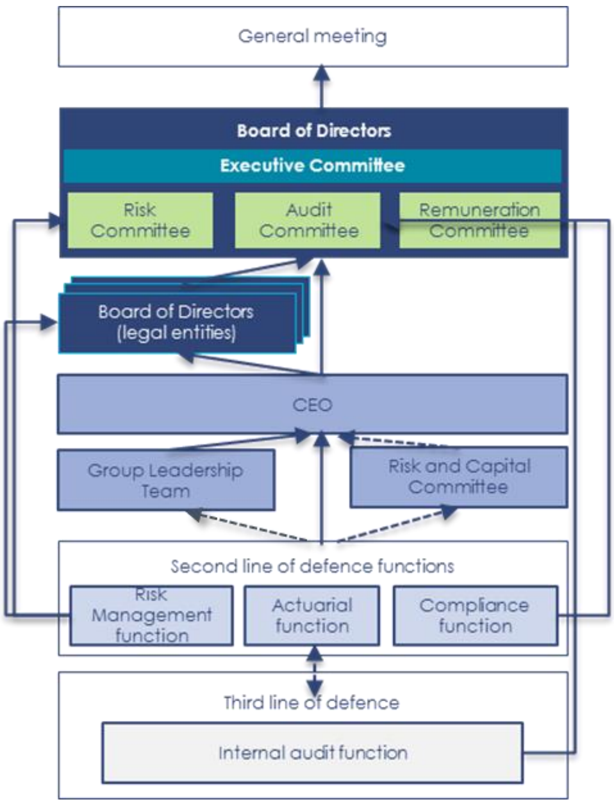
The Board's ability to delegate its powers regarding the day-to-day management of the company is limited as stated in the By-Laws of Gard Bermuda. BoD of Gard Bermuda has issued terms of reference for the CEO, which documents the role and authority of the CEO and Manager in line with current practices.

The Senior Vice Presidents (SVPs) in the Group Leadership Team (GLT) report to the CEO.

The Risk and Capital Committee is an advisory forum to the CEO on matters relating to risk and capital management. It comprises the CEO, Chief Risk Officer, Chief Financial Officer, Chief Investment Officer, Chief Legal Counsel, Group Chief Underwriting Officer, Head of Accounting and Head of Business Control. Relevant reports to the Executive Committee, Risk Committee, Audit Committee and/or the BoD, shall be reviewed by the Risk and Capital Committee before submission.

All key functions are equipped with proper resources and skills. The reporting lines to one another and the BoD have been clearly defined.

The following figure illustrates the roles and responsibilities of the governing bodies, key decision-makers, and the second and third line of defence functions. The figure also illustrates how the risk management function is integrated into the decision-making process of Gard. For more information regarding the Three Lines of Defence model and how the risk management function is integrated into the organisational structure of Gard see chapter B 3.3.



B 1.2 Remuneration policy

The remuneration enables the Gard group to attract and retain superior talent and to provide competitive terms to motivate people towards their highest performance. It is in line with the group's business strategies, objectives and long-term interests. The remuneration shall encourage prudent risk management, ensuring that no employee is encouraged to take risks exceeding the risk appetite as defined in the Group Risk Policy approved by the BoD of Gard Bermuda.

The remuneration of all employees, including members of governing or supervisory bodies of companies within the group, is appropriate with regard to the individual's function and responsibilities and the nature, scope and complexity of the relevant business activities. It is commensurate with industry standards and is proportional to the individual's respective duties.

The compensation structure is based on the philosophy that the success of Gard is the result of the joint efforts of the whole organisation. It underpins the value of teamwork and collective performance across individual departments and offices.

The remuneration governance structure is clear, transparent and effective.

Governance

The remuneration of Directors and members of supervisory bodies of a legal entity of the group is determined by the General Meeting of the relevant legal entity. The remuneration of the CEO of a legal entity is determined by the BoD of that legal entity. The remuneration of staff below the CEO level is determined by the CEO or those being delegated authority by the CEO to determine such matters.

The members of the remuneration committee are independent and should not be employees of the Gard group. They must have sufficient knowledge and experience in risk analysis to independently assess the group's remuneration policy and the compensation programs' fitness.

Remuneration structure

The remuneration that employees receive for their professional activities with the group shall be stipulated in their individual contracts of employment. It consists of a salary, supplemented by a collective bonus scheme, pension plan and other benefits.

Remuneration for each role in the Gard group shall be reasonable and fair.

The majority of Gard's staff is employed by Gard AS in Norway. Their terms of employment with respect to remuneration are governed to a certain extent by the collective wage agreement, made between the finance sector union, Finansforbundet, and the Norwegian Financial Services Association (Finans Norge), which the Gard group has agreed to abide by.

The variable component of the remuneration shall be small relative to the overall compensation for all employees. The maximum bonus achievable for employees shall be in accordance with applicable regulatory requirements. The bonus shall be calculated using several key performance indicators. It shall not encourage any employee to take on risks outside of Gard's risk appetite.

For members of the Group Leadership Team (GLT) and defined Key Employees, there is a bonus scheme as defined in the Solvency II directive. The maximum bonus payable to members of GLT and other Key Employees under the collective scheme shall be 100 per cent of the bonus payable to employees in general, but a proportion of the bonus triggered by the collective scheme shall be deferred for a period of 36 months from the expiry of the financial year the bonus is linked. The payment after three years of the deferred component is subject to some further terms and conditions, including defined financial performance targets for the three years. Certain Key Employees are not participating in the collective bonus scheme due to the Solvency II requirement of independence between the control functions and the results achieved in the operating units.

In the bonus scheme, there is an individual bonus component based on an individual assessment conducted by the CEO in consultation with the Chairman of the Executive Committee of Gard P. & I. (Bermuda) Ltd.

Gard shall conduct annual reviews with each employee to determine a remuneration package for each employee that is commensurate with that employee's contribution to the group.

Pension scheme

Most employees in Gard have a defined contribution pension plan. A contribution plan is a retirement plan in which a certain amount or percentage of salary is set aside each year by the association for the benefit of each of its employees.

Some members of the GLT and certain key personnel have a pension scheme that gives them the right to retire at 60 years of age and covers income included and above 12 times 'G'. G is a base rate used as the basis for calculation benefits. G is adjusted annually and is approved each year by the Norwegian parliament. This pension scheme is secured by an agreement with Norsk Tillitsmann Pensjon/Nordic Trustee. The obligation is secured through a pledged deposit on a bank account owned by Gard AS.

B 1.3 Assessment of the adequacy of the system of governance

The system of governance is assessed as adequate considering the size, nature and complexity of the Gard group's operations, and sufficient to ensure that all the risks the entities in the group are exposed to are appropriately dealt with and that the applicable requirements in respect of the governance system are being met.

B2 Fit and proper requirements

The regulations in Bermuda, Norway and other countries require insurance companies to ensure that the members of the governing corporate bodies collectively possess the right professional qualifications, knowledge and experience. This is known as the 'fit and proper' requirement.

All persons who effectively run the group's business, including the members of the BoD, the Executive Committee, GLT, and key functions, hereunder, the Actuarial function, Risk Management function, Compliance function, and Internal Audit function, must at all times be fit and proper for the role. 'Fit' implies that their professional qualifications, knowledge and experience must be adequate to enable sound and prudent management and 'proper' requires the person to be of good repute and integrity.

As a standard procedure, each year before the Annual General Meeting, the Election and Governance Committee reviews the current composition of the group's various boards and committees to ensure that they each meet the overall 'fit and proper' criteria. Members of Gard's boards and committees, and candidates to be nominated for election to boards and committees, are required to complete a questionnaire and curriculum vitae prepared by the Election and Governance Committee.

B3 Risk management system including ORSA

B 3.1 Strategy

The purpose of the risk management system is to ensure that material risks are managed in accordance with our corporate objectives and risk-carrying capacity.

Gard's risk strategy establishes, through the risk appetite statement, the level of risk that Gard deems to be acceptable as part of its 'business as usual'-activities.

The risk appetite of Gard is to hold sufficient capital and liquidity as well as constrain its risk-taking to ensure that it can continue to operate following an extreme loss event with the same risk tolerance for insurance risk. The risk-taking must be aligned with Gard's risk-carrying capacity.

Gard aims to fulfil the following key objectives:

- Have a high probability of meeting its insurance liabilities and providing its services
- Preserve the continuity of its offering after an extreme loss event
- Have the flexibility and competence to help Members and clients manage new risks and pursue attractive business opportunities as and when they arise

The risk profile of Gard is managed to provide Members and customers with high security so that Gard can meet its liabilities, protect the capital base, and minimise long-term premium costs for the Members.

The risk strategy is reviewed annually as part of the financial plan process.

The following principles define Gard's approach to risk management:

- Controlled risk-taking – We have an unambiguous definition of our risk appetite. We only accept risks in line with our risk appetite, which we understand and are able to manage
- Clear accountability – Authority is delegated and responsibilities are clearly defined. Individuals are accountable for the risks they

take on. There is no reward for taking risks that are outside our risk appetite

- Responsiveness – Efficient information flow and effective decision-making procedures enable sufficient risk monitoring and prompt remediation if and when the risk profile deteriorates
- Independent control – Our Risk Management function, Compliance function and Internal Audit function provide independent advice, challenge the business functions, and monitor the effectiveness of the Risk Management System. The independent control functions shall have unrestricted access to the CEO, the Executive Committee, the Audit Committee, the Risk Committee and the BoD, and shall report any issues of concern in a timely manner
- Risk culture We are open and transparent about losses and failures. We take corrective action and learn from mistakes

B 3.2 Key elements of Gard's risk management system

The risk management system consists of the following components:

Risk appetite and limits

Our overall risk appetite and Comfort zone (target range for capitalization) are defined in accordance with Gard's risk-carrying capacity and corporate objectives. This cascades into limits by risk type and legal entities. This forms the basis for all risk management, monitoring and reporting.

Risk policies

These are policies describing the processes and procedures for managing material risk exposures. The purpose of the policies is to ensure consistent and adequate risk and capital management.

Risk management cycle

Risks are identified, assessed, managed, monitored and reported according to the following principles:

- Identify – Material risks are defined and described in the risk landscape (see chapter C)
- Assess – Material risks and emerging risks are assessed regularly and at least annually. The Own Risk and Solvency Assessment process is the main process for assessing the overall risk and solvency position at a group, legal entity level and branches
- Manage – Risk is managed proactively, on an individual and aggregated level, in line with the risk appetite and risk tolerance
- Monitor – There is regular monitoring of the risk exposures and the alignment with the risk appetite. The purpose of the monitoring is to ensure that adequate remedial actions can be taken swiftly if necessary
- Report – There is regular reporting of risk exposures from the 2nd line to the CEO and the BoD of the legal entities, as well as to the Executive Committee, the Audit Committee, the Risk Committee and the BoD of Gard Bermuda

Internal model

Gard's internal model is used to calculate the internal capital requirements of the group and all insurance entities. The internal model is also used to calculate the regulatory capital of the Gard group, Gard Norway and Gard M&E Europe. For more information see B 3.5 Determination of Gard's own solvency needs, B 3.6 Risk management system for internal model, and E 2.1 Calculation of group solvency requirements.

Contingency procedures

There are contingency procedures in place describing how to respond to a breach in Risk Appetite or limits, ensuring that appropriate and proportionate remedial actions are taken when needed.

Disclosure

There are procedures in place to ensure that information about risk and capital that is disclosed to regulators, rating agencies and other external stakeholders, is appropriate, accurate, timely and complete.

B 3.3 Implementation and integration of the risk management system

Risk governance is based on the three lines of defence model, with clearly defined roles and responsibilities. Risk execution is carried out in the business functions (1st line), risk oversight is primarily carried out by the Risk management, Compliance and Actuarial functions (2nd line), and independent assurance is provided by Internal Audit (3rd line). External audit conducts an independent and objective assessment of the financial statements and financial reporting.

1st line of defence functions: Accountable for implementing, embedding, and using the Risk Management System, hereunder:

- Establishing and delivering the business plan within the risk appetite and managing the risk exposure
- Identifying and evaluating all material risks within their area of responsibility
- Monitoring and analysing changes in the risk exposure regularly and assessing these against the risk appetite

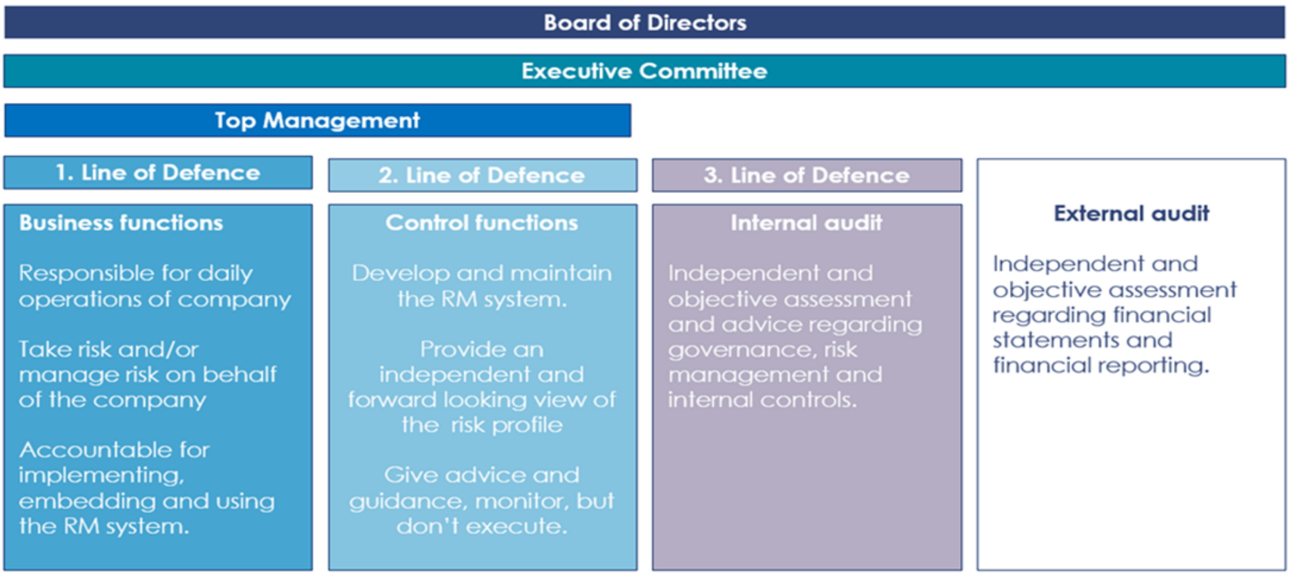
2nd line of defence functions: The Risk Management and Compliance functions are responsible for developing and maintaining the Risk Management System for the 1st line to use in its day-to-day business and for providing an independent and forward-looking view of the risk profile to the BoD and the Executive Committee, hereunder:

- Support the 1st line of defence in assessing material risks
- Provide value-adding challenges and support to help ensure that risk has been adequately considered in all significant business decisions
- Assure the Executive Committee and BoD that the Risk Management System is being operated effectively by the 1st line
- Make remedial recommendations in respect of limit breaches and improvements to the Risk Management System

The 2nd line of defence functions shall operate efficiently and effectively and be independent of the 1st line of defence. The 2nd line of defence functions are responsible for their respective tasks across the group, including all subsidiaries and associated companies.

3rd line of defence function: Responsible for providing independent assurance on the adequacy and effectiveness of the Risk Management System to the Audit Committee, the Executive Committee, and the BoD. The internal audit function is appointed by and reports to the Audit Committee.

The three lines of defence model is illustrated in the figure below.



B 3.4 Own Risk and Solvency Assessment (ORSA)

The ORSA process comprises the totality of processes that Gard utilises to identify, assess, monitor, manage and report risks in the short and long term, as well as determine capital requirements.

The ORSA report is prepared annually by the Risk Management function consistently for all areas and on behalf of all insurance companies, branches and management companies in the Gard group. The risk profile, capital and solvency situation and outlook over the planning period are reviewed throughout the year for each legal entity by key executive members.

Additional risk and solvency assessments will be conducted when required by changes in the capital adequacy or risk profile. The financial plan is used for projecting the future development of the risk profile and future capital and solvency requirements and the findings from the ORSA process are used in the financial planning process and any decisions on group contributions, and capital contributions within the group and owners' general discount.

The ORSA report is approved by the Executive Committee[5] and the Boards of Directors of all legal entities and distributed to the Norwegian FSA (Finanstilsynet), the Bermuda Monetary Authority (BMA) and other relevant authorities after the internal approval process is finalised.

B 3.5 Determination of Gard's own solvency needs

To determine the economic capital requirements given Gard's risk profile, Gard uses an internal model.

The first internal model in Gard was developed in 2004 and has since been refined to meet business needs and regulatory requirements. All insurance undertakings in Gard are included in the internal model. Economic capital is used for all internal purposes, such as capitalisation, hereunder assessment of capital against risk appetite and Comfort zone, financial planning, reinsurance and investment planning.

The model provides the best estimate of risk and ensures a consistent understanding of the risk exposures and solvency requirements across all legal entities. Results from the internal model are communicated quarterly to the Executive Committee/BoD, the Risk Committee, Group Leadership Team and other key decision-makers.

The economic capital expresses the potential loss over a one-year time horizon with a confidence level of 99.5 per cent. This is consistent with industry practice and Solvency II.

B 3.6 Risk management system for internal model

B.3.6.1 Roles and responsibilities

The Executive Committee ensures effective governance of the internal model and decides on major changes to the model. The Executive Committee approves the output of the internal model four times a year.

The BoD of each insurance entity ensures that the model design and operations are aligned with the entity's risk profile and the use of the internal model output.

The Risk Committee ensures that the model design and operations are aligned with Gard's risk profile and that there are adequate independent review procedures in place around the internal model design, operation, and validation. The Risk Committee reviews output from the internal model four times a year.

