



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 987 964 537  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: GARD MARINE & ENERGY LIMITED  
Forretningsadresse: Kittelsbuktveien 31  
4836 ARENDAL

### Regnskapsår

Årsregnskapets periode: 21.02.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Odd Magne Havaas  
Dato for fastsettelse av årsregnskapet: 16.03.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 16.06.2024



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>TEKNISK REGNSKAP FOR SKADEFORSIKRING</b>			
Opptjente bruttopremier	4,5	279 487 000	282 526 000
Gjenforsikringsandel av opptjente bruttopremier	5	191 942 000	185 616 000
<b>Sum premieinntekter for egen regning</b>		<b>87 545 000</b>	<b>96 910 000</b>
<b>Erstatningskostnader</b>			
Brutto erstatningskostnader	5	93 542 000	176 209 000
Gjenforsikringsandel av brutto erstatningskostnader	5	49 511 000	95 886 000
<b>Sum erstatningskostnader for egen regning</b>	5	<b>44 031 000</b>	<b>80 323 000</b>
<b>Forsikringsrelaterte driftskostnader</b>			
Salgskostnader	7	12 880 000	13 898 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for mottatt gjenforsikring	7	23 616 000	25 216 000
Mottatte provisjoner for avgitt gjenforsikring og gevinstandeler	7	28 896 000	27 672 000
<b>Sum forsikringsrelaterte driftskostnader</b>		<b>7 600 000</b>	<b>11 442 000</b>
Andre forsikringsrelaterte driftskostnader		1 198 000	1 222 000
<b>Resultat av teknisk regnskap</b>		<b>34 716 000</b>	<b>3 923 000</b>
<b>IKKE-TEKNISK REGNSKAP</b>			
<b>Netto Inntekter fra investeringer</b>			
Renteinntekt og utbytte m.v. på finansielle eiendeler		-779 000	-2 317 000
Verdiendringer på investeringer		-16 185 000	-6 588 000
Realisert gevinst og tap på investeringer		-343 000	3 729 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		30 000	47 000
<b>Sum netto inntekter fra investeringer</b>		<b>-17 337 000</b>	<b>-5 223 000</b>
<b>Resultat av ikke-teknisk regnskap</b>		<b>-17 337 000</b>	<b>-5 223 000</b>
<b>Resultat før skattekostnad</b>		<b>17 379 000</b>	<b>-1 300 000</b>
Skattekostnad		5 167 000	318 000



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Resultat før andre inntekter og kostnader		12 212 000	-1 618 000
<b>Totalresultat</b>		<b>12 212 000</b>	<b>-1 618 000</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Immaterielle eiendeler</b>			
Sum immaterielle eiendeler		0	0
<b>Investeringer</b>			
Bygninger og andre faste eiendommer		0	0
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Finansielle eiendeler som måles til amortisert kost		0	0
Andre finansielle eiendeler			
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer		0	0
<b>Gjenforsikringsandel av brutto forsikringsforpliktelse</b>			
Gjenforsikringsandel av ikke opptjent bruttopremie	5	54 972 000	113 397 000
Gjenforsikringsandel av brutto erstatningsavsetning	5,9	131 358 000	149 272 000
Sum gjenforsikringsandel av brutto forsikringsforpliktelse		<b>186 330 000</b>	<b>262 669 000</b>
<b>Fordringer</b>			
Forsikringstakere	9,10	1 429 000	7 736 000
Mellommenn	9,10	125 733 000	135 931 000
Fordringer i forbindelse med direkte forretninger		<b>127 162 000</b>	<b>143 667 000</b>
Fordringer i forbindelse med gjenforsikring	9,10	1 366 000	896 000
Andre fordringer	12	59 920 000	125 591 000
Sum fordringer		<b>188 448 000</b>	<b>270 154 000</b>
<b>Andre eiendeler</b>			
Kasse, bank	9,11	497 000	522 000
Eiendeler ved skatt	8	454 000	646 000
Andre eiendeler betegnet etter sin art	9	10 747 000	10 653 000
Sum andre eiendeler		<b>11 698 000</b>	<b>11 821 000</b>
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		15 811 000	13 118 000
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		<b>15 811 000</b>	<b>13 118 000</b>



