

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

Amounts in USD 000's	Q2		YTD 30.06	
	Current year	Previous year	Current year	Previous year
	01.04.23 to 30.06.23	01.04.22 to 30.06.22	01.01.23 to 30.06.23	21.02.22 to 30.06.22
Technical account				
Gross written premium	60,732	51,402	111,144	64,836
Gross earned premium	45,528	48,151	84,549	69,529
Ceded reinsurance	(33,042)	(35,205)	(61,618)	(51,155)
Earned premium for own account	12,486	12,946	22,932	18,374
Other insurance related income	96	0	178	0
Gross incurred claims	35,843	9,067	71,778	39,503
Reinsurers' share of gross incurred claims	(23,778)	(4,775)	(48,025)	(27,736)
Claims incurred for own account	12,066	4,293	23,753	11,768
Acquisition costs	2,603	2,846	5,601	3,910
Agents' commission	4,320	5,153	8,745	7,617
Commission received	(5,914)	(8,549)	(14,240)	(11,400)
Insurance related expenses for own account	1,010	(551)	106	126
Other insurance related expenses	331	(1,199)	709	534
Technical result	(824)	10,402	(1,458)	5,947
Non-technical account				
Interest and similar income/(expenses)	662	(1,592)	1,511	(2,194)
Change in unrealised gain (loss) on investments	(1,191)	(1,198)	726	(1,858)
Other expenses	1	(2)	(17)	(6)
Non-technical result	(528)	(3,674)	2,220	(4,940)
Profit before tax	(1,352)	6,729	762	1,007
Corporate income tax	(88)	223	(412)	226
Net result	(1,264)	6,506	1,174	781

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.06.23	As at 31.12.22
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	2,833	2,598
Interest-bearing securities and funds	126,683	102,603
Total investments	129,517	105,201
Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	73,388	53,109
Reinsurers' share of gross claims reserve	116,405	97,627
Total reinsurers' share of technical provisions	189,794	150,736
Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	1,953	1,571
Intermediaries	104,809	80,755
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	0	(0)
Receivables from group companies	0	0
<i>Other receivables</i>		
Other receivables	0	0
Other receivables from group companies	962	316
Total receivables	107,725	82,642
Other assets		
Cash and cash equivalents	16,084	11,495
Deferred tax asset	622	106
Other financial assets	5,597	5,490
Total other assets	22,303	17,090
Prepayments and accrued income		
Accrued income and other prepayments	10,368	13,598
Total prepayments and accrued income	10,368	13,598
Total assets	459,707	369,267

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.06.23	As at 31.12.22
Equity and liabilities		
Equity		
Statutory reserve	63,262	63,262
Other equity	23,815	22,641
Total equity	87,077	85,903
Technical provisions		
Gross premium reserve	101,300	74,705
Gross claims reserve	166,238	138,370
Total technical provisions	267,539	213,075
Provisions for other liabilities		
Income tax payable	5,389	5,696
Deferred tax	0	0
Total provisions for other liabilities	5,389	5,696
Payables		
Payables arising out of direct insurance operations	17,348	5,347
Payables arising out of reinsurance operations	5,247	2,020
Payables arising out of reinsurance operations - group companies	62,427	42,097
Payables to group companies	0	95
Other payables	1,486	984
Total payables	86,509	50,543
Accruals and deferred income		
Accruals and deferred income	13,192	14,051
Total accruals and deferred income	13,192	14,051
Total liabilities	372,629	283,364
Total equity and liabilities	459,707	369,267

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
Equity as at 21.02.2022	63,262	11,300	74,562
Net result	0	11,340	11,340
Equity as at 31.12.2022	63,262	22,641	85,903
Equity as at 01.01.2023	63,262	22,641	85,903
Net result	0	1,174	1,174
Equity as at 31.03.2023	63,262	23,815	87,077

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	01.01.2023 to 30.06.23	21.02.22 to 30.06.22
Cash flow from operating activities		
Profit (loss) before tax	762	781
Tax (paid)/refunded	(411)	(211)
Change in unrealised gain/(loss) on investments	0	660
Change in receivables and payables	10,777	14,030
Change in technical provisions and other accruals	17,778	(475)
Financial investments	(24,316)	(14,012)
Change in valuation due to change in exchange rates	(3)	223
Net cash flow from operating activities	4,586	995
Net cash flow from investment activities	0	0
Cash flow from financial activities		
Increase of capital	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	4,586	995
Cash and cash equivalents at beginning of period	11,495	14,560
Cash and cash equivalents at end of period	16,084	15,559

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 1 - Accounting policies

Corporate information

Gard Marine & Energy Insurance (Europe) AS ("the Company") is a wholly owned subsidiary of Gard Marine & Energy Ltd ("Gard M&E Ltd."). The Company is registered and domiciled in Norway and licensed by the Norwegian Ministry of Finance to carry out direct insurance of Marine and Energy risks.