The Risk and Capital Committee reviews the output from the model four times a year and challenges the assumptions and results. The Risk and Capital Committee will also review the model on an ad hoc basis.

The CEO ensures that there are sufficient resources to develop, monitor and maintain the model.

The CRO ensures appropriate design development and operations of the internal model, ensures that

[5] The Board of Directors in Gard Bermuda has delegated the authority to approve the ORSA report to the Executive Committee.

testing and validation of the model takes place, analyses the performance of the internal model, reports to the various committees and communicates model results of major weaknesses and limitations in the internal model.

B.3.6.2 Internal model validation process

The internal model is validated at least annually to verify that the internal model is current, uses reliable and relevant data, remains fit for the purposes intended under changing conditions, and is operated and maintained by personnel with adequate expertise and experience.

The validation shall be conducted by an independent reviewer who can provide an objective challenge of the internal model design, parameterisation, and implementation. The independent reviewer shall not have been directly involved in the development and operations of the internal model and should be free from influence from those responsible for the development and operations of the internal model.

B 3.7 Material intra-group outsourcing arrangements

See section A 1.2.8 Lingard and A 1.2.9 Gard AS for management and agency agreements within the Gard group.

B4 Internal control system

B 4.1 Elements of internal control system

Gard's internal control system is built on the three lines of defence model as described in section B 3.3, where preventive and detective controls shall be carried out in the 1st line of defence, risk oversight, detective controls and monitoring shall be carried out by the 2nd line of defence, and independent assurance concerning the adequacy and effectiveness of the internal control system shall be provided by the 3rd line of defence.

The internal controls shall contribute to the prevention of financial losses or other adverse outcomes such as loss of reputation through timely and proactive control of relevant risks. Effective prevention averts or mitigates risks before any loss occurs. The internal control system shall also contribute to the detection of irregular business conduct at an early stage, deviations from agreed standards for process execution or data errors that have caused or may cause losses/adverse outcomes. Early detection enables timely and effective actions to avoid any recurrence and to implement preventive measures for similar risks.

When Gard designs and implements internal controls, the following key principles apply:

- Internal controls shall be embedded in the business to continually improve the quality of our operations and foster a positive risk culture
- Both preventive and detective controls shall be proportionate to the nature, scale and complexity of the operations and risks involved
- Periodic reviews of the adequacy and effectiveness of internal controls shall be carried out

The BoD is ultimately responsible for the internal control framework. The Audit Committee is responsible for assessing the adequacy of the internal control system. The Audit Committee receives an annual report from the management concerning internal control, as well as independent reports from the internal auditors on the adequacy and effectiveness of the internal control system.

The CEO must ensure that the organisation has an adequate and effective internal control system in place, with suitable processes, systems and activities to control and monitor that Gard's business is conducted properly.

B 4.2 Compliance function

Gard's compliance function consists of a Group Compliance function and Regional Compliance Officers (RCO). The RCOs are appointed in all Gard offices outside of Norway but are supported by the Group Compliance function in identifying, assessing, monitoring and reporting risks. The Group Compliance Officer (GCO) reports to the CRO but has a direct reporting line to the CEO and the Audit Committee of Gard P. & I. (Bermuda) Ltd. and the BoD and Managing Directors of each legal entity in the group. The CGO is fully independent and has no operational responsibilities within the 1st line of defence.

The GCO is responsible for ensuring that Gard operates within a clearly defined compliance framework.

The regional compliance function shall provide advice to and challenge the local business functions and contribute to adequate management of compliance risk. The RCOs secure that the entities registered in the specific jurisdiction remain compliant with governing laws, regulations and administrative provisions. They are also the local point of contact with local FSAs. The RCO's report to the GCO on compliance matters. The segregation of duty between the Managing Director and the Regional Compliance Officer roles was completed in 2022 when a new Regional Compliance Officer was appointed in Gard Japan.

Members of the compliance function should normally not have operational responsibility or authority over any of the activities or operations it reviews. Given that the number of employees in the regional offices is limited and the nature of Gard's business is complex, the Regional Managing Directors may act as Regional Compliance Officers. The Regional Managing Directors have a wide perspective of the regional office as well as detailed knowledge about the Gard group and are also the local contact points for local regulatory bodies and authorities.

B5 Implementation of the internal audit function

The internal audit function forms part of the 3rd line of defence function, assuring Gard's management and the Audit Committee that material risks are identified and managed within the group's stated risk appetite. The internal audit function also provides independent and objective assurance that the governance processes and systems of internal control are adequate and effective to identify and mitigate the most significant risks that could threaten the achievement of Gard's objectives.

The scope of work of the internal audit function is to determine whether Gard's system of risk management and internal controls and governance processes, as designed and represented by the management, are adequate and functioning effectively to ensure that:

a) Material risks are appropriately identified and managed

b) Established policies, procedures and processes are adequate, appropriate and implemented to manage risks within defined risk appetite, and are effective to meet regulatory and legal requirements

c) Significant financial, managerial, and operating information is accurate, reliable, and timely

d) Employees' actions comply with policies, standards, procedures, and applicable laws and regulations

e) Significant legislative or regulatory issues impacting the organisation are recognised and addressed properly

f) Opportunities for improving management control, profitability, business processes and Gard's reputation may be identified during audits. They will be communicated to the appropriate level of management

The internal audit function in Gard has been outsourced. The contract with the incumbent service provider was renewed in 2022 after a bid process.

An annual plan is prepared based on the internal audit's risk assessment and Gard's targets. The audit plan is prepared in dialogue with the administration and is approved by the Audit Committee. The internal audit function evaluates the appropriateness and effectiveness of the group's management and control processes. The function also provides targeted and structured feedback on the organisation's compliance with guidelines and relevant legal requirements. The internal audit function shall contribute to continuous improvement in management and control. All critical and less critical suggestions for improvements in internal control established routines and control plans are summarised in internal audit reports, which are presented to the Audit Committee.

The principal point of contact and administrative reporting line is the CGO and Quality Management.

The internal audit teams are functionally independent and objective from the activities audited and the day-to-day internal control processes of the organisation and shall be able to conduct an assignment on their own initiative, with free and unfettered access to people and information, in respect of any relevant department, establishment or function of the organisation, including the actions of outsourced activities.

Internal Audit is authorised to:

- Have unrestricted access to all functions, records, property, and personnel, including all documents pertaining to meetings of the boards and other governing bodies of the organisation
- Obtain the necessary assistance of personnel in the organisation, as well as other specialised services from within or outside the organisation
- Have full and free access to management and the Audit Committee

B6 Implementation of the actuarial function

The actuarial function is organised within the Actuary and Risk Capital team. The team is led by the actuarial function holder. The actuarial function holder reports to the CRO but has unrestricted access to the CEO, the Executive Committee and the BoD. The Actuarial function is independent of the actuary in the Actuarial Reserving team.

B7 Outsourcing

Gard's core purpose is delivered through three pillars of excellence; knowledge and expertise, financial strength and long-term relationships. This also governs our approach to external service providers. Gard assesses service providers thoroughly, ensuring that Gard only enters contractual relationships with providers that support our values and ethical standards. Gard takes a long-term perspective when entering into agreements with external service providers.

An important element of Gard's value proposition to its Members and customers is a cost-efficient operation. To achieve this, the first option should be to use the group's internal resources to deliver insurance products and services to Members and customers. By not outsourcing this to an external third-party provider, Gard keeps the competence in-house and does not have to compensate any third party's need for profit or compensate a third party for the risks it has assumed in entering an agreement with Gard. The internal outsourcing arrangement is established in line with the business strategy and is managed from a long-term perspective.

Outsourcing is a way of getting access to sufficient scale and adequate competence which could not effectively be achieved by providing the service in-house.

Gard's code of ethics and business conduct applies to all Gard employees at all times. All negotiations and dealings with service providers shall be conducted in a transparent, honest and professional manner.

Once a decision to outsource is made, Gard shall identify service providers, evaluate their capabilities and select the most suitable option.

Once a provider has been selected, whether internal or external, an appropriately detailed legal agreement capturing the key services established shall be put in place. Gard's legal department shall be consulted in all cases, with additional external legal advice sought where appropriate.

Outsourcing contracts must comply with all the relevant regulatory requirements.

Intra-Group outsourcing

During 2022 Group Compliance together with Group Legal reviewed the current status of the outsourcing between entities within the Group. This review assessed the current practices vis-à-vis updated and new regulation that has been implemented since the initial inception of the relevant contracts.

The assessment did not identify any material risks with regard to the managerial bodies being able to meet their regulatory obligations. The assessment provided the Boards with an overview where further improvements of the contractual framework governing the Group's outsourcing model, could be considered.

Internal Control

To ensure that the outsourcing of any critical or essential functions or activities does not lead to material impairment of the quality of Gard's governance system, the service provider must have in place adequate risk management and internal control system, and Gard must maintain the contractual right to issue instructions concerning the outsourced function or activity.

Gard's outsourcing policy was reviewed and updated in 2022 as per updated Norwegian regulations. The risk assessment process pertaining to entering outsourcing contracts is now an integral part of the Outsourcing Policy. The responsibility for the risk assessment process is now placed under the Chief Risk Officer

Business continuity and exit strategy

The outsourcing arrangement must be established in such a way that business can continue in the event the contract with the licensee is terminated. Thus, Gard shall secure title and ownership to all records, documents and information and rights to use computer software systems and programs for a certain period after the relevant outsourcing agreement has been terminated, as required to manage and operate the business without any interruptions.

The contractual terms and conditions with the service provider must have an agreed and embedded workable exit plan placing obligations on all parties to fully assist and co-operate to ensure the contract is terminated with the minimum disruption.

Monitoring and oversight

The governing body or role that has entered into an outsourcing contract is responsible for monitoring that the contractual terms are being adhered to and that all parties honour their obligations under the contract. The monitoring of significant outsourcing contracts should take place as part of the annual legal entity review.

Monitoring should include (but should not be limited to) the following:

- A review of performance (exact intervals must be determined per type of service provider). If applicable this may include a site visit and/or meeting with management and key personnel of the service provider when applicable
- A review of the service provider's continuing suitability is in line with the selection criteria outlined in this policy. This should be conducted in light of any significant change to the service provider's business that pertains to the outsourced functions

If the service provider does not carry out the functions or activities effectively and in compliance with the terms of the outsourcing agreement, appropriate actions must be taken.

Reporting

Gard shall notify the relevant supervisory authorities before the outsourcing of critical and or important functions or activities as required and of any subsequent material developments for those functions or activities. This may include material changes in the outsourcing arrangements, a change of service provider or major problems with the performance of the service provider.

Roles and responsibilities

The CEO shall administer the daily business of the group on behalf of the Executive Committee. The CEO is responsible for entering into contracts on the group's behalf when this is required to implement its strategy, goals and financial plan, taking into consideration the risk appetite and Comfort zone as determined by the company's Board of Directors.

Major contracts which may significantly impact the way a Gard entity operates shall be signed by that entity's CEO or Managing Director. The Executive

Committee shall be informed before entering into any contracts that may alter the group's operating model and/or that may involve significant risk or costs.

All Senior Vice Presidents and most senior managers have been delegated authority to enter into contracts in their respective areas of responsibility, however, the CEO shall be informed of any significant engagements before their execution. Contracts entered into in the ordinary course of business, for example, a contract with a local loss adjustor can be signed by personnel with the relevant level of authority.

When Gard legal entities enter into contracts between themselves, the signatory for each legal entity may be the same person, acting in a different capacity. For example, the Managing Director of Lingard may sign the contract on behalf of Gard Bermuda as its insurance manager, and on behalf of Gard M&E as its insurance manager.

The Legal Department shall be responsible for reviewing significant contracts before they are signed. They shall also keep a record of all contracts made between Gard legal entities.

Group Risk is responsible for ensuring that the necessary risk assessments are executed before entering relevant contracts. Group Risk shall also keep a record of all executed risk assessments and that identified, required mitigating actions are implemented.

Gard outsources the internal audit function, IT services and fund management. The Internal Audit function is based in Norway, the IT services provider is based in India and the fund management company is based in Ireland.

B8 Any other information regarding the system of governance

There is no other material information to be disclosed regarding the system of governance.

C Risk profile

In the context of its operations, Gard enters into a broad variety of risks. Gard aims to have a comprehensive understanding of its risk profile by identifying, assessing, and measuring its risk through multiple approaches.

The material risks that Gard is facing, are believed to be captured in the risk landscape. The risk landscape, shown in the figure below, comprises both quantifiable risks and non-quantifiable risks that arise from doing business.

To determine its internal capital requirements, Gard uses an internal model for all material quantifiable risk types. This includes insurance (underwriting) risk, market risk, counterparty default risk and operational risk. Besides, Gard uses various exposure measures and stress tests to quantify its risk profile.

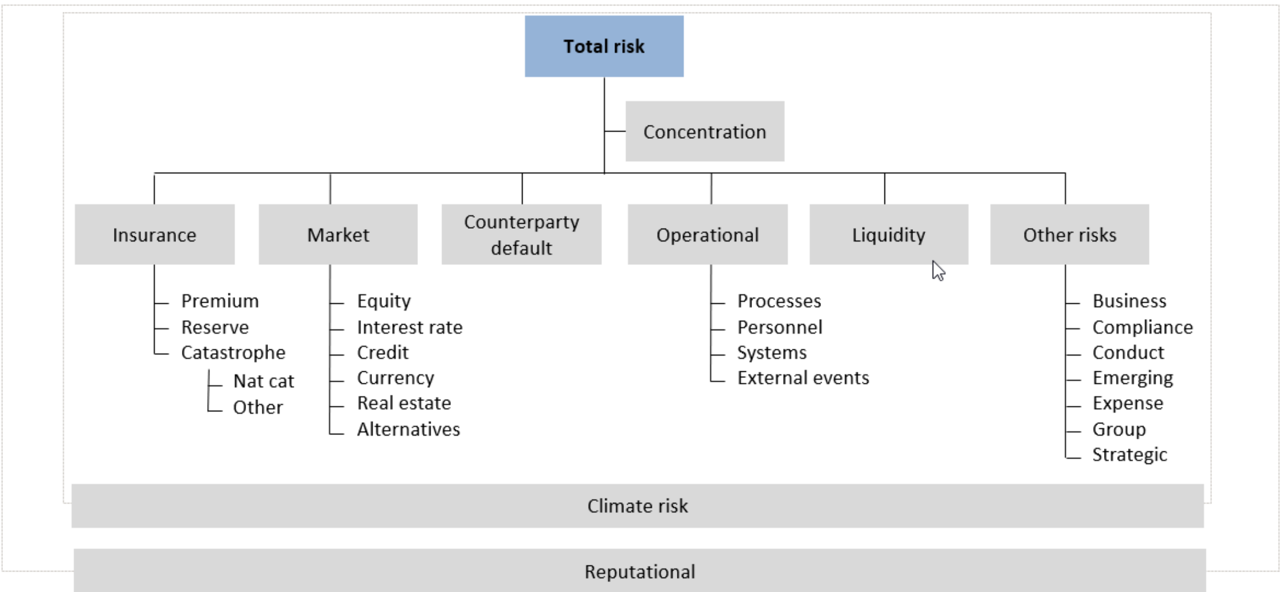
The Gard group, Gard Norway and Gard M&E Europe have been granted approval to use its internal model to calculate insurance and market risk for regulatory purposes.

Non-quantifiable risks are assessed through various processes. See further descriptions in the sections below.

All financial and non-financial risks are assessed at least annually through the ORSA process and quarterly through the model updates. Significant internal or external events may require additional assessments. To test Gard's ability to withstand severe conditions, several stress tests are conducted regularly. For example, risks resulting from natural hazards are assessed through realistic disaster scenarios. For details see C9 Risk sensitivity.

The risk identification process ensures that material risks are identified and assessed from a group and legal entity perspective. It considers the industry, the type of Members and clients and the global nature of the organisation and covers existing and emerging risks.

Gard's risk landscape



The material risks for the Gard group are described in sections C1-C6.

For information related to the material risks that Gard Norway is exposed to, see Appendix 1, section 1.4. For information related to the material risks that Gard M&E Europe is exposed to, see Appendix 2, section 2.4.

C1 SCR Insurance risk

Insurance risk arises from existing claims ('reserve risk') and future claims ('premium risk') and originates from claims being different from what is expected. Many of the covers provided by Gard have high exposures, and potentially, very high severity. These claims fluctuate from year to year and the results are volatile.

Insurance risk is calculated by using Gard's internal model.

Premium risk is stochastically simulated, based on claims expectations adjusted for changes to the risk exposures on a more granular level. The basis for reserve risk is a stochastic simulation of the accident years for the different lines of business. Catastrophe risk is scenario-based, where each scenario represents possible catastrophic events. Lapse risk represents the loss in basic own funds that would result from the discontinuance of 40 per cent of the policies where the discontinuance would result in an increase in technical provision without risk margin. Lapse risk is not calculated for P&I homogenous risk groups as a P&I policy cannot be discontinued unless the vessel is sold or has a total loss.

SCR for insurance risk has increased by 5 per cent from 20 February 2022 to 31 December 2022 Two major changes for insurance risk have been approved by the Norwegian FSA and implemented in the internal model during the year. Premium risk increased during the year because of the implementation of a new aggregation structure. On the other hand, reserve risk decreased due to the same update.

Gard Group, insurance risk

USD million	31.12.2022	20.02.2022
Premium risk	365	328
Reserve risk	244	291
Cat risk	150	169
Lapse risk	1	7
Diversification	(290)	(350)
SCR insurance risk	**470**	**446**

For information related to insurance risk specific to Gard Norway, see Appendix 1, section 1.4

For information related to insurance risk specific to Gard M&E Europe, see Appendix 2, section 2.4

C 1.1 Risk mitigation techniques for insurance risk

Gard uses reinsurance and claims-sharing programs to limit liability and manage the insurance risk profile. External reinsurance is used to manage the risk profile of the Group in total. Internal reinsurance arrangements ensure that the risk exposures of the legal entities are adequately managed. See section C8 Reinsurance.