## Balanse

Beløp i: USD	Note	2022	2021
<b>SUM EIENDELER</b>		<b>402 287 000</b>	<b>557 762 000</b>
<b>EGENKAPITAL OG FORPLIKTELSER</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital/eierandelskapital/garantifond		118 000	120 000
<b>Selskapskapital</b>		<b>118 000</b>	<b>120 000</b>
<b>Sum innskutt egenkapital</b>		<b>118 000</b>	<b>120 000</b>
<b>Opptjent egenkapital</b>			
<b>Fond m.v.</b>			
<b>Sum opptjent egenkapital</b>		<b>0</b>	<b>0</b>
<b>Sum egenkapital</b>		<b>118 000</b>	<b>120 000</b>
<b>Sum ansvarlig lånekapital m.v.</b>		<b>0</b>	<b>0</b>
<b>Brutto forsikringsforpliktelser</b>			
Avsetning for ikke opptjent bruttopremie	5	107 994 000	168 821 000
Brutto erstatningsavsetning	5,9	221 989 000	251 371 000
<b>Sum brutto forsikringsforpliktelser</b>		<b>329 983 000</b>	<b>420 192 000</b>
<b>Avsetninger for forpliktelser</b>			
<b>Forpliktelser ved skatt</b>			
Forpliktelser ved periodeskatt	8,9	5 033 000	1 445 000
<b>Sum avsetninger for forpliktelser</b>		<b>5 033 000</b>	<b>1 445 000</b>
Forpliktelser i forbindelse med direkte forsikring	9	7 676 000	10 319 000
Forpliktelser i forbindelse med gjenforsikring	9	4 900 000	69 162 000
Forpliktelser til kredittinstitusjoner	9	41 724 000	44 020 000
Andre forpliktelser	9	115 000	123 000
<b>Sum forpliktelser</b>		<b>54 415 000</b>	<b>123 624 000</b>
<b>Påløpte kostnader og mottatte ikke opptjente inntekter</b>			
Andre påløpte kostnader og mottatte ikke opptjente inntekter		12 738 000	12 381 000
<b>Sum påløpte kostnader og mottatte ikke opptjente inntekter</b>		<b>12 738 000</b>	<b>12 381 000</b>
<b>SUM EGENKAPITAL OG FORPLIKTELSER</b>		<b>402 287 000</b>	<b>557 762 000</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
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## Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 16.03.2012	Vår dato 27.03.2012
Telefon 22078139	Deres referanse Inge Liltved	Vår referanse 2012/205560

GARD AS  
Postboks 789 Stoa  
4809 ARENDAL

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 16. mars 2012 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper,

Gard P&I Ltd (NUF)	org.nr. 995 194 384
Gard AS	org.nr. 982 132 789
Gard Marine & Energy Ltd (NUF)	org.nr. 987 964 537

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

### Bakgrunn

Gard P&I Ltd med datterselskaper tilbyr tjenester innen sjøforsikring. Gard AS og Gard M&E Ltd er heleide datterselskaper av Gard P&I Ltd. Gard P&I Ltd og Gard M&E Ltd er etablert på Bermuda og har etablerte filialer i Norge. Gard P&I Ltd er konsernspiss for Gard gruppen og har 15 heleide datterselskaper.

Gard P&I Ltd som er et gjensidig forsikringsselskap stiftet på Bermuda, har etablert en filial i Norge. Foretaket tilbyr Protection & Indemnity (P&I) forsikring og tilstøtende forsikringsprodukter til sine forsikringstakere. Forsikringstakerne er rederier, operatører og befraktere som har innmeldt sine skip i foretaket. Som et gjensidig forsikringsselskap er foretaket å betrakte som en forening, og den er eid av sine forsikringstakere som i denne sammenheng benevnes medlemmer. Medlemmene består av både norske og utenlandske rederier, men hoveddelen av medlemmene er utenlandske.

Gard M&E Ltd er et aksjeselskap etablert på Bermuda og har etablert en filial i Norge. Selskapet tilbyr marine og energi forsikring til sine kunder. Kundene er redere, skipsverft, kontraktører og oljeselskaper. Kundene er hovedsaklig utenlandske.

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Se <a href="http://www.skattetaten.no">www.skattetaten.no</a> Org. nr: 996250318	Sentralbord 800 80 000 Telefaks
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Gard AS er forsikringsformidler for Gard P&I Ltd og Gard M&E Ltd, og leverer forsikringsformidlings-tjenester til Gard konsernet. Gard AS har sju heleide datterselskaper. Disse er alle utenlandske. Datterselskapenes hovedoppgave er å være konsernets lokale forsikringsformidlere.