Gard Marine & Energy Insurance (Europe) AS is consolidated into the accounts of Gard M&E Ltd. and the consolidated accounts are available at the office of Gard M&E Ltd's management company Lingard Ltd in Bermuda.

The Company has established a branch in UK.

Basis of preparation of the Accounts

The quarterly accounts includes activity from 1 January 2023 to 30 June 2023.

The quarterly accounts have been prepared in accordance with Regulations for annual accounts for general insurance companies approved by the Norwegian Ministry of Finance.

The financial statements of insurance companies with operation in Norway are subject to regulations established by the Norwegian Ministry of Finance. According to a resolution from the Financial Supervisory Authority of Norway the Company has been given dispensation to present the financial statements in the English language and in USD currency.

The accounts as at 30 June 2023 has not been audited.

Use of accounting estimates when preparing the accounts

The preparation of the accounts requires management to make estimates and assumptions that affect assets, liabilities, revenues, expenses and contingent liabilities. Due to unforeseen circumstances, these estimates may change in the future. Estimates and their assumptions are considered continuously, and accounts adjusted accordingly.

Insurance contract liabilities are the main items in the balance sheet based upon judgements and estimates. Estimates have to be made both for the expected total cost of claims reported and for the expected total cost of claims incurred but not reported at the balance sheet date. Standard actuarial methods are used in estimating the total cost of outstanding claims. The actuarial method uses historical data as one of the elements in the model to estimate the future claims costs. It can take a significant period of time before the ultimate claims cost can be established with certainty.

Note 2 – Related party transactions

Reinsurance agreements

The Company cedes to Gard M&E Ltd by way of reinsurance 70 per cent of the Company's Marine & Energy risk underwritten by the Company that is not reinsured elsewhere.

Insurance agency agreement

The operations and insurance activities of the Company are carried out by the insurance intermediaries Gard AS, Gard (UK) Ltd., and Oy Gard Baltic Ab. Gard (UK) Ltd. and Oy Gard Baltic Ab are fully owned by Gard AS. Gard AS is a fully owned subsidiary of Gard P. & I. (Bermuda) Ltd.

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 3 – Capital Requirements

Amounts in USD 000's	As at 30.06.23	As at 31.03.23
Own funds		
Ordinary share capital	62,385	62,385
Share premium account	24,692	25,956
Reconciliation reserve	4,297	3,492
Net deferred tax assets	622	441
Excess of assets over liabilities	91,995	92,274
Tier 1 - Unrestricted	91,373	91,833
Tier 1 - Restricted	0	0
Tier 3 - Net deferred tax assets	622	441
Total basic own funds / (equal to Excess of assets over liabilities)	91,995	92,274
Total available own funds to meet the SCR	91,995	92,274
Total available own funds to meet the MCR	91,373	91,833
Total eligible own funds to meet the SCR	91,995	92,274
Total eligible own funds to meet the MCR	91,373	91,833
SCR	45,954	42,869
MCR	14,640	13,740
Ratio of eligible own funds to SCR	200%	215%
Ratio of eligible own funds to MCR	624%	668%
Minimum Capital Requirement (MCR)		
Linear MCR	14,640	13,740
SCR	45,954	42,869
MCR cap (45% of SCR)	20,680	19,291
MCR floor (25% of SCR)	11,489	10,717
Combined MCR	14,640	13,740
Absolute floor of the MCR	3,966	3,966
MCR	14,640	13,740
Solvency Capital Requirement (SCR)		
Market risk	612	301
Counterparty default risk	20,398	21,418
Non-life underwriting risk	43,653	38,429
Diversification	(15,610)	(13,338)
Basic SCR	49,053	46,811
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(9,971)	(10,152)
Operational risk	6,873	6,210
SCR	45,954	42,869

The eligible own funds are calculated based on a partial internal model approved by the Financial Supervisory Authority of Norway (Finanstilsynet).

Board of Directors

Gard Marine & Energy Insurance (Europe) AS

4 September 2023

Trond Eilertsen
Chairman

Nils Aden

Jane Sy

Ian Beveridge

Rolf-Thore Roppestad
Managing Director