Gard also balances the amount of insurance risk through risk limits. A set of limits is in place to ensure that the insurance risk remains within the risk appetite of the Gard group and each legal entity. See section C7 Risk concentration.

C2 SCR Market risk

Market risk is defined as the risk of economic losses resulting from deviations in the value of assets and/or liabilities caused by market prices or volatilities of market prices differing from their expected values.

Gard is mainly exposed to market risk through the investment portfolio. The primary functions of the assets are to offer security for payments of claims on behalf of policyholders as and when they arise and fall due. Besides, the assets shall over time create value for the Members in the form of reduced Mutual premium needs. Gard obtains diversification in its investment portfolio through asset allocation within and between different asset classes. On the liability side, Gard is exposed to market risk through changes in interest rates and exchange rates.

To assess market risk, Gard employs an external Economic Scenario Generator (ESG). The ESG simulates the probable future values for key economic market risk variables such as yield curves, returns on asset classes and exchange rates. These ESG simulations are then used in the internal model to calculate the economic value and the risk-adjusted capital of each market risk category over the one-year future time horizon.

The total SCR for market risk is significantly reduced over the period, from USD 239 million on 20 February 2022 to USD 144 million on 31 December 2022. The primary reason for this is the increase in interest rates. As interest rates rise, the expected return, especially for the fixed income portfolio, over the next 12 months improves, going from 0.83 per cent on 20 February 2022 to 4.50 per cent on 31 December 2022. This increases interest rate risk (from USD 2 million to USD 48 million) which, given the correlation structure of the model in which fixed income has a lower correlation versus other asset classes, strengthens diversification within the model, reducing overall risk. Almost half the total change in SCR is due to this dynamic. The other changes are due to a combination of reduced exposure in credit, equity and property investments (due to losses) and reduced risk taken within the portfolio, primary lower beta in the equity portfolio as well as higher rated exposure and lower spread duration in the credit portfolio.

Concentration risk in the internal model was nil as there was no single exposure above the threshold level, though for the purposes of the Solvency II standard formulae concentration risk primarily relates to hedge fund holdings. As Gard has enough look-through information to determine that there is no issuer concentration risk in the portfolio Gard does not add concentration risk for this holding.

Gard Group, market risk

USD million	31.12.2022	20.02.2022
Equity risk	115	144
Interest rate risk	49	2
Credit risk	100	111
Currency risk	11	15
Property risk	33	41
Concentration risk	-	-
Alternatives	45	38
Diversification	(210)	(111)
SCR market risk	**144**	**239**

For information related to market risk specific to Gard Norway, see Appendix 1, section 1.4

For information related to market risk specific to Gard M&E Europe, see Appendix 2, section 2.4

C 2.1 Risk mitigation techniques for market risk

Risk mitigation techniques are embedded in Gard's management of market risks. A 'neutral' or matched portfolio is generally considered the starting point for investment portfolios in insurance companies. To match the interest rate duration and currency exposures on the asset and liability side, or to stay within allowed ranges and limits, risk mitigation techniques are applied. Allocation ranges (as per cent of total assets) per asset class are applied both on a group and legal entity level. There are also limits on how much market risk, as measured in the internal model, can be as a share of investable assets. These limits are also used on both a group and legal entity level.

C 2.2 Prudent person principle

The BoD of Gard approves the overall investment policy. The investment policy contains the objectives, principles, risk appetite and constraints governing investment-related decisions.

The BoD has ultimate overall responsibility for decision-making on investment matters and has delegated responsibility for implementing the investment strategy to the Executive Committee (ExCom). ExCom is therefore responsible for determining the investment strategy and setting the Strategic Asset Allocation at the Group level and constructing an appropriate benchmark. The composite benchmark is defined to make a representation of the asset allocation and liability structure of the group. The allocation is reviewed at least annually. ExCom also monitors compliance with the Investment Policy and sets specific limits and restrictions on deviations from the strategic asset allocation and is required to notify the BoD when it deems it necessary to operate outside of the target ranges. ExCom takes a total market risk view when implementing strategies within the overall policy.

The investment management team is responsible for implementing the asset management strategy as determined by the BoD and ExCom. The asset management is primarily outsourced to independent fund managers and is mainly coordinated through the Gard Unit Trust Fund (Gard UTF) for insurers within the group. Gard is not doing any active internal asset management at an individual security selection level but may use financial instruments such as ETFs to alter the asset allocation at a strategic level.

Gard's objective for its investment portfolio is to maximize long-term investment returns within its risk appetite and risk tolerances. Hence, the Gard group seeks to take on investment risks that are expected to be rewarded over the long term, in the form of excess returns relative to liabilities, in a diversified manner. The combination of assets and investment management approaches shall be consistent with the investment objectives, risk tolerances and investment constraints detailed in the Investment Guidelines and the Risk Management Policy.

The currency exposure and maturity profile of the investments should broadly reflect the Gard group's liability structure, liquidity and cash flow requirements and solvency position. In effect, Gard considers its investment strategy on a holistic basis and assesses the risks of its investment portfolio on a net basis, after allowing for liabilities. Derivatives are permitted, but shall only be used for risk mitigation, efficient portfolio management or cost-efficient execution.

As a general principle, Gard relies on several sources of information when making its investment decisions. Gard uses information provided by third parties (e.g. financial institutions, asset managers and rating agencies) in addition to an internal assessment of risk and return.

C3 SCR Counterparty default risk

Counterparty default risks typically relate to the default of reinsurers, banks, derivative counterparties and Members/clients not paying the premium. Following a large claim, the exposure to counterparty default risk will increase due to the higher exposure to reinsurers.

Counterparty default risk reflects the change in the value of assets and liabilities caused by unexpected default or deterioration in the credit standing of independent counterparties and debtors. It applies to reinsurance arrangements, bank deposits and derivatives, which are classified as 'type 1' exposures and are assumed not diversified but likely to be rated. Receivables from Members and clients are classified as ‘type 2’ exposures, which are assumed to be well-diversified but unlikely to be rated.

External ratings of the counterparties are monitored on an ongoing basis. Assessment of all the active counterparties (counterparties on risk and counterparties with open reserves) are regularly carried out. As for risk-reducing measures, Gard has a security downgrade clause in place on all the reinsurance contracts. This gives Gard the right/option to replace a counterparty if it is downgraded.

Derivatives are permitted as part of the investment strategy and counterparty default risk arises when unrealised positions are accrued. Normally, these unrealised positions will be very modest but as a risk mitigation tool, Gard may ask for cash collateral as security for an unrealised position. The use of collateral is regulated through standardised International Swaps and Derivative Association (ISDA) master agreements and the Credit Support Annex (CSA). Besides, all derivative activities are controlled through instructions in the Investment Manager Agreement.

For obligations related to non-covered claims, Gard would manage its counterparty credit risk by requiring counter security in the form of a cash deposit and signed pledge agreement, or a bank guarantee

For information related to counterparty default risk specific to Gard Norway, see Appendix 1, section 1.4

For information related to counterparty default risk specific to Gard M&E Europe, see Appendix 2, section 2.4

Gard Group, counterparty default risk

USD million	31.12.2022	20.02.2022
SCR counterparty default risk	54	54

C4 SCR Operational risk

Operational risk is the risk of losses arising from inadequacy or failure of internal processes or because of events triggered by employee-related, system-induced or external factors. Operational risks are an ‘invisible’ part of our business activities, and the focus is therefore on risk avoidance and risk minimisation.

Operational risk is reviewed annually through an internal self-assessment and reported to the Audit Committee. The process enables Gard to identify, prioritise, and manage operational risks. Within this operational risk review business process risks (including data quality), compliance risks, fraud risks and information security risks are considered in particular.

The standard formula assumes a standardised level of risk management. The operational risk is therefore not risk-sensitive.

For information related to operational risk specific to Gard Norway, see Appendix 1, section 1.4

For information related to operational risk specific to Gard M&E Europe, see Appendix 2, section 2.4

Gard Group, operational risk

USD million	31.12.2022	20.02.2022
SCR operational risk	46	47

C5 Liquidity risk

The size and timing of cash flows are to a certain extent unpredictable. However, the liquidity risk for the Gard group is assessed to be low, given the pay-out profile of liabilities and the liquidity of assets. Gard Bermuda, Gard Norway, Gard M&E Europe and Gard M&E have branches in other countries than they are registered in. Branch regulators can set requirements for deposits to meet liabilities when a large claim has occurred. This can strain the liquidity situation for the relevant branch and Gard group.

- External and internal reinsurance arrangements are established to mitigate liability and liquidity exposure for the individual legal entities, their branches, and the Gard group
- The investment portfolio is set up to match the maturity of the liabilities
- Gard Bermuda is part of a cash pool with Gard M&E, AS Assuransegården and Gard AS to increase available cash
- Gard Norway and Gard M&E Europe are not allowed to be a part of the cash pool and will, therefore, hold more average cash, relative to size, than the Bermuda entities
- Money market funds have been implemented for the insurance entities as buffers between operating cash and investment portfolio. Short-term excess cash is transferred to and from the money market fund to gain a return above what is possible on operating cash. Internal limits (upper and lower) are set for operating cash and money market funds

Liquidity risk is followed up frequently by the Risk and Capital Committee. The Risk and Capital Committee will act if there is a risk of a company/branch within the Gard group not being able to meet its payment obligations.

Gard does not hold capital against liquidity risk. The risk is managed by ensuring access to funds and by limiting the type of assets held.

C6 SCR Other risks

Business risks

Business risk is the risk of losses or failure to meet business objectives due to unexpected changes to legal and regulatory conditions, changes in the economic and social environment, as well as changes in business profile and the general business cycle. Gard group has companies and branches in several jurisdictions. Unexpected changes initiated by e.g. the regulators in one part of the group may have consequences for other parts of the group.

Gard does not hold capital against business risk. The level of business risk is deemed acceptable given the business model and capital flexibility of the Group.

Compliance risks

Compliance risk is the risk of legal or regulatory sanctions, material economic loss, or loss to the reputation the group may suffer as a result of its non-compliance with laws and regulations which govern the business activities.

Gard group comprises companies and branches in several jurisdictions, as well as captive reinsurance companies, insurance intermediary companies, subsidiaries, and a property company. As a natural consequence of the group structure Gard is subject to several regulatory regimes such as those of Norway, the UK, Bermuda, Hong Kong, Singapore and Japan. Unexpected changes in legal and regulatory conditions, as well as changes in the economic and social environment in which the group operates, may pose a risk to Gard.

Compliance risk is managed through ongoing monitoring of regulatory environments that Gard operates in, as well as periodic regulatory reviews with participants from all jurisdictions where Gard conducts business. Tools that are implemented to reduce compliance risk are supplemented by compliance training programmes.

Gard does not hold capital against compliance risk directly, but indirectly through the operational risk capital charge. The level of compliance risk is deemed acceptable given the business model.

Reputational risks

Gard’s business is built on the trust of its Members and clients, as well as other stakeholders. The Gard group must be seen to act with integrity towards all its Members and clients, regulators and other stakeholders.

Gard's reputation may be damaged due to e.g.:

- Data breach and privacy (GDPR)
- Misalignments (non-compliance) with regulatory requirements
- Sanctions non-compliance
- Failing to keep up with the changing beliefs of stakeholders, e.g., ESG issues
- Wrongdoing from top management, CEO or board members

Gard does not hold capital against reputational risk as such but holds capital against many of the risk events that could damage the reputation of the company. The level of reputational risk is deemed acceptable.

Climate-related risks

The insurance sector is exposed to climate-related risks and both the insurance portfolio and the investments of a company could potentially be affected simultaneously. Increases in extreme weather could affect the covered assets while the investment portfolios could be vulnerable to transition risks. In the stakeholder assessments Gard has conducted, climate-related issues have scored high. Risks associated with climate change are also repeatedly highly ranked in the relevant risk outlooks.

Gard has taken a comprehensive approach to climate-related risks through materiality assessments and scenario analyses, and by establishing a Climate Expert Group with representatives from 10 different departments across the organisation.

Physical risks: It is expected that marine insurance could be more resilient to developments in extreme weather than non-life insurance companies operating in specific geographies. Gard has not yet seen a significant increase in claims related to extreme weather, and costs associated with weather-related claims remain fairly limited.

Chronic physical risks could potentially also be a risk to Gard. This includes increased shipping activities in polar areas due to the shrinking of the sea ice in the Arctic.

Transition risks: It is expected that policies will be increasingly stringent in the upcoming years, and this will again affect legal and reporting requirements. IMO has proposed emission reduction targets for the upcoming decades, and it is expected that policies, and uptake of alternative technologies, will cause the fuel configurations of the world fleet to be more fragmented in the future. This could affect claims related to machinery failure and necessitate further competence in the organisation. Gard is monitoring emissions from part of the portfolio through commitments related to the Poseidon Principles for Marine Insurance.

It is also possible that the investment portfolio could be facing climate-related financial risks as the repricing of certain assets could cause considerable shifts in the financial markets. The majority of Gard's investments are placed in bonds and hence expected to be less vulnerable to significant transition risks. In 2022, a subset of the equity portfolio has been screened by MSCI, a leading provider of financial services, looking into the portfolio's ESG performance and carbon intensity. Based on this screening, Gard has received an ESG Rating of A and a Carbon Risk score. Stocks owned by Gard have about 50 per cent lower carbon intensity compared to the MSCI World index, and carbon risks on equity investments are assumed to be low according to this categorization. Gard recognises that transition risks facing the investments go beyond the carbon intensity of the assets and that there are weaknesses and shortcomings of ESG ratings.

Other climate-related risks: Climate-related risks related to reinsurance and third-party liabilities have also been considered. Reinsurers could, for example, be vulnerable if their portfolios are exposed to property or infrastructure in regions exposed to the impacts of acute physical climate risks. Liability risks associated with climate change are considered negligible for Gard and the LMA5570 clause further limits potential liabilities associated with climate change.

C7 Risk concentration

Risk concentration cuts through and across risk types as well as within single risks. The most material risk concentrations are within the insurance and market risk.

Concentration within and between the other single risks is not considered material.

Risk concentration is mainly managed through limits, e.g., limits on exposures held for investments per rating category, exposures to a single counterparty, and maximum aggregated exposure to a single reinsurer. The limits are monitored and reported regularly.

C8 Reinsurance

Reinsurance is a method to ensure that insurance liability risk is kept within the overall risk appetite and Comfort zone and that rating and regulatory requirements are met.

Reinsurance is used to ensure continuity after an extreme loss event; providing flexibility to help Members and clients manage new risks and pursue business opportunities.

The reinsurance program is established to protect against high-severity, low-frequency claims.

Gard Bermuda is a member of the International Group of P&I Clubs' Pooling Agreement, which is an agreement between twelve P&I clubs to mutually reinsure each other by sharing claims. This claim-sharing agreement is underpinned by an extensive market reinsurance program, which the International Group of P&I clubs arranges.

Gard follows the customary insurance practice of reinsuring with other insurance and reinsurance companies a portion of the risks under the policies it writes. These reinsurance arrangements are meant to protect Gard against the severity of losses on individual claims and unusually serious occurrences in which a number of claims produce an aggregate extraordinary loss.

Gard has different reinsurance programs for different classes of business.

The collectability of reinsurance retrocessions is largely a function of the solvency of reinsurers. The credit exposure on Gard's reinsurance program is in accordance with the guideline of only accepting reinsurers with an A- (Stable) or higher rating. The company is however faced with BBB- rating exposures through the IG Pooling Agreement. Among the twelve clubs, five have ratings of BBB+ or lower. Counterparty default risk on the pool and reinsurance is reduced through multiple layers of financial security

C9 Risk sensitivity

Gard performs various sets of stress tests. The main methods used are the following:

Insurance risk stress tests

A set of extreme events for insurance risk have been identified and the realistic possible loss to Gard has been estimated. The scenarios are calculated using Gard's exposure to actual insured objects, showing the expected loss, gross and net of external reinsurance, by line of business. Further, to calculate the loss by each legal entity, internal reinsurance is applied. The most severe losses from a single extreme event would be a scenario where Gard is exposed across several product areas with separate reinsurance programs. The Gard group may experience multiple extreme events in a single year.

Reverse stress tests

Complementary to insurance risk stress tests and market risk stress tests, reverse stress testing is carried out to identify scenarios that would be the probable cause of business failure. 'Business failure' is defined as the solvency position falling below a level where the business model becomes unviable. A consequence of this would be that counterparties and other stakeholders could be unwilling to transact with or provide capital to the Gard group and, where relevant, existing counterparties may seek to terminate their contracts.

The reverse stress tests identify events that will jeopardize the Gard group's solvency, but not circumstances that will cause Gard to 'cease being a going concern. The results of the reverse stress tests answer the question of which scenarios represent real risks to the existence of the company.

The reverse stress tests are based on one insurance scenario and one market scenario.

The stress tests are quantitative. Gard is aware of other non-quantifiable situations which could also render the business model unviable.

There are policies and contingency plans in place describing how to take immediate action or act as precautionary measures in advance, to restore or improve the solvency capital adequacy.

Multi-year stress tests

To complement the one-year stress tests, multi-year stress scenarios have been developed to test the effect on the capitalisation of the group by an adverse development over time. Three scenarios have been assessed. The estimated total probability for each of the scenarios is low.

1. Increased demand for Marine transport

An increased demand in the world for Marine transport, resulting in high utilisation of the available ships and crew, affects both claims frequency and severity.

2. Financial market crisis

The scenario describes a situation where the market values are over-priced at t=0 and the market is re-priced over three years.

3. Combined insurance risk and market risk scenario

The scenario describes a situation where higher claims concur with adverse movements in global financial markets for years.

The Gard group will in all the above scenarios still be compliant with regulatory requirements without management actions at the end of the stress period.