Konsernets arbeidsspråk er engelsk. Konsernet rapporterer således all informasjon på engelsk. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. All kommunikasjon med konsernets primære kunder og forretningsforbindelser foregår på engelsk og målgruppen er et internasjonalt marked. Styret for Gard P&I Ltd, Gard M&E Ltd og Gard AS har utenlandske medlemmer. Konsernet utarbeider sine regnskapsdokumenter på engelsk, blant annet av konsolideringshensyn. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

#### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at filialene inngår i selskaper hjemmehørende på Bermuda. Det norske aksjeselskapet er også eid av et selskap hjemmehørende på Bermuda. Konsernets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Konsernet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk. Videre er det vektlagt at hoveddelen av kundene er utenlandske.



Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland



**FINANSTILSYNET**  
THE FINANCIAL SUPERVISORY  
AUTHORITY OF NORWAY

Gard AS  
Servicebox 600  
4809 ARENDAL

08.08.2011

<b>SAKSBEHANDLER:</b> Jan Erik Bakke	<b>VÅR REFERANSE:</b> 11/6424	<b>DERES REFERANSE:</b>
<b>DIR.TLF:</b> 22 93 99 80	<b>ARKIVKODE:</b> 542.5	

## Dispensasjon - presentasjonsvaluta

Det vises til søknad av 14. juni 2011 om dispensasjon fra kravet om å presentere årsregnskapet i norske kroner iht. forskrift om årsregnskap m.m. for forsikringsselskaper § 2-6, jf. § 7-1.<sup>1</sup>

Finanstilsynet kan dispensere fra kravet om at årsregnskapet skal presenteres i norske kroner i det enkelte tilfellet, jf. forskriften § 7-1. I høringsnotat<sup>2</sup> til § 2-6 uttrykkes følgende:

*“De offisielle regnskapene fra finansinstitusjonene danner grunnlag for blant annet rapportering av kapitaldekning, økonomiske analyser og statistikkrapportering som ledd i tilsynet med finansiell stabilitet. Kredittilsynet har behov for konsistente og avstemte data for utformingen av analyser i det løpende tilsynsarbeidet. I dag foregår det en rutinemessig og standardisert avstemming av regnskapsstatistikken mot institusjonenes offisielle regnskaper. Dersom det åpnes opp for presentasjon av regnskap i annen valuta enn norske kroner vil det oppstå særlig behov for revisjon av forskjellene mellom offisielle regnskaper og rapportering til offentlige myndigheter. Selv om departementet foreslår krav om at det skal opplyses om omregningskurser dersom årsregnskapet er presentert i en annen valuta enn norske kroner, jf. regnskapsloven ny § 7-2, vil kontrollmyndighetene med rapporteringen forringes da det må tas høyde for korreksjoner mht. valutakurssvingninger.”*

Kravet om presentasjonsvaluta i NOK er begrunnet med hensynet til at bruk av en annen valuta vil svekke årsregnskapet som grunnlag for kontroll, analyse og statistikk for norske myndigheter. Det følger av ovennevnte at det kreves særlige grunner for å dispensere fra kravet.

Gard Marine & Energy Limited norsk filial (heretter “Gard”, “filialen”) viser til at kun 5 prosent av premieinntektene og 7,6 prosent av kravkostnadene er knyttet til NOK. USD er funksjonell valuta fordi den utgjør 77 prosent av premieinntektene og 79 prosent av kravkostnadene. Korreksjonene

<sup>1</sup> FOR 1998-12-16 nr. 1241

<sup>2</sup> Høringsnotat om endringer i forskrifter om årsregnskap m.m. for banker og finansieringsforetak, samt forsikringsselskaper av 31. oktober 2005.



med hensyn til endringer i valutakursene gjør at regnskapet ikke viser det riktige forholdet mellom forretningsvolum og kravkostnader fra år til år. Gard mener at kravet til presentasjon av årsregnskapet i NOK innebærer at årsregnskapet ikke gir et korrekt bilde av filialens virksomhet.

Videre viser Gard til forhold knyttet til beregning av sikkerhetsavsetning og kravene til valutamatching, da det fører til en ubalanse mellom USD og NOK i balansen samt at omregningen av USD til NOK påvirker årsresultatet og sikkerhetsavsetningen til filialen.

Foretaket viser også til at vesentlig intern og ekstern rapportering er bygget opp for og rapporteres i USD, samt at brukerne av regnskapet bruker og forventer at det skal rapporteres i USD. Filialen regner om til NOK kun for rapportering til norske myndigheter.

Det vises videre til at Assuranceforeningen Gard - gjensidig i 2009 ble innvilget dispensasjon til å bruke USD som presentasjonsvaluta og at Gard P. & I. (Bermuda) Ltd norsk filial også søker om dispensasjon. Begge selskaper er en del av Gard Gruppen.

Finanstilsynet finner at det i dette konkrete tilfellet kan gjøres unntak fra kravet om norsk presentasjonsvaluta. Anførlene viser at virksomheten er internasjonal, med hovedsakelig utenlandske kunder. Alle inntekter og kostnader er hovedsakelig knyttet til andre valutaer enn den norske, slik at årsregnskapet i NOK ikke gir et rettviseende bilde etter foretakets vurdering. Det legges til grunn at presentasjonsvaluta i USD, etter foretakets vurdering, vil gi et rettviseende bilde av virksomheten.

Finanstilsynet har i medhold av forskrift om årsregnskap m.m. for forsikringselskaper § 7-1, jf. § 2-6, fattet følgende vedtak om dispensasjon:

*Gard Marine & Energy Limited norsk filial gis dispensasjon fra kravet om å presentere årsregnskapet i norsk valuta. Årsregnskapet skal presenteres i United States dollar (USD).*

Det understrekes at dispensasjonen kun gjelder finansregnskapet og ikke myndighetsrapportering, f.eks. Forsikringselskapenes offentlige regnskaps- og tilsynsrapportering (FORT).

For Finanstilsynet

Terje Nilsen  
spesialrådgiver

Jan Erik Bakke  
seniorrådgiver

Kopi: Statistisk sentralbyrå

FINANSTILSYNET  
REVIERSTREDET 3  
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0107 OSLO

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www.finanstilsynet.no



Admincontrol

## List of Signatures Page 1/1

### Gard M&E Ltd. NUF - Financial statements Dec 2022.pdf

Name	Method	Signed at
Roppestad, Rolf-Thore	BANKID_MOBILE	2023-05-10 15:23 GMT+02
Eilertsen, Trond	BANKID	2023-04-21 05:57 GMT+02
Jane Sy	One-Time-Password	2023-04-18 16:46 GMT+02
Dalene, Kristian Werner	BANKID_MOBILE	2023-04-18 16:03 GMT+02
Nils Aden	One-Time-Password	2023-04-18 14:44 GMT+02
Ian Beveridge	One-Time-Password	2023-05-11 15:00 GMT+02



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**FINANCIAL STATEMENTS 2022**

**GARD MARINE & ENERGY LIMITED -  
NORWEGIAN BRANCH**

*for the period 21 February 2022 to 31 December 2022*



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## GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH

### Board of Directors' Report

#### INTRODUCTION

The Board of Directors hereby submits the report and accounts of Gard Marine & Energy Limited – Norwegian Branch for the 2022 financial year, covering the period to 21 February 2022 to 31 December. This is Gard Marine & Energy Limited Norwegian branch's (the "Branch" or "Company") 18<sup>th</sup> year of operation.

In 2022, The Board of Directors of Gard Marine & Energy Ltd – Norwegian Branch resolved to change the financial year, which will now end on 31 December. Therefore, the current financial period is from 21 February 2022 to 31 December 2022. From 1 January 2023, the full financial year will be 1 January to 31 December.

In the opinion of the Board of Directors the report and accounts for the period to 31 December 2022 gives a true and fair view of the Company and its activities and result.

Statutory requirements with regard to solvency and capital are complied with.

Beyond what has been dealt with in this report, and the risks and uncertainties the marine insurance industry in general is faced with, the Board of Directors does not consider there to be any special risks or uncertainties connected to the business activities of the Branch.

The Company is a part of the Gard group (the "Group") where Gard P. & I. (Bermuda) Ltd. is the ultimate owner.