Market risk stress and drawdown risk tests

Several stress tests using a range of scenarios for short-term market shocks as well as for longer, multi-year periods have been performed to estimate the potential impact on Gard's portfolio and capital situation. Market shocks are assumed to be one-off instantaneous changes in asset prices and portfolio allocations. Combined scenarios, in which several factors experience simultaneous shifts in prices, have been designed in line with EIOPA's Insurance Stress Test specifications.

The portfolio has also been stressed to model historical events. Especially drawdown risk happening at the same time for multiple asset classes constitutes an adverse tail event and reduces diversification benefits.

C10 Any other information regarding the risk profile

Gard does not make use of any special purpose vehicle as referred to in article 211 of the Solvency II Directive.

There is no other material information to be disclosed regarding the risk profile.

D Valuation for solvency purposes

This section specifies and describes the valuation of assets and liabilities for solvency purposes, and the differences between the bases, methods and main assumptions used for the valuation of assets for solvency purposes and those used for financial statements.

The bases, methods, and assumptions are similar for all legal entities and follow the principles outlined in the Solvency II directive, i.e.:

- Assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction (fair value)
- Liabilities shall be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction
- The materiality principle shall be considered when valuing assets and liabilities. Information is material if its omission or misstatement influences the decision-making or the judgement of the users of that information, including the supervisory authorities
- The valuation shall assume that the company will continue to operate and write new business for the foreseeable future ('going concern basis')

The economic balance sheet ('Solvency II balance sheet') represents a risk-based view of the entire balance sheet at a given date, where assets and liabilities are valuated in line with the above concepts. The table below summarises each material class of assets and liabilities the value according to Solvency II together with the values of the assets recognised and valued in the statutory accounts.

The statutory account values in the balance sheet are classified according to Solvency II rules and are different from the values in the balance sheet in the Financial Statements.

No changes have been made to the recognition and valuation bases used or to the estimates during the reporting period.

There are no differences in major parts of the balance sheet items in the valuation for solvency purposes and those used for the valuation in statutory accounts. The main difference is the discounting of reserves and risk margin that are included in the Solvency II values.

Gard Group, economic balance sheet

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value	Difference
Assets			
Deferred acquisition costs	-	26	(26)
Intangible assets	-	10	(10)
Deferred tax assets	33	33	-
Property, plant & equipment held for own use	34	34	-
Government bonds	53	53	-
Collective investments undertakings	2,210	2,210	-
Deposits other than cash equivalents	30	30	-
Investments	**2,293**	**2,293**	-
Loans and mortgages to individuals	20	20	-
Reinsurance recoverables	134	174	(40)
Insurance and intermediaries receivables	267	267	-
Reinsurance receivables	11	11	-
Receivables (trade, not insurance)	0	0	-
Cash and cash equivalents	235	235	-
Any other assets, not elsewhere shown	20	20	-
Total assets	**3,048**	**3,124**	**(76)**

	Solvency II value	Statutory accounts value	Difference
Liabilities			
Best estimate technical provisions	1,535	1,706	(171)
Risk margin	43	-	43
Technical provisions – non-life	**1,578**	**1,706**	**(128)**
Contingent liabilities	24	-	24
Pension benefit obligations	35	35	-
Deferred tax liabilities	-	-	-
Insurance & intermediaries payables	55	55	-
Reinsurance payables	21	21	-
Payables (trade, not insurance)	24	24	-
Any other liabilities, not elsewhere shown	21	22	(1)
Total liabilities	**1,759**	**1,863**	**(105)**
Excess of assets over liabilities	**1,290**	**1,260**	**29**

The subsequent chapters describe assets and liabilities where the valuations differ, in addition to balance sheet items explicitly mentioned in the Solvency II regulations and guidelines (i.e., deferred taxes and pension obligations).

For information related to the value of assets and liabilities by asset class for Gard Norway, see Appendix 1, section 1.5.

For information related to the value of assets and liabilities by asset class for Gard M&E Europe, see Appendix 2, section 2.5.

D1 Valuation of assets

The Gard group has mainly investments in the following asset classes; investment funds, bonds, equities, other investments, and property. The investment assets are held in custody at Northern Trust.

In the statutory accounts balance sheet, the fair value of assets is mainly measured on a mark-to-market basis. The fair value is determined by reference to published price quotations in an active market. For unquoted financial assets, the fair value has been estimated using a valuation technique based on assumptions that are supported by observable market prices (mark-to-model).

There are no significant differences between the valuation of GAAP (statutory accounts) and Solvency II balance sheets.

D 1.1 Deferred acquisition costs

Deferred acquisition costs represent commission provisions on gross premiums and are related to contracts in force at the balance sheet date. Deferred acquisition costs are included (netted) in the technical provisions for Solvency II but are disclosed under deferred acquisition costs in the statutory accounts.

Gard Group, deferred acquisition costs

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Deferred acquisition costs	-	26

For information related to the deferred acquisition costs for Gard Norway, see Appendix 1, section 1.6.

For information related to the deferred acquisition costs for Gard M&E Europe, see Appendix 2, section 2.6.

D 1.2 Intangible assets

Intangible assets represent licences and the development of software at cost. The intangible assets are valued at nil for Solvency II purposes in the balance sheet as intangible assets valued under fair value measurement are not saleable in the marketplace.

Gard Group, intangible assets

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Intangible assets	-	10

For information related to intangible assets for Gard Norway, see Appendix 1, section 1.7.

For information related to intangible assets for Gard M&E Europe, see Appendix 2, section 2.7.

D 1.3 Deferred tax assets

Deferred tax/tax asset of the subsidiaries is calculated on all differences between the book value and the tax value of assets and liabilities. Deferred tax is calculated at the nominal tax rate of temporary differences and the tax effect of tax losses carried forward at the tax rate at the end of the accounting year. Changes in tax rates are accounted for when the new rate has been approved and changes are presented as part of the tax expense in the period the change has been made.

A deferred tax asset is recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.

There are no differences between the bases, methods and main assumptions used for the valuation of Deferred taxes for solvency purposes and those used for their valuation in financial statements.

Gard Group, deferred tax assets

USD million, as of 31.12	31.12.2022	20.02.2022
Specification of tax effect resulting from temporary differences		
Pension obligations	34	43
Portfolio investments	3	(16)
Equipment	0	1
Tax loss carried forward	140	121
Deferred tax carried forward from earlier years	-	-
Equity	(49)	(65)
Other temporary differences	5	6
Total temporary differences	132	89
	-	-
Net deferred tax asset of total temporary differences	33	22

For information related to deferred taxes for Gard Norway, see Appendix 1, section 1.8.

For information related to deferred taxes for own use by Gard M&E Europe, see Appendix 2, section 2.8.

D2 Valuation of technical provisions

This section specifies and describes the valuation of technical provisions and reinsurance recoverable for Solvency purposes.

The technical provisions under Solvency II are determined as the sum of best estimate liabilities and the risk margin.

The best estimate liabilities are shown both on a gross basis and for the reinsurers' share. The risk margin is shown on a net basis reflecting the risk mitigation effect.

Best estimate liabilities

The calculation of the best estimate liabilities is based on the projection of future cash inflows and outflows like premiums, claims and expenses.

Risk margin

A risk margin is included in the technical provisions. The risk margin is calculated in accordance with the requirement set out for the Solvency II standard formula per legal entity. Diversification between legal entities is not considered. Risk margin is not included in the statutory accounts.

D 2.1 Valuation of technical provisions – basis (data) and methods

Basis

In the calculation of the best estimate liabilities under Solvency II, the business of the Gard group is split into homogenous risk groups, such that the nature, scale, and complexity of the business are considered.

Methods

Best estimate provisions (on a net basis) represent the discounted best estimate of all future cash flows relating to future exposure arising from policies that the insurer is obligated to at the valuation date. The best estimate is the probability-weighted average of the present value of the future in and out-flow cashflows. The best estimate liabilities are calculated separately for the best estimate premium provisions and the best estimate claims provisions.

The best estimate premium provisions relate to claim events occurring after the valuation date. All future cash flows from premiums, losses and costs relating to unearned incepted and bound but not incepted (BBNI) business is calculated.

The best estimate claim provision relates to claim events occurring before the valuation date. All future cash flows from losses and costs relating to these losses are calculated considering the discounting effects.

The cash flows for premiums, claims and costs are modelled separately.

There is no deviation in the valuation methods between the different lines of business. Therefore, the valuation methods described below are valid for all risk categories.

Claim provisions

For the evaluation of claim provisions, total outstanding liabilities due to loss and allocated loss adjustment expenses, the reserves held are based on the following:

- For the calculation of the incurred but not reported claims (IBNR), Gard uses the developments of the claim incurred i.e., claim paid plus claim reserves, as the basis for future expected developments. This is primarily due to the volatility of large single payments that can distort any paid development factors
- For the analysis of IBNR, Gard uses accident and development quarters to calculate the ultimate incurred claims
- For the definition of risk categories, the following three main criteria are used:
    - A fit with the established business dimensions
    - Similar underlying drivers of risk.
    - Sufficient amount of data within each risk category
- The financial plan is used as the initial expected ultimate incurred (also known as 'Apriori').

The current reinsurance program is on the same basis as last year's reinsurance program and is taken into account on a large claim basis.

The claim provisions are broken down into case reserves, IBNR, unallocated loss adjustment expenses (ULAE) and binary events. The case reserves and IBNR figures are the reserves that directly attribute to the claims, while the ULAE estimate is related to expenses that cannot be directly attributed to a specific claim or incident. Binary events are the provisions held for potential claims that Gard does not have in the data. The IBNR, binary event and ULAE reserves are calculated and reported by the Actuarial Reserving and Reinsurance Support team and controlled by the Actuarial function.

The only differences between the Solvency II and the statutory account figures for claims provisions are that the Solvency II figures include the discounting effect.

IBNR

The development of losses for the Gard group is typically analysed using standard actuarial methods such as the Chain ladder, Bornhuetter Ferguson and Benktander methods. The method selection is based on the quarters and the significance of large losses that may have occurred. The external reinsurer's share is based on the reinsurer's share of the individual losses including development in excess of the retention. All internal reinsurance is calculated net of the effect of external reinsurance.

ULAE

To calculate ULAE, the Actuarial Reserving and Reinsurance Support team divides the claim provisions (case reserves and IBNR) between reported claim provisions and unreported claim provisions. The unreported claim provision is multiplied by a ratio of unallocated expenses paid to total claims paid, π. The reported future claim reserves are multiplied with π and (1-r), where r is the proportion of claims handling cost due to claim registration.

Binary events

The binary event reserve is meant to satisfy the additional coverage of technical liabilities from a best-estimate basis to an all-possible outcome basis. This is a measure of the potential volatility that is envisaged but has not been experienced to date. To bring the best estimate to include 'all possible outcomes, a binary event factor is calculated based on historical binary event factors, tail values from the internal model and estimated volatility in the claims data.

Best estimate premium provisions

The calculation of best estimate premium provisions is the best estimate of all future cash flows such as claim payments, expenses and future premiums due, relating to future exposure arising from unearned incepted and BBNI business. The future expected cash flow calculation is based on the expected combined ratio for the relevant business. This estimation is done on a gross basis and for the reinsurer's share of the business.

The difference in the method for calculating premium provision under Solvency II and the statutory accounts is that the Solvency II method calculates the effect of all expected future cash flows, while the statutory accounts are depositing the unearned premium in full.

Main assumptions

The calculation of the best estimate liabilities, development pattern and estimated ultimates are applied to the segments used for N-GAAP reserving. The pattern and ultimates are determined on run-off triangles using traditional actuarial methods. The triangles are generated using reconciled data.

D 2.2 Uncertainty associated with the value of technical provisions

As with all insurance businesses, there is a degree of uncertainty over the exact amount that will be needed to settle claim liabilities, and there are several potential sources that contribute to this uncertainty.

- Claims environment: One of the key assumptions for the claim liabilities is that historical claim developments are indicators for future developments. Uncertainty remains surrounding the ultimate outcome of long-tailed casualty claims. The early years are not necessarily fully developed and incurred values on these years help in forming the estimates for the more recent years. A sensitivity test on the loss development factors showed that with a 10 per cent point increase in the incremental development factor, the gross IBNR increases by 9.0 per cent. A 10 per cent decrease reduces the gross IBNR by 9.3 per cent

- Financial Plan: Another assumption for the claim liabilities is that the financial plan indication of the pure loss (Apriori) can be used in helping to assess the number of liabilities for less mature development periods. This means that any uncertainty in the financial plan also applies to the best estimates. Sensitivity tests show that an increase of the Apriori estimate by 10 per cent increases gross IBNR by 8.4 per cent. A decrease of Apriori by 10 per cent decreases gross IBNR by 8.4 per cent.

- Currency: Even though the reserves are reported in USD, parts of the liabilities are exposed to exchange rate fluctuations and inflation rates in other currencies. This means that fluctuations in foreign exchange rates can influence ultimate claims.

D 2.3 Best estimate liabilities

The difference between the Solvency II value and the Statutory accounts' value of technical provisions is due to discounting effects and BBNI gross. Further, commission provisions are deducted from the Solvency II values in the technical provisions, while they are reported as deferred acquisition costs for the statutory account values. The retained earnings are included in the statutory account values of technical provisions.

Gard Group, best estimate liabilities

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Best estimate technical provisions	1,535	1,706
Risk margin	43	-
Technical provisions	**1,578**	1,706

For information related to the best estimate liabilities for Gard Norway, see Appendix 1, section 1.9.

For information related to the best estimate liabilities for Gard M&E Europe, see Appendix 2, section 2.9.

D 2.4 Risk margin

The risk margin is an estimated cost of capital due to the unpaid claim provisions held. The cost of capital is calculated by using a capital-to-provision percentage of 6 per cent, payment pattern, and expected yield of capital.

D 2.5 Reinsurance recoverables

The difference in valuation of reinsurance recoverable is due to discounting effects, reinsurers' share of BBNI and losses occurring during (LOD), which are all reducing the value of reinsurance recoverable for Solvency II values compared to statutory account values. Additionally, reinsurance commission provisions are deducted from reinsurance recoverable in the Solvency II values and are included in Any other liabilities, not elsewhere shown in the statutory account values.

Gard Group, reinsurance recoverables

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Reinsurance recoverables	-	174
Best estimate - reinsurance recoverables	134	-
Reinsurance recoverables	**134**	174

For information related to reinsurance recoverable for Gard Norway, see Appendix 1, section 1.10.

For information related to reinsurance recoverable for Gard M&E Europe, see Appendix 2, section 2.10.

D3 Valuation of other liabilities

D 3.1 Contingent liabilities

The Gard group has USD 24.0 million as contingent liabilities as of 31 December 2022 covering a board decision in November 2022 for a 5 per cent owners' general discount on mutual P&I business for the policy year commencing on 20 February 2023.

D 3.2 Pension benefit obligations

Gard has set up pension plans for employees according to local laws and regulations, depending on the country in which Gard operates. For Gard AS a defined contribution plan is in place, and the previously closed defined benefit plan has few remaining active employees.

For the defined benefit pension plan, actuarial calculations are made with regard to pension commitments and funds at year-end and resulting changes in pension obligations are charged to the income statement and other comprehensive income. Pension costs and pension liabilities have been accounted for in accordance with IAS19.

There are no differences between the bases, methods and main assumptions used for the valuation of pension benefit obligations for Solvency purposes and those used for their valuation in statutory accounts.

Gard Group, pension benefit obligations

USD million	31.12.2022	20.02.2022
Liabilities according to the actuarial calculations		
Pension obligation gross	60	72
Pension funds at market value	24	27
Net pension obligation at the end of the year	**35**	**45**

For information related to pension benefit obligations for Gard Norway, see Appendix 1, section 1.12.

For information related to pension benefit obligations for Gard M&E Europe, see Appendix 2, section 2.12.

D 3.3 Any other liabilities, not elsewhere shown

The difference between Solvency II and statutory accounts values of USD 1 million is covering reinsurance commission provision, which is included in reinsurers' share of expected cash flows for unexpired cover in the statutory accounts balance sheet, and provision to guarantee liabilities that are included in the Solvency II balance sheet.

D4 Alternative methods for valuations

When determining the value of an asset it is necessary to assess whether the market is active or not. If the market is active, the value can be taken directly from the market or comparable assets traded in the same market. If the market cannot be categorised as active, the market value is determined using valuation models.

Gard's assets are mainly valued using quoted market prices in active markets for the same or similar assets. Listed shares are valued on an item-by-item basis and bonds are valued based on realised quoted prices in active markets. Alternative valuation methods can occur for real estate funds, where there are no active markets, or the relevant markets are deemed to be inactive.

Alternative valuation methods are only used for a non-significant part of the investment portfolio and the same principles are used both in the Solvency II balance sheet and statutory balance sheet.

D5 Any other material information regarding valuation for solvency purposes

1. Gard has no material provisions other than technical provisions.
2. Gard does not apply any of the below articles as the conditions they cover are found to be not relevant.
3. Gard does not apply a *matching adjustment to the relevant risk-free interest rate term structure* as referred to in Article 77b of Directive 2009/138/EC.
4. Gard does not apply a *volatility adjustment to the relevant risk-free interest rate term structure* as referred to in Article 77d of Directive 2009/138/EC.
5. Gard does not apply a *transitional risk-free interest rate-term structure* referred to in Article 308c of Directive 2009/138/EC.
6. Gard does not apply a *transitional deduction* referred to in Article 308d of Directive 2009/138/EC.
7. There is no other material information to be disclosed regarding the valuation for solvency purposes.

E Capital management

Gard has a policy in place that sets out the principles and guidelines for capital management. The policy describes the main activities and governance structure that supports capital management and is part of the risk management framework.

The Group Risk Policy states the following:

‘Gard should hold sufficient capital and liquidity as well as constrain its risk-taking to ensure that the group can continue to operate following an extreme loss event with the same risk tolerance for insurance risk’.

An ‘extreme loss event’ means an annual loss with a probability of occurring once every 100 years.

The probability that Gard would have to raise additional capital from its mutual Members by way of unbudgeted supplementary calls should be low.