#### THE OPERATION IN GENERAL

##### Marine & Energy insurance

Gard Marine & Energy Limited is a joint stock company established in Bermuda on 9 December 2003. The Company offers marine and energy insurance to its customers. The customers are shipowners, shipyards, contractors and oil companies. Gard Marine & Energy Limited is wholly owned by Gard P. & I. (Bermuda) Ltd.

##### The Branch

Gard Marine & Energy Limited established a branch in Norway on 15 March 2005. The Branch is established in accordance with a concession granted by the Norwegian Ministry of Finance. The Branch complies with the terms of the concession.

##### Gard AS

Gard AS is the general agent for Gard Marine & Energy Limited and for the Branch. All insurance products are offered by the Branch through Gard AS on basis of delegation of authority. Gard AS is registered as insurance agent for Gard P. & I. (Bermuda) Ltd., Assuranceforeningen Gard - gjensidig -, Gard Marine & Energy Limited and Gard Marine & Energy Insurance (Europe) AS in accordance with the Norwegian legislation on insurance intermediary activities based on the EU insurance mediation directive.

Gard AS has offices in Arendal, Bergen and Oslo. Further, Gard AS has wholly owned subsidiaries in London (Gard (UK) Limited), New York (Gard (North America) Inc.), Hong Kong (Gard (HK) Ltd), Helsinki (Oy Gard (Baltic) Ab), Piraeus (Gard (Greece) Ltd), Tokyo (Gard (Japan) K.K.) and Singapore (Gard (Singapore) Pte. Ltd). The subsidiaries main function is to be the local representative of Gard AS.

##### Personnel and organization

As Gard AS has been appointed as general agent for the Branch, the Branch has no employees.



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## **GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH**

### Board of Directors' Report

#### Directors' and Officers' liability insurance

There is a Directors and Officers' liability insurance in place covering all directors and officers of the Company. The cover applies worldwide and includes but are not limited to the following: Management liability; Pre-Claim Inquiry Costs; and Certain legal fees/costs. The limit of the insurance is USD 30 million in the aggregate including all claims or losses.

#### Environmental damage

The Company is an insurance provider, and the environmental footprint is therefore limited as the products, in the form of insurance cover, do not have an environmental impact.

The Company fully supports the UN Principles of Responsible Investment and actively encourages the fund managers to sign up to them. These Principles recognise that long term sustainable returns are dependent on stable, well-functioning and well governed social, environmental and economic systems.

#### The Transparency Act

The Norwegian Transparency Act was entered into force as of 1 July 2022.

The Transparency Act shall promote company's respect for fundamental human rights and decent working conditions in connection with the provision of services and ensure the general public access to information regarding how company's address adverse impacts on fundamental human rights and decent working conditions.

Gard has published an account of due diligence report pursuant to Section 4 of the Transparency Act. The report as per 31 December 2022 will be made available at [www.gard.no](http://www.gard.no) at the latest of 30 June 2023 pursuant to Section 5 of the Transparency Act.

#### Research and development

The Branch does not carry out research and development activities.

## **INSURANCE BUSINESS**

#### Market share

At the inception of the financial period 2022 the global market share was 7.1 percent for the business area Marine and 3 percent for the business area Energy. At the end of the period the market share for Marine was 8 percent, whilst the market share for Energy was 3 percent.

#### Reinsurance

The insurance activities of the Branch are reinsured in the commercial reinsurance market. The Branch's retention for any one claim any one vessel was in the financial period 2021 USD 40 million.

The retention levels and the structure for the market reinsurance for the 2022 policy year were broadly the same as for the 2021 policy year.

Gard Marine & Energy Limited has entered into a separate reinsurance treaty with Gard Reinsurance Co Ltd covering a proportion of the risks retained under the above reinsurance arrangements. Pursuant to this separate reinsurance treaty 50 percent of the insurance liabilities of the Branch not covered by the market reinsurance arrangements was ceded to Gard Reinsurance Co Ltd as reinsurance in the financial period 2022.



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## **GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH**

### Board of Directors' Report

#### **FINANCIAL RISK**

##### Insurance risk

Gard Marine & Energy offers marine and energy insurance products on a commercial basis to ship-owners as well as operators and contractors within the international oil and gas industry.

The Branch manages the insurance risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The Branch is protected under the reinsurance arrangements in place for Gard Marine & Energy Limited. The Company's underwriting policy supports the seeking of risks with adequate pricing that is commensurate with the risk profiles and claims experience. The risk-taking in the Branch follows Gard Marine & Energy Limited, which it is a part of.