In addition to the statement given about capital adequacy in the Group Risk Policy, Gard bases its capital management on the following three general principles:

Simple capital structure: Gard aims to have a simple capital structure and seeks to fund expected growth in required capital through internal capital generation.

Efficient use of capital: Capital is scarce and has a cost. The approach to capital management shall balance the needs and requirements of all stakeholders, including mutual Members, policyholders, regulators and rating agencies.

Pooling and upstreaming capital: Available capital and liquidity, as well as risks, shall be pooled centrally as much as possible to minimise the risk of limited capital transferability. This also allows the group to consider the benefits that arise from such pooling in those jurisdictions where these benefits are recognised under the capital adequacy regime.

The group shall maintain sufficient capital from its legal entities without jeopardising regulatory requirements and the minimum financial strength rating.

Procedures are established for when a breach of limits has occurred to ensure that appropriate and proportionate remedial actions are duly taken, including reporting requirements. The procedures include increased frequency of monitoring, escalation of reporting, and procedures for proposing and approving mitigating actions.

E1 Own funds

Under Solvency II a company's own funds consist of basic own funds, ancillary own funds and deferred tax assets:

Basic available capital: Excess of assets over liabilities

Ancillary own funds: Items other than basic own funds which can be called upon to absorb losses.

Basic own funds can be classified in Tiers 1, 2 or 3. Tier 1 funds are equity capital that is fully paid in and available. Tier 1 is further classified as either ‘unrestricted’ or ‘restricted’. Tier 3 is deferred tax assets.

Ancillary own fund is classified as Tier 2. This is high-quality capital in the form of unbudgeted supplementary calls. Ancillary own fund items require the prior approval of the supervisory authority to be considered when determining their own funds.

The classification into tiers is relevant to the determination of eligible own funds. These are the own funds that are eligible for covering the regulatory capital requirements – Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). The MCR must be covered by basic own funds classified as Tier 1.

E 1.1 Available capital

Gard has a simple capital structure consisting of Tier 1 capital through equity capital, which is fully paid in and available, high-quality Tier 2 capital in the form of unbudgeted supplementary calls and deferred tax assets included as Tier 3 capital.

Gard aims to manage the capital for the group so that all its regulated entities always meet local regulatory capital requirements. Gard is subject to different capital requirements depending on the country of operation, and the type of business conducted. In each country, the local regulator specifies the minimum amount and type of capital that each regulated entity must hold. Gard targets to hold, in addition to the minimum capital required to comply with the solvency requirements, an adequate buffer to ensure that each of its regulated subsidiaries meets the local capital requirements over time. If an entity should fall below the target capital level, the management action will be to increase capitalisation or de-risk the portfolio to bring the capital ratio back to an acceptable level.

The different management actions will vary with the company and the type of business it writes.

Means to strengthen the capitalization may be:

- Adjust premium reduction to members
- Make an unbudgeted supplementary call on members
- Dividend payments from subsidiaries
- Sale of assets of participations
- Issue subordinated debt
- Parent company guarantee
- Capital injection – group contribution from the parent company
- De-risk assets (e.g., reduce equities exposure)
- De-risk liabilities (e.g., changes to reinsurance – reduce retention for own share)

Gard Group, total eligible own funds to meet SCR as under Solvency II

USD million	31.12.2022	20.02.2022
Tier 1	1,160	1,145
Tier 2	206	245
Tier 3	-	-
Total	**1,366**	**1,391**

Gard group, change in tier 1 capital:

USD million	20.02.22 to 31.12.22	20.02.21 to 20.02.22
Total comprehensive income for the year	(14)	15
Change in non-available own funds	(42)	(55)
Change in discounting effect for net best estimate	78	38
Effect of Owners' General Discount	(1)	(7)
Other	(6)	(1)
Total	**15**	**(10)**

Gard group, difference between equity and excess of assets over liabilities

USD million	31.12.2022	20.02.2022
Excess of assets over liabilities	1,290	1,222
Statutory accounts equity	1,260	1,278
Difference between equity and excess of assets over liabilities	**29**	**(56)**
Specification of difference:		
Net technical provisions	82	17
Risk margin	(43)	(63)
Other	(10)	(9)
Difference between equity and excess of assets over liabilities	**29**	**(56)**

The equity of the Gard group in the statutory accounts was USD 1,260 million on 31 December 2022 compared to USD 1,278 million on 20 February 2022.

The excess of assets over liabilities as calculated in the economic balance sheet was USD 1,290 million. Non-available own funds of USD 97 million are deducted to arrive at the available or eligible capital to cover the solvency capital needed. For the entities writing Mutual business and for the group, up to 50 per cent of the solvency capital requirement (SCR) can be included as Tier 2 capital through the possibility to call for capital from the Members through unbudgeted supplementary calls. As Tier 2 capital of USD 206 million is fully used, Tier 3 capital of USD 33 million is not available and is not included in Tier 1 capital of USD 1,160 million.

Eligible own funds decreased by USD 25 million, from USD 1,391 million to USD 1,366 million during the period.

The reconciliation reserve was USD -4 million as of 31 December 2022 and is attributable to Tier 1 capital.

Share premium account covers accumulated results and was USD 1,260 million as of 31 December 2022.

For information related to capital management in Gard Norway, see Appendix 1, section 1.14.

For information related to capital management in Gard M&E Europe, see Appendix 2, section 2.14.

E 1.2 Non-available own funds

There are regulatory requirements to hold deposits for most of the Gard branches. When the required deposits or the restricted equity held exceeds the notional SCR for the operation, it represents a restriction in the fungibility of the equity in the group. This is valid to Gard's Hydra cell which had non-available own funds of USD 97 million as of 31 December 2022.

Net asset value for the insurance companies in the group is not dedicated to covering specific liabilities and is therefore available to absorb losses over time. No part of the net asset value is therefore defined as ring-fenced funds.

E 1.3 Tier 2 capital (ancillary own funds)

The right and ability to levy unbudgeted supplementary calls for recapitalising the Gard group is a fundamental element of the Members' mutual risk-sharing, which Gard is prepared to use when required.

The Norwegian FSA has given Gard Bermuda, the Norwegian branch and Gard Norway permission to include the Gard group's right to levy supplementary calls as Tier 2 capital to cover the SCR under the Solvency II regulations. The permission was first granted for four years until 20 February 2020 and is renewed until 20 February 2024. The utilisation of the right and ability to levy supplementary calls as Tier 2 capital is restricted to an amount corresponding to 50 per cent of the Estimated Total Call (ETC) premiums for the three last open policy years and is eligible to cover up to 50 per cent of the SCR (max aggregated Tier 2 and Tier 3 capital is set to 50 per cent of SCR). If an unbudgeted supplementary call is being called, a new supplementary call can immediately be called again, i.e., there will be a benefit in form of Tier 2 capital also after an unbudgeted supplementary call has been made. In practice, there is no limit to the amount of unbudgeted supplementary calls that can be called. Gard manages its risk and capital to have a low probability of making an unbudgeted supplementary call. The eligible own funds for supplementary calls (Tier 2 capital) were USD 206 million by 31 December 2022.

E2 Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement under the Solvency II approved partial internal model was USD 413 million as of 31 December 2022. The total eligible own funds to meet the SCR was USD 1,366 million. The solvency ratio was 331 per cent.

The minimum Capital Requirement under the Solvency II partial internal model was USD 299 million. Eligible own funds to meet MCR was USD 1,160 million, i.e., a ratio of 388 per cent. The MCR represents the lowest acceptable capital level.

The MCR is calculated by a 'linear formula', i.e., a factor-based combination of volume measures. The MCR is calculated as the higher of:

- a fixed percentage of net technical provisions, reflecting underwriting risk for long-term business, and
- a fixed percentage of net written premiums, reflecting underwriting risk for the short-term business

E 2.1 Calculation of group solvency requirements

There are no material differences in the valuation bases, methods and main assumptions used at the group level for the valuation for solvency purposes of the Gard group's assets, technical provisions and other liabilities from those used by any of its subsidiaries.

There was a restriction to the fungibility and transferability of own funds eligible for covering the group solvency capital requirement of USD 97 million as of 31 December 2022 when using the partial internal model, see E 1.2 Non-available own funds.

The main source of diversification effects is the elimination of transactions within the group, i.e. internal reinsurance.

All insurance undertakings in Gard are included in the internal model, namely:

- Gard Bermuda
- Gard Norway
- Gard M&E
- Gard M&E Europe
- Gard Re
- Gard Hydra

Gard group, Gard Norway and Gard M&E Europe have been granted approval to use the internal model for regulatory purposes to calculate insurance and market risk.

E 2.2 Solvency Capital Requirements by risk category

Insurance risk and market risk are calculated by using the internal model. Counterparty risk is calculated by using the standard formula with input from the internal model, while operational risk is calculated by using the standard formula. Diversification is calculated by using the standard formula correlation between insurance risk, market risk and counterparty default risk. The SCR for the Gard group is reduced by the amount of USD 26 million, as the loss-absorbing capacity of deferred taxes covers the amount calculated for the Norwegian insurance companies, under the justification that the Gard group is expecting positive results based on the five-year plan.

Gard Group, Solvency Capital Requirement

USD million	31.12.2022	20.02.2022
Insurance risk	470	446
Market risk	144	239
Counterparty risk	54	54
Diversification	(275)	(268)
Basic Solvency Capital Requirement (BSCR)	392	470
Operational risk	46	47
Loss-absorbing capacity of deferred taxes (LACDT)	(26)	(26)
Solvency Capital Requirement (SCR)	**413**	**491**

For information related to capital requirements in Gard Norway, see Appendix 1, section 1.15.

For information related to capital requirements in Gard M&E Europe, see Appendix 2, section 2.15.

E3 Use of the duration-based equity risk sub-module in the calculation of the SCR

Gard does not use a duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement as this only applies to life undertakings providing certain occupational retirement provisions or retirement benefits where the typical holding period of equity investments is assumed to be consistent with an average duration of liabilities for such businesses and exceeding 12 years[6].

E4 Description of the internal model

E 4.1 Structure

'Internal model' refers to the entirety of the methodologies, processes, data and governance structure that Gard uses to determine the risk and economic capital required for the Gard group and all insurance entities. The Model Calculation Kernel (MCK) is part of the internal model that carries out the actual statistical modelling. MCK creates simulations of the future financial position of the Gard group and each of its constituent legal entities. The MCK generates a large number of simulations for the future balance sheet of the group. By looking at the spread of the outcomes in those simulations, the amount of risk that Gard is exposed to is measured.

E 4.2 Scope

All material quantifiable risk types are within the internal model scope. This includes premium risk, reserve risk, market risk, counterparty default risk and operational risk. All lines of business that are written by Gard are modelled within the internal model. Any new types of business written will be included in the scope, subject to the internal model change policy.

E 4.3 Use

The output from the internal model defines the capital position of the group relative to a defined 'Comfort zone'. The internal model is used as part of the renewal process for the outwards reinsurance program, for calculating earnings volatility per legal entity and as a basis for profitability discussions when the financial plan of the Gard group is being prepared. The internal model is also used to estimate the capital requirement that may result from changing the investment strategy or entering into a new type of investment, geographical area, etc., as well as used in communication with stakeholders such as regulators and rating agencies.

E 4.4 Methods used

The internal model is a stochastic model built using industry-standard software. The economic capital expresses the potential loss over a one-year time horizon with a confidence level of 99.5 per cent. This is consistent with industry practice and Solvency II.

[6] The underlying assumptions in the standard formula for the Solvency Capital Requirement calculation, EIOPA-14-322, 25 July 2014, page 19-20

E 4.5 Main differences in the methodologies and underlying assumptions used in the standard formula and the internal model

All risks covered by the standard formula are quantified in the internal risk capital model, apart from concentration risk in the investment portfolio.

The standard formula is factor-based while the internal model uses a stochastic approach.

Gard's risk profile differs from the assumptions underlying the standard formula for the calculation of the SCR under Solvency II. Gard has a much larger portfolio than most insurers have in the 'Marine, aviation, and transportation' (MAT) line of business. Considering the actual insurance risks written, higher object diversification from a larger and broader portfolio and the use of reinsurance, the risk calculated in the internal risk capital model is significantly lower than the risk calculated by the standard formula under Solvency II.

E 4.6 Integration of partial internal model into the standard formula

See the first section of chapter E.2.2 Solvency Capital Requirements by risk category.

E 4.7Aggregation methodologies and diversification effects

Gard is operating on a global basis with many products and Members, which enables Gard to diversify its risks. The effects of diversification are found within the insurance, market, counterparty default and operational risk areas, as well as between them. Insurance risk achieves diversification mainly due to the number of objects insured, the wide range of products offered and the geographical spread of risks. Market risk generally has a lower degree of diversification than insurance risk, due to its higher level of correlation between the various market risk types. Between risk types, there are limited degrees of correlation that result in a diversification effect when calculating the total solvency capital requirement.

E5 Compliance with SCR/MCR

The Gard group and each insurance company in the group have been compliant with both the Minimum Capital Requirement and the Solvency Capital Requirement during the last financial year.

E6 Any other material information regarding capital management

1. Gard does not have any own funds items which are subject to the *transitional arrangements* as referred to in Delegated regulation art 297f, Articles 308b (9) and 308b (10) of Directive 2009/138/EC) and Guideline 12h of Guidelines on reporting and public disclosure.
2. Gard does not disclose any *additional solvency ratios* as referred to in Guideline 11 of the Guidelines on reporting and public disclosure.
3. Gard does not include any *subordinated debt* in its own funds as referred to in Guideline 12d of Guidelines on reporting and public disclosure.
4. Description of the *principal loss absorbency mechanism* used to comply with Article 71 (1)(e) of the Delegated Regulation as referred to in Guideline 11 of Guidelines on reporting and public disclosure is not relevant to Gard.
5. Gard does not have any *material own funds that are issued by an equivalent third country insurance or reinsurance undertaking* included via the Deduction and Aggregation method as referred to in Guideline 15b of Guidelines on reporting and public disclosure.
6. Gard does not have any *own funds issued by an undertaking that is not an insurance or reinsurance undertaking* as referred to in Guideline 15cd of Guidelines on reporting and public disclosure.
7. Gard does not make use of the possibility to use any *undertaking-specific parameters* in the calculation of underwriting risk in the standard formula as referred to in Article 104(7) of Directive 2009/138/EC. Gard uses its internal model in the calculation of underwriting, see C1 Insurance risk and E4 Differences between the standard formula and internal models used.
8. There is no other material information to be disclosed regarding capital management.

Appendix 1 SFCR information specific to Gard Norway

1.1 Summary

This section shows information specific to Gard Norway. The information in this section is provided only when it is different from what is already provided on a group level.

Gard Norway, key figures

USD million	31.12.2022	20.02.2022
Solvency II balance sheet		
Assets	471	410
Technical provisions	324	284
Other liabilities	38	27
Excess of assets over liabilities	108	99
Eligible own funds		
Tier 1 Basic own funds (unrestricted)	108	99
Tier 2 Ancillary own funds	43	57
Tier 3 Other own funds	0	0
Eligible own funds	152	156
Capital Requirement		
Solvency Capital Requirement (SCR)	87	115
Minimum Capital Requirement (MCR)	39	33
Solvency ratio		
Eligible own funds to meet SCR	175%	136%
Eligible own funds to meet MCR	278%	297%
Tier 1 share of total eligible own funds	71%	63%

1.2 Underwriting Performance

The financial statements for the year ending 31 December 2022 cover the activity for the period from 21 February 2022 to 31 December 2022 – a period of 314 days. However, the accounts for the previous year that are used as a comparison cover the period from 21 February 2021 to 20 February 2022, i.e. a period of 365 days. Due to the different number of days in these two periods, the numbers for this year and the previous year will not be fully comparable.

The statement of comprehensive income shows a loss for the year of USD 4 million compared to a loss of USD 16 million last year.

Gross written premium on ETC basis of USD 216 million, represents an increase of USD 28 million or 15 per cent from last year.

The main reasons for the increase in gross written premium on an ETC basis, over the last year, are an increase in volume and a positive rate development.

Gross earned premium on an actual call basis is USD 216 million, an increase of USD 36 million or 20 per cent from last year.

The current year figures include a 5 per cent OGD for the 2022 policy year amounting to USD 6 million and a direct call of USD 34 million on Gard P. & I. (Bermuda) Ltd. to comply with regulatory requirements. The figures of last year include a 5 per cent OGD for the 2021 policy year amounting to USD 6 million on an earned basis.

Ceded reinsurance premium on earned basis was USD 93 million, an increase of USD 10 million or 12 per cent from last year.

Net earned premium is USD 123 million, which is above plan. This is due to the direct call.

Claims cost net are USD 86 million. The entity has faced two large claims above USD 5 million in the period and some medium-sized claims close to

USD 5 million. Only two new claims have been reported from the International Group of P&I Clubs this year.

The technical result is a positive USD 18 with a CRN of 86 per cent. Last year the technical result was a negative USD 11 million with a CRN of 111 per cent. The net effect of the direct call is USD 25 million after the reduction for overrider commission.

On Estimated total call basis (ETC):

Gross written premium on ETC basis was USD 216 million, an increase of USD 28 million or 15 per cent from last year and better than expected.

Ceded reinsurance premium on earned basis was USD 93 million, an increase of USD 10 million or 12 per cent from last year.

Net earned premium was USD 96 million, a decrease of USD 8 million or 8 per cent from last year due to an increase in reinsurance cost and a shorter year.

The technical result for the year was a loss of USD 1 million. This is equivalent to a Combined Ratio Net (CRN) of 101 on an ETC basis.

The non-technical result was a negative USD 18 million compared to a negative USD 6 million last year.

Gard Norway has only one line of business, P&I.

Gard Norway, technical result, ETC basis	31.12.2022	20.02.2022
USD million	Total P&I	
Gross written premium	250	188
Gross earned premium	222	187
Ceded reinsurance	(93)	(83)
Earned premium for own account	**130**	**104**
Other insurance related income	**0**	**0**
Claims incurred, gross:		
Incurred this year	114	140
Incurred previous years	6	9
Total claims incurred, gross	120	149
Reinsurers' share of gross incurred claims	(35)	(50)
Claims incurred for own account	**86**	**99**
Insurance related expenses for own account	17	6
Other insurance related expenses	3	2
Technical result	**24**	**(4)**

Gross written premium by geographical area is shown in the table below. The numbers shown are after the reduction in the agreed estimated total call in 2021 and 2022.

Gard Group, premium by geographical area USD million, as of 31.12	31.12.2022	20.02.2022
EEA	452	518
Norway	126	127
Other areas	417	372
Total gross written premium	**995**	**1017**

1.3 Investment performance

The investment portfolio returned negative USD 17 million for the period, compared with a negative USD 6 million last year.

The primary driver for the result was losses in the equity, credit, and fixed-income portfolios. In response to continued inflationary pressures, with US CPI reaching a peak of 9 per cent in June 2022, the Federal Reserve increased interest rates from 0.25 per cent in February 2022 to 4.50 per cent in December, the fastest rise in history. As a result, the yield of a US 3-year treasury bond, which is the most relevant to Gard's portfolio, rose from 1.7 per cent to 4.3 per cent. The higher rates and the corresponding re-pricing of bonds caused the fixed-income portfolio to deliver a result of negative USD 5 million for the period.

The increase in interest rates was also reflected across prices of corporate bonds and equities, in part because of a re-pricing due to the resulting changes to discount rates, but also due to increasing fears of a recession. Losses in the credit portfolio were USD 6 million, whilst the equity book returned losses of USD 4 million.

There were no major changes to the portfolio's strategic asset allocation between the two periods.

The outlook for markets is highly uncertain, with global economic and geopolitical issues adding to general volatility across financial markets. Whilst expectations are for short-term rates to start falling again during 2023 the path for both rates and inflation is far from certain. The portfolio remains defensively positioned and well-diversified.

Gard Norway's investments in securitised assets are part of investment funds and are recognised as securitised bonds. The exposure is mainly to government-backed mortgages, commercial mortgage-backed securities, asset-backed corporate securities, collateralised loan obligations and non-governmental collateralised mortgages. As of 31 December 2022, the exposure towards securitised products was USD 24 million, up from USD 21 million last period.

Gard Norway, investment income and expenses by asset class

31.12.2022 Amounts in USD million	Equities and investment funds	Bonds	Financial derivatives	Other financial investments	Total
Income	-	-	-	-	-
Expenses	-	-	-	-	-
Realised gain & loss	-	-	-	-	-
Change in unrealised gain & loss	(4)	(13)	-	-	(17)
Total	**(4)**	**(13)**	**-**	**-**	**(17)**

Gard Norway, investment income and expenses by asset class

20.02.2022 Amounts in USD million	Equities and investment funds	Bonds	Financial derivatives	Other financial investments	Total
Income	-	-	-	-	-
Expenses	-	-	-	-	-
Realised gain & loss	-	2	-	-	2
Change in unrealised gain & loss	1	(9)	-	-	(8)
Total	**1**	**(7)**	**-**	**-**	**(6)**

1.4 Risk profile

The material risks to Gard Norway and by which the undertaking holds capital can be seen in the tables below.

Gard Norway, insurance risk

USD million	31.12.2022	20.02.2022
Premium risk	79	95
Reserve risk	62	70
Cat risk	-	-
Lapse risk	0	3
Diversification	(37)	(50)
SCR insurance risk	**104**	**118**

Gard Norway, market risk

USD million	31.12.2022	20.02.2022
Equity risk	10	14
Interest rate risk	7	1
Credit risk	8	9
Currency risk	2	2
Property risk	-	-
Concentration risk	0	-
Alternatives	-	-
Diversification	(23)	(8)
SCR market risk	**4**	**19**

Gard Norway, counterparty default risk

USD million	31.12.2022	20.02.2022
SCR counterparty default risk	16	19

Gard Norway, operational risk

USD million	31.12.2022	20.02.2022
SCR operational risk	10	8

1.5 Valuation for solvency purposes

The table below summarises each material class of assets and liabilities in value according to Solvency II together with the values of the assets recognised and valued in the statutory accounts.

No changes have been made to the recognition and valuation bases that are used or to estimations during the reporting period.

Gard Norway, economic balance sheet

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value	Difference
Assets			
Deferred acquisition costs	-	2	(2)
Intangible assets	-	-	-
Deferred tax assets	-	-	-
Property, plant & equipment held for own use	3	3	-
Government bonds	-	-	-
Collective investments undertakings	241	241	-
Deposits other than cash equivalents	7	7	-
Investments	**248**	**248**	-
Loans and mortgages to individuals	-	-	-
Reinsurance recoverables	118	133	(16)
Insurance and intermediaries receivables	16	16	-
Reinsurance receivables	3	3	-
Receivables (trade, not insurance)	0	0	-
Cash and cash equivalents	78	78	-
Any other assets, not elsewhere shown	3	3	-
Total assets	**471**	**488**	**(17)**

1.6 Deferred acquisition costs

Deferred acquisition costs represent commission provisions on gross unearned premiums and are related to contracts in force at the balance sheet date. This is presented as Accrued income and other prepayments in the balance sheet as of 31 December 2022 and amounts to USD 1.5 million.

1.7 Intangible assets

Gard Norway had no intangible assets as of 31 December 2022.

1.8 Deferred taxes

Deferred tax/tax asset is calculated on all differences between the book value and the tax value of assets and liabilities. Deferred tax is calculated at the nominal tax rate of temporary differences and the tax effect of tax losses carried forward at the tax rate at the end of the accounting year. Changes in tax rates are accounted for when the new rate has been approved and changes are presented as part of the tax expenses in the period the change has been made. A deferred tax asset is recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.

Gard Norway, deferred tax assets

USD million, as of 31.12	31.12.2022	20.02.2022
Specification of tax effect resulting from temporary differences		
Pension obligations	2	2
Portfolio investments	1	(16)
Tax loss carried forward	-	33
Other temporary differences	1	1
Equity	(47)	(62)
Total temporary differences	(44)	(42)
Deferred tax, 25 per cent of total temporary differences	**(11)**	**(10)**
Total deferred tax	(11)	(10)

1.9 Best estimate liabilities

Gard Norway, best estimate liabilities

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Best estimate technical provisions	320	350
Risk margin	4	-
Technical provisions	**324**	350

1.10 Reinsurance Recoverable

Gard Norway, reinsurance recoverables

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Reinsurance recoverables	-	133
Best estimate - reinsurance recoverables	118	-
Reinsurance recoverables	**118**	133

Gard Norway has defined benefit plans covering two retired employees. This pension scheme covers the required occupational pension in accordance with the Norwegian Pension Act and is accounted for in accordance with IAS 19R.

Actuarial calculations are made with regard to pension commitments and funds at year-end and resulting changes in pension obligations are charged to the income statement and other comprehensive income.

1.13 Any other liabilities

The difference between Solvency II and statutory accounts values of USD 0.5 million covers reinsurance commission provision of USD 1.1 million which is included (netted) in the Reinsurers' share of expected cash flow for unexpired cover for the Statutory balance sheet less USD 0.5 million as guarantee scheme liabilities in the Solvency II balance sheet.

1.14 Capital management

Assets over liabilities as calculated in the economic balance sheet were USD 99 million. The equity of Gard Norway was USD 108 million.

The table below explains the difference between equity as in the statutory accounts and excess of assets over liabilities as calculated under Solvency II as of 31 December 2022.

Gard Norway, total eligible own funds to meet SCR as under Solvency II

USD million	31.12.2022	20.02.2022
Tier 1	108	99
Tier 2	43	57
Tier 3	-	-
Total	**152**	**156**

Gard Norway, change in tier 1 capital:

USD million	20.02.22 to 31.12.22	20.02.21 to 20.02.22
Total comprehensive income for the year	(4)	(16)
Change in discounting effect for net best estimate	12	7
Effect of Owners' General Discount	(0)	(2)
Other	2	1
Total	**10**	**(10)**

Gard Norway, difference between equity and excess of assets over liabilities

USD million	31.12.2022	20.02.2022
Excess of assets over liabilities	108	99
Statutory accounts equity	104	108
Difference between equity and Excess of assets over liabilities	**4**	**(9)**
Specification of difference:		
Net technical provisions	8	(2)
Risk margin	(4)	(7)
Difference between equity and excess of assets over liabilities	**4**	**(9)**

Eligible own funds decreased by USD 4 million during the year, from USD 156 million to USD 152 million.

The reconciliation reserve comprises the excess of assets over liabilities less ordinary share capital and was USD 4 million as of 31 December 2022.

Share premium account includes retained earnings, which are covering accumulated results. The share premium account was USD 104 million as of 31 December 2022. Share premium account and reconciliation reserve are attributable to Tier 1 capital. Gard Norway did not have non-available own funds as of 31 December 2022.

1.15 Solvency capital requirement

SCR under the approved partial internal model was USD 87 million as of 31 December 2022. The total eligible own funds to meet the SCR was USD 152 million. The solvency ratio was 175 per cent.

The minimum capital requirement under the Solvency II partial internal model was USD 39 million. Eligible own funds to meet MCR was USD 108 million, i.e., a ratio of 278 per cent.

Gard Norway, Solvency Capital Requirement

USD million	31.12.2022	20.02.2022
Insurance risk	104	118
Market risk	4	19
Counterparty risk	16	19
Diversification	(30)	(33)
Basic Solvency Capital Requirement (BSCR)	94	123
Operational risk	10	8
Loss-absorbing capacity of deferred taxes (LACDT)	(16)	(16)
Solvency Capital Requirement (SCR)	**87**	**115**

The Basic SCR for Gard Norway has decreased by USD 29 million, mainly due to decreases in insurance risk and market risk. Major changes for the insurance risk have been approved by the Norwegian FSA and implemented in the internal model during the period. The decrease in market risk is primarily caused by the increase in interest rates, which has increased the expected return predominantly on the fixed-income portfolio over the next 12 months. Counterparty risk has decreased by USD 3 million, while operational risk has increased by USD 2 million. The loss-absorbing capacity of deferred taxes covering the justifiable amount calculated for the company has remained stable. The SCR has decreased by USD 28 million to USD 87 million over the period.

Appendix 2 SFCR information specific to Gard M&E Europe

2.1 Summary

This section shows information specific to Gard M&E Europe. The information in this section is provided only when it is different from what is already provided at the group level.

Gard M&E Europe, key figures

USD million	31.12.2022	20.02.2022
Solvency II balance sheet		
Assets	332	332
Technical provisions	186	186
Other liabilities	57	67
Excess of assets over liabilities	90	79
Eligible own funds		
Tier 1 Basic own funds (unrestricted)	89	79
Tier 2 Ancillary own funds	0	0
Tier 3 Other own funds	0	0
Eligible own funds	90	79
Capital Requirement		
Solvency Capital Requirement (SCR)	43	48
Minimum Capital Requirement (MCR)	11	14
Solvency ratio		
Eligible own funds to meet SCR	210%	164%
Eligible own funds to meet MCR	783%	581%
Tier 1 share of total eligible own funds	100%	100%

2.2 Underwriting Performance

The financial statements for the year ending 31 December 2022 cover the activity for the period from 21 February 2022 to 31 December 2022 – a period of 314 days. However, the accounts for the previous year used as a comparison cover the period from 21 February 2021 to 20 February 2022, i.e. a period of 365 days. Due to the different number of days in these two periods, the numbers for this year and the previous year will not be fully comparable.

The statement of comprehensive income shows a positive result for the period of USD 11.3 million compared to a positive result of USD 7.0 million last year.

Gross earned premium is USD 170.0 million, an increase of USD 19.2 million or 12.7 per cent from the full last year. The increase over the last year is due to an increase in volume from new and existing clients and a positive rate of development.

Earned premium for own account is USD 45.0 million and above expectations.

Claims incurred for own account is USD 29.1 million. The claim development has been better than expected and the entity has faced no large claims in the period.

The technical result shows a strong profit of USD 18.3 million compared to a profit of USD 11.8 million the full last year. The combined ratio net is a solid 59 per cent.

Gard M&E Europe has the benefit of taking part in the Gard group's external reinsurance programs.

Gard M&E Europe, technical result

USD million	31.12.2022	20.02.2022
	Total M&E	
Gross written premium	144	188
Gross earned premium	170	151
Ceded reinsurance	(125)	(110)
Earned premium for own account	**45**	**41**
Other insurance related income	**0**	**-**
Claims incurred, gross:		
Incurred this year	83	79
Incurred previous years	7	5
Total claims incurred, gross	90	84
Reinsurers' share of gross incurred claims	(61)	(56)
Claims incurred for own account	**29**	**28**
Insurance related expenses for own account	(3)	0
Other insurance related expenses	1	1
Technical result	**18**	**12**

Gard M&E Europe, premium by geographical area

USD million, as of 31.12	31.12.2022	20.02.2022
EEA	103	144
Norway	5	0
Other areas	36	43
Total gross written premium	**144**	**188**

2.3 Investment performance

The return from Gard M&E Europe's investment portfolio was negative USD 2 million, the same as last period.

The main contributor to the result was losses in the credit portfolio. In response to continued inflationary pressures, with US CPI reaching a peak of 9 per cent in June 2022, the Federal Reserve increased interest rates from 0.25 per cent in February 2022 to 4.50 per cent in December, the fastest rise in history. Due to this, the yield of a US 3-year treasury bond, which is the most relevant to Gard's portfolio, rose from 1.7 per cent to 4.3 per cent. As a result of higher rates and the corresponding re-pricing of bond prices, the credit portfolio delivered a loss of USD 1 million and the government bond portfolio a loss of USD 0.5 million.

There were no major changes to the portfolio's strategic asset allocation between the two periods.

The outlook for markets is highly uncertain, with global economic and geopolitical issues adding to general volatility across financial markets. Whilst expectations are for short-term rates to start falling again during the year, the path for both rates and inflation is far from certain. The portfolio remains defensively positioned and well-diversified.

Gard M&E Europe's investments in securitised assets are part of investment funds and are recognised as securitised bonds. The exposure is mainly to government-backed mortgages, commercial mortgage-backed securities, asset-backed corporate securities, collateralised loan obligations and non-governmental collateralised mortgages. As of 31 December 2022, Gard M&E Europe has no significant exposure to securitised assets.

Gard M&E Europe, investment income and expenses by asset class

31.12.2022 Amounts in USD million	Equities and investment funds	Bonds	Financial derivatives	Other financial investments	Total
Income	-	-	-	-	-
Expenses	-	-	-	-	-
Realised gain & loss	-	(1)	-	-	(1)
Change in unrealised gain & loss	-	(1)	-	-	(1)
Total	**-**	**1**	**-**	**-**	**(2)**

Gard M&E Europe, investment income and expenses by asset class

20.02.2022 Amounts in USD million	Equities and investment funds	Bonds	Financial derivatives	Other financial investments	Total
Income	-	-	-	-	-
Expenses	-	-	-	-	-
Realised gain & loss	-	-	-	-	-
Change in unrealised gain & loss	-	(2)	-	-	(2)
Total	**-**	**1**	**-**	**-**	**(2)**

2.4 Risk profile

The material risks to Gard M&E Europe and by which the undertaking holds capital can be seen in the tables below.

Gard M&E Europe, insurance risk

USD million	31.12.2022	20.02.2022
Premium risk	30	37
Reserve risk	13	12
Cat risk	-	-
Lapse risk	0	0
Diversification	(10)	(10)
SCR insurance risk	**33**	**39**

Gard M&E Europe, market risk

USD million	31.12.2022	20.02.2022
Equity risk	1	1
Interest rate risk	3	0
Credit risk	2	2
Currency risk	4	7
Property risk	-	-
Concentration risk	-	-
Alternatives	-	-
Diversification	(10)	(4)
SCR market risk	**0**	**7**

Gard M&E Europe, counterparty default risk

USD million	31.12.2022	20.02.2022
SCR counterparty default risk	19	13

Gard M&E Europe, operational risk

USD million	31.12.2022	20.02.2022
SCR operational risk	6	6

2.5 Valuation for solvency purposes

The table below summarises each material class of assets and liabilities in value according to Solvency II together with the values of the assets recognised and valued in the statutory accounts.

No changes have been made to the recognition and valuation bases used or to estimations during the reporting period.

Gard M&E Europe, economic balance sheet

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value	Difference
Assets			
Deferred acquisition costs	-	9	(9)
Intangible assets	-	-	-
Deferred tax assets	0	0	-
Property, plant & equipment held for own use	-	-	-
Government bonds	-	-	-
Collective investments undertakings	105	105	-
Deposits other than cash equivalents	5	5	-
Investments	**111**	**111**	-
Loans and mortgages to individuals	-	-	-
Reinsurance recoverables	123	151	(28)
Insurance and intermediaries receivables	82	82	-
Reinsurance receivables	-	-	-
Receivables (trade, not insurance)	0	0	-
Cash and cash equivalents	11	11	-
Any other assets, not elsewhere shown	5	5	-
Total assets	**332**	**369**	**(37)**

2.6 Deferred acquisition costs

Gard M&E Europe, deferred acquisition costs

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Deferred acquisition costs	-	9

Deferred acquisition costs represent commission provisions on gross unearned premiums and are related to contracts in force at the balance sheet date. This is presented as part of Accrued income and other prepayments in the balance sheet.

2.7 Intangible assets

Gard M&E Europe had no intangible assets as of 31 December 2022.

2.8 Deferred taxes

Deferred tax/tax asset is calculated on all differences between the book value and the tax value of assets and liabilities. Deferred tax is calculated at the nominal tax rate of temporary differences and the tax effect of tax losses carried forward at the tax rate at the end of the accounting year. Changes in tax rates are accounted for when the new rate has been approved and changes are presented as part of the tax expenses in the period the change has been made. A deferred tax asset is recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.

Gard M&E Europe, deferred tax assets

USD million, as of 31.12	31.12.2022	20.02.2022
Specification of tax effect resulting from temporary differences		
Portfolio investments	1	(0)
Tax loss carried forward	-	-
Other temporary differences	1	1
Equity	(2)	(3)
Total temporary differences	0	(2)
	-	-
	0	(0)
Net deferred tax asset of total temporary differences	0	(0)

2.9 Best estimate liabilities

Gard M&E Europe, best estimate liabilities

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Best estimate technical provisions	183	213
Risk margin	3	-
Technical provisions	**186**	213

2.10 Reinsurance Recoverable

Gard M&E Europe, reinsurance recoverables

USD million, as of 31.12.2022	Solvency II value	Statutory accounts value
Reinsurance recoverables	-	151
Best estimate - reinsurance recoverables	123	-
Reinsurance recoverables	**123**	151

2.11 Contingent liabilities

Gard M&E Europe had no contingent liabilities as of 31 December 2022.

2.12 Pension benefit obligations

Gard M&E Europe had no pension benefit obligations as of 31 December 2022.

2.13 Any other liabilities

The difference between Solvency II and statutory accounts values of USD 13 million is covering reinsurance commission provision, which is included (netted) in the Reinsurers' share of expected cash flow for unexpired cover for the Solvency II balance sheet.

2.14 Capital management

Assets over liabilities as calculated in the economic balance sheet were USD 90 million as of 31 December 2022.

The table explains the differences between equity as in the statutory accounts and excess of assets over liabilities as calculated under Solvency II as of 31 December 2022.

Gard M&E Europe, total eligible own funds to meet SCR as under Solvency II

USD million	31.12.2022	20.02.2022
Tier 1	89	79
Tier 2	-	-
Tier 3	0	-
Total	**90**	**79**

Gard M&E Europe, change in tier 1 capital:

USD million	20.02.22 to 31.12.22	20.02.21 to 20.02.22
Increase in ordinary share capital	-	10
Total comprehensive income for the year	11	7
Change in discounting effect for net best estimate	3	0
Other	(3)	6
Total	**11**	**23**

Gard M&E Europe, difference between equity and excess of assets over liabilities

USD million	31.12.2022	20.02.2022
Excess of assets over liabilities	90	79
Statutory accounts equity	86	75
Difference between equity and Excess of assets over liabilities	**4**	**4**
Specification of difference:		
Net technical provisions	6	7
Risk margin	(3)	(3)
Other	-	-
Difference between equity and Excess of assets over liabilities	**4**	**4**

Eligible own funds increased by USD 11 million, from USD 79 million to USD 90 million during the period.

The reconciliation reserve of USD 4 million as of 31 December 2022 comprises the excess of assets over liabilities less ordinary share capital and share premium account and is attributable to Tier 1 capital.

Deferred tax assets of USD 0.1 million are attributable to Tier 3 capital as of 31 December 2022.

2.15 Solvency capital requirement

The solvency capital requirement under the Solvency II approved partial internal model was USD 43 million as of 31 December 2022. The total eligible own funds to meet the SCR was USD 90 million. The solvency ratio was 210 per cent.

MCR under Solvency II partial internal model was USD 11 million. Eligible own funds to meet MCR was USD 89 million, i.e., a ratio of 783 per cent.

The SCR for Gard M&E Europe decreased by USD 5 million to USD 43 million during the period, mainly due to decreases in insurance risk and market risk. Major changes for the insurance risk have been approved by the Norwegian FSA and implemented in the internal model during the period. The decrease in market risk is primarily caused by the increase in interest rates, which has increased the expected return predominantly on the fixed-income portfolio over the next 12 months. Counterparty risk has increased by USD 6 million and operational risk has remained at the same level during the period. The loss-absorbing capacity of deferred taxes covering the justifiable amount calculated for the company has decreased by USD 0.5 million.

Gard M&E Europe, Solvency Capital Requirement

USD million	31.12.2022	20.02.2022
Insurance risk	33	39
Market risk	0	7
Counterparty risk	19	13
Diversification	(12)	(13)
Basic Solvency Capital Requirement (BSCR)	40	46
Operational risk	6	6
Loss-absorbing capacity of deferred taxes (LACDT)	(3)	(4)
Solvency Capital Requirement (SCR)	**43**	**48**

Appendix 3 Abbreviations Gard companies

Gard companies
Below are the full names of all Gard companies with the short names in brackets. The short name is being used in the report.

Insurance Companies

1. Gard P. & I. (Bermuda) Ltd. ('Gard Bermuda')
2. Assuranceforeningen Gard - gjensidig - ('Gard Norway')
3. Gard Marine & Energy Limited ('Gard M&E')
4. Gard Marine & Energy Insurance (Europe) AS ('Gard M&E Europe')
5. Gard Reinsurance Co Ltd ('Gard Re')

Branches to the insurance companies

- Gard P. & I. (Bermuda) Ltd., Norwegian Branch ('Gard Bermuda NUF')
- Gard P. & I. (Bermuda) Ltd., Singapore Branch ('Gard Bermuda Singapore')
- Assuranceforeningen Gard - gjensidig -, Japan Branch ('Gard Norway Japan')
- Assuranceforeningen Gard - gjensidig -, Hong Kong Branch ('Gard Norway Hong Kong')
- Assuranceforeningen Gard - gjensidig -, UK Branch ('Gard Norway UK')
- Assuranceforeningen Gard - gjensidig -, Finland Branch ('Gard Norway Finland')
- Gard Marine & Energy Limited, Norwegian Branch ('Gard M&E NUF')
- Gard Marine & Energy Limited, Singapore Branch ('Gard M&E Singapore')
- Gard Marine & Energy Limited, Hong Kong Branch ('Gard M&E Hong Kong')
- Gard Marine & Energy Insurance (Europe) AS, UK Branch ('Gard M&E Europe UK')
- Gard Marine & Energy Insurance (Europe) AS, Finland Branch ('Gard M&E Europe Finland')

Subsidiaries to Gard Marine & Energy Limited

- Gard Marine & Energy Ltd.- Escritório de Representacao no Brasil Ltda.

Management company

- Lingard Limited ('Lingard')

Insurance Intermediary company

- Gard AS ('Gard AS')

Subsidiaries to Gard AS

6. Gard (Singapore) Pte. Ltd.
7. Gard (Japan) K.K.
8. Gard (UK) Limited
9. Gard (HK) Limited
10. OY Gard (Baltic) Ab
11. Gard (North America) Inc.
12. Gard (Greece) Ltd.

Property company

13. AS Assuransegården ('Assuransegården')

All the above companies and branches

- Jointly referred to as 'Gard' or 'Group'

Appendix 4 Other abbreviations

ALAE: ALLOCATED LOSS ADJUSTMENT EXPENSES

BBNI: BOUND BUT NOT INCEPTED INCOME

BEL: BEST ESTIMATE LIABILITY

BMA: BERMUDA MONETARY AUTHORITY

BOD: THE BOARDS OF DIRECTORS

BOF: BASIC OWN FUNDS

BSCR: BASIC SOLVENCY CAPITAL REQUIREMENT

CEO: CHIEF EXECUTIVE OFFICER

CFO: CHIEF FINANCIAL OFFICER

CIO: CHIEF INVESTMENT OFFICER

CRO: CHIEF RISK OFFICER

ETC: ESTIMATED TOTAL CALL

EXCOM: THE EXECUTIVE COMMITTEE

FINANSTILSYNET: THE NORWEGIAN FINANCIAL SUPERVISORY AUTHORITY (FSA)

GLT: GROUP LEADERSHIP TEAM

IBNR: INCURRED BUT NOT REPORTED

IFRS: INTERNATIONAL FINANCIAL REPORTING STANDARDS

IG: INTERNATIONAL GROUP

INTERNAL MODEL: GARD'S INTERNAL RISK CAPITAL MODEL

LOD: LOSSES OCCURRING DURING

MCR: MINIMUM CAPITAL REQUIREMENT

OGD: OWNER'S GENERAL DISCOUNT

ORSA: OWN RISK AND SOLVENCY ASSESSMENT

RM: RISK MANAGEMENT

SAA: STRATEGIC ASSET ALLOCATION

SCR: SOLVENCY CAPITAL REQUIREMENT

SVP: SENIOR VICE PRESIDENT

ULAE: UNALLOCATED LOSS ADJUSTMENT EXPENSES

VP: VICE PRESIDENT

QRT: QUANTITATIVE REPORTING TEMPLATE

Appendix 5 Quantitative reporting templates

Gard group quantitative reporting templates

- Balance Sheet (S.02.01.02)
- Premiums, claims and expenses by line of business (S.05.01.02)
- Premiums, claims and expenses by country (S.05.02.01)
- Own funds (S.23.01.22)
- Solvency Capital Requirement — for groups using the standard formula and partial internal model (S.25.02.22)
- Undertakings in the scope of the group (S.32.01.22)

Gard Norway quantitative reporting templates

- Balance Sheet (S.02.01.02)
- Premiums, claims and expenses by line of business (S.05.01.02)
- Premiums, claims and expenses by country (S.05.02.01)
- Non-life Technical Provisions (S.17.01.02)
- Non-life Insurance Claims Information (S.19.01.21)
- Own funds (S.23.01.01)
- Solvency Capital Requirement — for undertakings using the standard formula and partial internal model (S.25.02.21)
- Minimum Capital Requirement (S.28.01.01)

Gard M&E Europe quantitative reporting templates

- Balance Sheet (S.02.01.02)
- Premiums, claims and expenses by line of business (S.05.01.02)
- Premiums, claims and expenses by country (S.05.02.01)
- Non-life Technical Provisions (S.17.01.02)
- Non-life Insurance Claims Information (S.19.01.21)
- Own funds (S.23.01.01)
- Solvency Capital Requirement — for undertakings using the standard formula and partial internal model (S.25.02.21)
- Minimum Capital Requirement (S.28.01.01)

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	33,101
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	33,852
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	2,293,440
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	12
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	12
Bonds	**R0130**	53,442
Government Bonds	**R0140**	53,442
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	2,210,392
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	29,594
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	19,896
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	19,896
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	134,148
Non-life and health similar to non-life	**R0280**	134,148
Non-life excluding health	**R0290**	134,148
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	267,161
Reinsurance receivables	**R0370**	11,387
Receivables (trade, not insurance)	**R0380**	111
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	235,085
Any other assets, not elsewhere shown	**R0420**	19,891
Total assets	**R0500**	3,048,071

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	1,577,949
Technical provisions – non-life (excluding health)	R0520	1,577,949
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	1,535,208
Risk margin	R0550	42,741
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	24,034
Provisions other than technical provisions	R0750	15
Pension benefit obligations	R0760	35,134
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	-
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	54,971
Reinsurance payables	R0830	20,937
Payables (trade, not insurance)	R0840	24,186
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	21,295
Total liabilities	R0900	1,758,521
Excess of assets over liabilities	R1000	1,289,549

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						908,521											908,521
Gross - Proportional reinsurance accepted	**R0120**						63,584											63,584
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**						191,668											191,668
Net	**R0200**						780,438											780,438
Premiums earned																		
Gross - Direct Business	**R0210**						900,642											900,642
Gross - Proportional reinsurance accepted	**R0220**						80,861											80,861
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**						229,875											229,875
Net	**R0300**						751,629											751,629
Claims incurred																		
Gross - Direct Business	**R0310**						431,490											431,490
Gross - Proportional reinsurance accepted	**R0320**						39,709											39,709
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**						13,054											13,054
Net	**R0400**						458,144											458,144
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**						162,770											162,770
Other expenses	**R1200**																	856
Total expenses	**R1300**																	163,626

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**									
Reinsurers' share	**R1620**									
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**									
Other expenses	**R2500**									
Total expenses	**R2600**									

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010						C0070
	R0010		DE	GR	NO	SG	US	
		C0080						C0140
Premiums written								
Gross - Direct Business	R0110	12,444	107,278	175,048	133,140	46,767	78,950	553,628
Gross - Proportional reinsurance accepted	R0120	1,978	328	568	3,432	412	287	7,005
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	2,478	23,827	31,166	24,110	8,362	14,060	104,002
Net	R0200	11,945	83,779	144,451	112,462	38,818	65,177	456,631
Premiums earned								
Gross - Direct Business	R0210	10,467	104,838	157,458	122,424	41,767	74,667	511,620
Gross - Proportional reinsurance accepted	R0220	1,719	356	501	6,380	290	255	9,500
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	1,969	21,756	26,388	21,281	7,038	12,515	90,947
Net	R0300	10,216	83,437	131,571	107,523	35,018	62,407	430,173
Claims incurred								
Gross - Direct Business	R0310	4,305	57,684	85,533	64,421	20,816	17,421	250,180
Gross - Proportional reinsurance accepted	R0320	1,424	(286)	2,094	2,154		1	5,386
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	(83)	1,960	300	1,389	1	(350)	3,217
Net	R0400	5,813	55,437	87,328	65,185	20,815	17,772	252,350
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	2,392	18,165	29,976	23,279	8,073	13,576	95,462
Other expenses	R1200							510
Total expenses	R1300							95,972

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
								C0210
	R1400		DK	DE	GR	NO	US	
								C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
S.23.01.22
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	463	463			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1,259,989	1,259,989			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	-4,002	-4,002			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	33,101				33,101
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190	96,548	96,548			
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	96,548	96,548	-	-	-
Total deductions	R0280	96,548	96,548	-	-	-
Total basic own funds after deductions	R0290	1,193,001	1,159,901	-	-	33,101
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	615,009			615,009	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390	-				
Total ancillary own funds	R0400	615,009			615,009	-
Own funds of other financial sectors						
Reconciliation reserve	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	1,808,010	1,159,901	-	615,009	33,101
Total available own funds to meet the minimum consolidated group SCR	R0530	1,159,901	1,159,901	-	-	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	1,366,171	1,159,901	-	206,270	-
Total-eligible own funds to meet the minimum consolidated group SCR	R0570	1,159,901	1,159,901	-	-	
Minimum consolidated Group SCR	R0610	299,064				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	388 %				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	1,366,171	1,159,901	-	206,270	
Group SCR	R0680	412,540				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	331 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	1,289,549
Own shares (included as assets on the balance sheet)	R0710	-
Forseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	1,293,552
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve before deduction for participations in other financial sector	R0760	-4,002
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	57,242
Total EPIFP	R0790	57,242

Annex I
S.25.02.22
Solvency Capital Requirement - for groups using the standard formula and partial internal model

Unique number of component	Components Description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	**C0020**	**C0030**	**C0070**	**C0080**	**C0090**
1	Market risk	143,647	143,647		
2	Counterparty risk	53,687			
5	Non-life underwriting risk	470,233	470,233		
7	Operational risk	46,056			
9	Loss absorbing capacity of deferred taxes	(25,917)			

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	**R0110**	687,705
Diversification	**R0060**	(275,165)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	412,540
Capital add-ons already set	**R0210**	
Solvency capital requirement for undertakings under consolidated method	**R0220**	412,540
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	**R0300**	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	**R0310**	(25,917)
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	
Minimum consolidated group solvency capital requirement	**R0470**	299,064
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	**R0500**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	**R0510**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	**R0520**	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	**R0530**	
Capital requirement for non-controlled participation requirements	**R0540**	
Capital requirement for residual undertakings	**R0550**	
Overall SCR		
SCR for undertakings included via D and A	**R0560**	
Solvency capital requirement	**R0570**	412,540

Annex I
S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
BR	LEI/213800396JKJ1UBIBJ37	1	Gard Marine & Energy Ltd. Escritorio de Representação no Brasil Ltda.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
FI	LEI/2138003GAO7REM2VXG04	1	OY Gard (Baltic) AB	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/21380084U7O1189W1Q41	1	Gard P. & I. (Bermuda) Ltd	2	Gjensidig selskap	1	Bermuda Monetary Authority							1		1
GB	LEI/2138008GLX45R5P25362	1	Gard (UK) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
GR	LEI/213800D8JGJCYQLS8V88	1	Gard (Greece) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
US	LEI/213800FY2T23ST15RW72	1	Gard (North America) Inc.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
JP	LEI/213800M7HGL8VMFH5228	1	Gard (Japan) KK	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
SG	LEI/213800O24Z6CETNDYK67	1	Gard (Singapore) Pte. Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800Q2POZHFSJGV914	1	Lingard Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800T4M3EDB4CNQN80	1	Gard Marine & Energy Limited	2	Aksjeselskap	2	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1
HK	LEI/213800TZYP2QXFEA7U98	1	Gard (HK) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800ZIGLMXFERBEC96	1	Gard Reinsurance Co Ltd.	3	Aksjeselskap	2	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1
NO	LEI/5967007LIEEXZXAU8W91	1	Gard AS	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
NO	LEI/5967007LIEEXZXAWK837	1	AS Assuransegaarden	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
NO	LEI/213800T24W13A7ZGZI80	1	Gard Marine & Energy Insurance (Europe) AS	2	Aksjeselskap	2	Finanstilsynet	100 %	100 %	100 %		1	100 %	1		1
NO	LEI/213800EKMAHB2DGHGA76	1	Assuranceforeningen Gard - gjensidig -	2	Gjensidig selskap	1	Finanstilsynet	100 %	100 %	100 %		1	100 %	1		1
BM	LEI/549300RLX1HXJUXV0R14	1	Hydra Insurance Company Ltd Gard Cell	3	Gjensidig selskap	1	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1

Annex I
S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
BR	LEI/213800396JKJ1UBIBJ37	1	Gard Marine & Energy Ltd. Escritorio de Representação no Brasil Ltda.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
FI	LEI/2138003GAO7REM2VXG04	1	OY Gard (Baltic) AB	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/21380084U7O1189W1Q41	1	Gard P. & I. (Bermuda) Ltd	2	Gjensidig selskap	1	Bermuda Monetary Authority							1		1
GB	LEI/2138008GLX45R5P25362	1	Gard (UK) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
GR	LEI/213800D8JGJCYQLS8V88	1	Gard (Greece) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
US	LEI/213800FY2T23ST15RW72	1	Gard (North America) Inc.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
JP	LEI/213800M7HGL8VMFH5228	1	Gard (Japan) KK	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
SG	LEI/213800O24Z6CETNDYK67	1	Gard (Singapore) Pte. Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800Q2POZHFSJGV914	1	Lingard Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800T4M3EDB4CNQN80	1	Gard Marine & Energy Limited	2	Aksjeselskap	2	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1
HK	LEI/213800TZYP2QXFEA7U98	1	Gard (HK) Ltd.	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
BM	LEI/213800ZIGLMXFERBEC96	1	Gard Reinsurance Co Ltd.	3	Aksjeselskap	2	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1
NO	LEI/5967007LIEEXZXAU8W91	1	Gard AS	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
NO	LEI/5967007LIEEXZXAWK837	1	AS Assuransegaarden	10	Aksjeselskap	2		100 %	100 %	100 %		1	100 %	1		1
NO	LEI/213800T24W13A7ZGZI80	1	Gard Marine & Energy Insurance (Europe) AS	2	Aksjeselskap	2	Finanstilsynet	100 %	100 %	100 %		1	100 %	1		1
NO	LEI/213800EKMAHB2DGHGA76	1	Assuranceforeningen Gard - gjensidig -	2	Gjensidig selskap	1	Finanstilsynet	100 %	100 %	100 %		1	100 %	1		1
BM	LEI/549300RLX1HXJUXV0R14	1	Hydra Insurance Company Ltd Gard Cell	3	Gjensidig selskap	1	Bermuda Monetary Authority	100 %	100 %	100 %		1	100 %	1		1

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	3,429
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	248,286
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	
Government Bonds	R0140	
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	241,202
Derivatives	R0190	
Deposits other than cash equivalents	R0200	7,084
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	117,775
Non-life and health similar to non-life	R0280	117,775
Non-life excluding health	R0290	117,775
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	16,373
Reinsurance receivables	R0370	3,149
Receivables (trade, not insurance)	R0380	379
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	78,253
Any other assets, not elsewhere shown	R0420	3,086
Total assets	R0500	470,730

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	324,461
Technical provisions – non-life (excluding health)	R0520	324,461
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	320,125
Risk margin	R0550	4,336
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	-
Contingent liabilities	R0740	6,271
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	1,559
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	10,854
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	6,944
Reinsurance payables	R0830	8,661
Payables (trade, not insurance)	R0840	3,123
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	404
Total liabilities	R0900	362,277
Excess of assets over liabilities	R1000	108,453

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						190,199											190,199
Gross - Proportional reinsurance accepted	**R0120**						52,495											52,495
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**						106,949											106,949
Net	**R0200**						135,745											135,745
Premiums earned																		
Gross - Direct Business	**R0210**						165,080											165,080
Gross - Proportional reinsurance accepted	**R0220**						51,009											51,009
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**						92,817											92,817
Net	**R0300**						123,273											123,273
Claims incurred																		
Gross - Direct Business	**R0310**						97,726											97,726
Gross - Proportional reinsurance accepted	**R0320**						3,516											3,516
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**						34,595											34,595
Net	**R0400**						66,647											66,647
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**						38,810											38,810
Other expenses	**R1200**																	498
Total expenses	**R1300**																	39,308

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**									
Reinsurers' share	**R1620**									
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**									
Other expenses	**R2500**									
Total expenses	**R2600**									

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010						C0070
	R0010		CN	DK	JP	NL	TW	
		C0080						C0140
Premiums written								
Gross - Direct Business	**R0110**	124	8,052	16,799	24,532	18,321	22,420	90,250
Gross - Proportional reinsurance accepted	**R0120**	960	8,370	3,217	4,698	3,507	4,293	25,045
Gross - Non-proportional reinsurance accepted	**R0130**							
Reinsurers' share	**R0140**	469	7,191	8,820	12,880	9,696	11,780	50,837
Net	**R0200**	614	9,231	11,196	16,350	12,133	14,933	64,458
Premiums earned								
Gross - Direct Business	**R0210**	143	7,013	14,515	21,014	16,311	19,632	78,627
Gross - Proportional reinsurance accepted	**R0220**	854	7,512	3,135	4,539	3,522	4,240	23,802
Gross - Non-proportional reinsurance accepted	**R0230**							
Reinsurers' share	**R0240**	408	6,194	7,583	10,978	8,587	10,265	44,015
Net	**R0300**	589	8,331	10,067	14,575	11,245	13,607	58,414
Claims incurred								
Gross - Direct Business	**R0310**	238	3,309	7,412	10,980	16,180	14,876	52,995
Gross - Proportional reinsurance accepted	**R0320**	6	232	234	347	511	470	1,801
Gross - Non-proportional reinsurance accepted	**R0330**							
Reinsurers' share	**R0340**	138	1,131	2,180	3,229	9,595	4,375	20,649
Net	**R0400**	106	2,410	5,466	8,097	7,096	10,971	34,147
Changes in other technical provisions								
Gross - Direct Business	**R0410**							
Gross - Proportional reinsurance accepted	**R0420**							
Gross - Non- proportional reinsurance accepted	**R0430**							
Reinsurers' share	**R0440**							
Net	**R0500**							
Expenses incurred	**R0550**	171	2,612	3,204	4,679	3,493	4,276	18,437
Other expenses	**R1200**							237
Total expenses	**R1300**							18,673

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
								C0210
	R1400		CN	DK	JP	NL	TW	
								C0280
Premiums written								
Gross	**R1410**							
Reinsurers' share	**R1420**							
Net	**R1500**							
Premiums earned								
Gross	**R1510**							
Reinsurers' share	**R1520**							
Net	**R1600**							
Claims incurred								
Gross	**R1610**							
Reinsurers' share	**R1620**							
Net	**R1700**							
Changes in other technical provisions								
Gross	**R1710**							
Reinsurers' share	**R1720**							
Net	**R1800**							
Expenses incurred	**R1900**							
Other expenses	**R2500**							
Total expenses	**R2600**							

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060						21,297											21,297
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140						5,894											5,894
Net Best Estimate of Premium Provisions	R0150						15,403											15,403
Claims provisions																		
Gross	R0160						298,828											298,828
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240						111,880											111,880
Net Best Estimate of Claims Provisions	R0250						186,947											186,947
Total Best estimate - gross	R0260						320,125											320,125
Total Best estimate - net	R0270						202,350											202,350
Risk margin	R0280						4,336											4,336
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320						324,461											324,461
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330						117,775											117,775
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340						206,686											206,686

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	1

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											11,405	R0100	11,405	11,405
N-9	R0160	11,463	18,753	8,403	5,374	5,242	1,523	2,812	1,963	303	223		R0160	223	56,059
N-8	R0170	19,455	17,244	7,895	6,841	3,824	(674)	2,449	6,437	2,954			R0170	2,954	66,425
N-7	R0180	66,660	69,575	32,323	18,270	8,541	4,562	31,272	4,116				R0180	4,116	235,318
N-6	R0190	14,844	16,745	10,711	17,770	3,956	2,973	3,049					R0190	3,049	70,048
N-5	R0200	19,571	19,611	16,097	4,633	33,997	(1,813)						R0200	(1,813)	92,095
N-4	R0210	12,370	17,019	7,060	7,130	3,890							R0210	3,890	47,470
N-3	R0220	33,850	32,445	31,052	9,043								R0220	9,043	106,389
N-2	R0230	27,621	20,811	11,484									R0230	11,484	59,916
N-1	R0240	23,684	27,672										R0240	27,672	51,355
N	R0250	9,004											R0250	9,004	9,004
													Tc R0260	81,024	805,483

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											45,199	R0100	44,415
N-9	R0160	62,215	25,424	20,963	15,091	8,253	7,951	4,812	2,598	2,091	2,313		R0160	2,174
N-8	R0170	67,589	33,423	31,296	26,847	21,769	19,541	16,484	9,315	6,199			R0170	5,772
N-7	R0180	279,064	121,816	70,529	50,893	43,798	39,319	15,630	16,657				R0180	15,437
N-6	R0190	80,468	43,680	38,507	15,405	11,000	7,746	4,588					R0190	4,235
N-5	R0200	81,177	38,516	41,943	32,842	5,401	6,140						R0200	5,663
N-4	R0210	75,034	42,458	35,172	27,808	22,443							R0210	20,696
N-3	R0220	98,563	66,171	29,260	25,221								R0220	23,278
N-2	R0230	86,210	47,986	31,162									R0230	28,814
N-1	R0240	104,633	60,989										R0240	56,512
N	R0250	99,161											R0250	91,832
												Total	R0260	298,828

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**					
Share premium account related to ordinary share capital	**R0030**	104,471	104,471			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	3,982	3,982			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	108,453	108,453			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**	237,806			237,806	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**	0				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	**R0400**	237,806			237,806	
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	346,259	108,453		237,806	
Total available own funds to meet the MCR	**R0510**	108,453	108,453			
Total eligible own funds to meet the SCR	**R0540**	151,771	108,453		43,318	
Total eligible own funds to meet the MCR	**R0550**	108,453	108,453			
SCR	**R0580**	86,636				
MCR	**R0600**	38,986				
Ratio of Eligible own funds to SCR	**R0620**	175 %				
Ratio of Eligible own funds to MCR	**R0640**	278 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	**R0700**	108,453
Own shares (held directly and indirectly)	**R0710**	-
Foreseeable dividends, distributions and charges	**R0720**	-
Other basic own fund items	**R0730**	104,471
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	-
Reconciliation reserve	**R0760**	3,982
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	-
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	1,751
Total Expected profits included in future premiums (EPIFP)	**R0790**	1,751

Annex I
S.25.02.21
Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Unique number of component	Components Description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market risk	3,806	3,806		
2	Counterparty risk	16,028			
5	Non-life underwriting risk	104,039	104,039		
7	Operational risk	9,604			
9	Loss absorbing capacity of deferred taxes	(16,496)			

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	116,981
Diversification	R0060	(30,346)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	86,636
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	86,636
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	(16,496)
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	39,846

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	202,350	135,745
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	39,846
SCR	R0310	86,636
MCR cap	R0320	38,986
MCR floor	R0330	21,659
Combined MCR	R0340	38,986
Absolute floor of the MCR	R0350	3,966
		C0070
Minimum Capital Requirement	R0400	38,986

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	106
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	110,772
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	105,283
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	5,490
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	122,745
Non-life and health similar to non-life	**R0280**	122,745
Non-life excluding health	**R0290**	122,745
Health similar to non-life	**R0300**	
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	82,326
Reinsurance receivables	**R0370**	
Receivables (trade, not insurance)	**R0380**	316
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	11,495
Any other assets, not elsewhere shown	**R0420**	4,717
Total assets	**R0500**	332,477

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	186,073
Technical provisions – non-life (excluding health)	R0520	186,073
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	183,401
Risk margin	R0550	2,672
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	5,442
Reinsurance payables	R0830	44,117
Payables (trade, not insurance)	R0840	6,669
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	612
Total liabilities	R0900	242,913
Excess of assets over liabilities	R1000	89,565

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**						131,535											131,535
Gross - Proportional reinsurance accepted	**R0120**						12,206											12,206
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**						106,737											106,737
Net	**R0200**						37,005											37,005
Premiums earned																		
Gross - Direct Business	**R0210**						145,064											145,064
Gross - Proportional reinsurance accepted	**R0220**						24,939											24,939
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**						124,955											124,955
Net	**R0300**						45,048											45,048
Claims incurred																		
Gross - Direct Business	**R0310**						74,143											74,143
Gross - Proportional reinsurance accepted	**R0320**						11,574											11,574
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**						60,968											60,968
Net	**R0400**						24,748											24,748
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**						2,054											2,054
Other expenses	**R1200**																	0
Total expenses	**R1300**																	2,054

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**									
Reinsurers' share	**R1420**									
Net	**R1500**									
Premiums earned										
Gross	**R1510**									
Reinsurers' share	**R1520**									
Net	**R1600**									
Claims incurred										
Gross	**R1610**									
Reinsurers' share	**R1620**									
Net	**R1700**									
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**									
Other expenses	**R2500**									
Total expenses	**R2600**									

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010						C0070
	R0010		DE	IT	NL	GB	US	
		C0080						C0140
Premiums written								
Gross - Direct Business	R0110		60,575	4,875	14,602	6,546	12,490	99,088
Gross - Proportional reinsurance accepted	R0120		23	2,753	203	1,577	66	4,621
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140		45,597	5,794	10,795	5,972	9,151	77,309
Net	R0200		15,000	1,835	4,010	2,151	3,404	26,399
Premiums earned								
Gross - Direct Business	R0210		66,314	5,086	16,221	5,933	15,193	108,747
Gross - Proportional reinsurance accepted	R0220		23	2,988	302	1,268	57	4,637
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240		49,252	6,044	11,958	5,238	11,032	83,524
Net	R0300		17,085	2,030	4,565	1,963	4,219	29,861
Claims incurred								
Gross - Direct Business	R0310		41,779	3,568	6,909	1,334	2,326	55,916
Gross - Proportional reinsurance accepted	R0320		(134)	3,662	683	1,884	-	6,095
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340		31,050	4,811	5,228	2,127	1,613	44,830
Net	R0400		10,595	2,419	2,363	1,091	712	17,181
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550		864	110	211	117	179	1,480
Other expenses	R1200							
Total expenses	R1300							1,480

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
								C0210
	R1400		DK	DE	IT	NL	US	
								C0280
Premiums written								
Gross	R1410							
Reinsurers' share	R1420							
Net	R1500							
Premiums earned								
Gross	R1510							
Reinsurers' share	R1520							
Net	R1600							
Claims incurred								
Gross	R1610							
Reinsurers' share	R1620							
Net	R1700							
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900							
Other expenses	R2500							
Total expenses	R2600							

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060						52,443											52,443
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140						30,349											30,349
Net Best Estimate of Premium Provisions	R0150						22,094											22,094
Claims provisions																		
Gross	R0160						130,958											130,958
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240						92,396											92,396
Net Best Estimate of Claims Provisions	R0250						38,562											38,562
Total Best estimate - gross	R0260						183,401											183,401
Total Best estimate - net	R0270						60,656											60,656
Risk margin	R0280						2,672											2,672
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320						186,073											186,073
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330						122,745											122,745
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340						63,328											63,328

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	11,428

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	60,656	37,005
Fire and other damage to property insurance and proportional reinsurance	R0080		
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	11,428
SCR	R0310	42,606
MCR cap	R0320	19,173
MCR floor	R0330	10,652
Combined MCR	R0340	11,428
Absolute floor of the MCR	R0350	3,966

		C0070
Minimum Capital Requirement	R0400	11,428

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0010	

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											85	R0100	85	85
N-9	R0160	20,106	5,092	2,114	799	654	228	95	8	218	48		R0160	48	29,361
N-8	R0170	9,875	6,650	1,835	1,601	1,097	564	1,798	553	119			R0170	119	24,093
N-7	R0180	17,074	20,789	8,676	1,356	1,822	638	(247)	(13)				R0180	(13)	50,096
N-6	R0190	25,720	21,416	8,756	2,001	(399)	1,947	266					R0190	266	59,708
N-5	R0200	22,410	22,777	6,654	4,254	1,076	258						R0200	258	57,428
N-4	R0210	29,066	38,810	12,358	6,642	577							R0210	577	87,454
N-3	R0220	37,435	29,344	20,805	4,104								R0220	4,104	91,689
N-2	R0230	27,692	21,518	6,103									R0230	6,103	55,313
N-1	R0240	20,205	29,289										R0240	29,289	49,494
N	R0250	13,958											R0250	13,958	13,958
												Total	R0260	54,793	518,678

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											271	R0100	259
N-9	R0160	7,143	6,122	3,097	1,828	516	(360)	472	550	375	201		R0160	189
N-8	R0170	12,162	4,961	3,416	8,642	7,229	6,780	718	478	132			R0170	124
N-7	R0180	38,171	12,062	3,191	1,104	314	(175)	(805)	(732)				R0180	(687)
N-6	R0190	37,578	18,423	8,191	4,906	3,738	647	514					R0190	482
N-5	R0200	38,860	18,543	9,502	5,240	2,993	1,361						R0200	1,278
N-4	R0210	63,351	24,414	14,985	6,731	6,387							R0210	6,005
N-3	R0220	61,234	32,929	16,868	11,494								R0220	10,831
N-2	R0230	42,007	17,400	11,748									R0230	11,102
N-1	R0240	62,364	32,933										R0240	31,182
N	R0250	74,061											R0250	70,192
												Total	R0260	130,958

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	62,385	62,385			
Share premium account related to ordinary share capital	R0030	23,517	23,517			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3,556	3,556			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	106				106
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	89,565	89,459	0	0	106
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390	0				

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400				-	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	89,565	89,459	0	-	106
Total available own funds to meet the MCR	R0510	89,459	89,459	0	0	
Total eligible own funds to meet the SCR	R0540	89,565	89,459	0	-	106
Total eligible own funds to meet the MCR	R0550	89,459	89,459	0	0	
SCR	R0580	42,606				
MCR	R0600	11,428				
Ratio of Eligible own funds to SCR	R0620	210 %				
Ratio of Eligible own funds to MCR	R0640	783 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	89,565
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	86,008
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	3,556
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	333
Total Expected profits included in future premiums (EPIFP)	R0790	333

Annex I
S.25.02.21
Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Unique number of component	Components Description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market risk	178	178		
2	Counterparty risk	19,132			
5	Non-life underwriting risk	33,091	33,091		
7	Operational risk	5,502			
9	Loss absorbing capacity of deferred taxes	(2,991)			

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	54,913
Diversification	R0060	(12,306)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	42,606
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	42,606
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	(2,991)
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	