Insurance stress tests have been performed on Gard Marine & Energy Limited. A set of extreme events for insurance risk has been identified and the realistic possible loss to the Company has been calculated. The highest insurance loss for own account from the identified extreme events is USD 27 million, which is 9 percent of the Company's equity.

##### Market risk

The Branch does not hold investments. Market risk consists of currency risk, that is the risk of economic losses resulting from actual currency rates differing from expected currency rates. The currency exposure on the asset side is broadly matched to the assumed currency exposure of liabilities. The assumed currency exposure to liabilities differs from accounting exposure to currencies because the reserving currency is not always the actual currency of the future cash flow. There is an acceptable mismatch between the currency exposure on assets and liabilities. The currency exposure is managed through a rolling forward program.

##### Counterparty default risk

The Branch's external counterparty default risk is primarily connected to a possible shortfall on the part of market reinsurers. Historically, only minor amounts have been written off as lost. Only reinsurers with a financial strength rating "A" or better from Standard & Poor's or other rating agencies are chosen. The credit risk in respect of receivables is handled by group policies and by close follow-up.

The main reinsurer of the Branch is Gard Reinsurance Co. Ltd., which covers 50 percent of all risks undertaken by the Branch not reinsured elsewhere.

The Branch acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Branch's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2022.

##### Liquidity risk

The insurance premium inflow is stable through the period, but the claims payment pattern will vary, and reinsurance cost is payable in instalments through the period. A liquidity buffer is established as a money market fund and a more liquid part of the investment portfolio. The buffer is used to place excess liquidity in periods or to be drawn on when liquidity is needed.

The liquidity risk of the Branch is considered low. The Branch has adequate access to liquidity through Gard Marine & Energy Limited. The duration of investable assets shall meet the pay-out profile of Gard Marine & Energy Limited's liabilities. The investable assets consist of a portfolio that can be liquidated in a short time. Gard Marine & Energy Limited is part of a cash pool arrangement with Gard P. & I. (Bermuda) Ltd., Gard AS and AS Assuransgården.



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## GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH

### Board of Directors' Report

#### Operational risk

The operational risk of the Branch is assessed annually through the Group's internal self-assessment. The results of the self-assessment are used to manage operational risk and to quantify the internal operational risk charge.

In relation to the war and events in Ukraine, the Branch's exposure towards Russian entities and entities controlled by Russian interests has remained limited in comparison with 20 February 2022. Gard does not have any exposure towards Russian reinsurers as at 31 December 2022. Gard Group's internal Sanctions Consultancy Group continues to work diligently, providing enhanced vigilance and strong advisory services that neither Gard Group nor our members or clients are in breach of rapidly evolving sanction regulations against Russia and Russian special designated parties imposed by the USA, EU, UK, and other countries.

#### Capital and solvency position

The Branch must comply with Norwegian regulations on solvency and capital requirements and fund management. Statutory requirements are calculated quarterly. According to the Solvency II regulation, Gard M&E NUF, as a branch of a third-country undertaking, must hold assets in Norway of EUR 500,000 to cover the minimum capital requirement for home country deposits.

The Norwegian Branch is an integrated part of Gard Marine & Energy Limited and a necessary distribution channel for the company's products. The parent company considers it to be essential to sustain the operation in the Norwegian branch to accomplish Gard Marine & Energy Limited's goals and accepted strategies.

All statutory requirements are complied with. If the solvency or capital position calls for it, Gard Marine & Energy Limited can take the necessary actions to restore the Branch's liquidity position or capital adequacy to an acceptable level.

### ACCOUNTS FOR THE FINANCIAL PERIOD TO 31 DECEMBER 2022

The Branch has been granted dispensation by the Norwegian Financial Supervisory Authority and the Tax Authority from the requirement to present the annual accounts in Norwegian currency and in the Norwegian language. In accordance with this dispensation the annual accounts are presented in United States Dollar (USD) and in the English language. Comparative amounts are included in brackets.

#### Result

Total comprehensive income for the period was USD 12.2 million (loss of USD 1.6 million).

Technical result was a surplus of USD 34.7 million (surplus of USD 3.9 million).

#### Premiums

The gross earned premium income in the financial period 2022 was USD 279.5 million (USD 282.5 million). Earned premium for own account was USD 87.5 million (USD 96.9 million).

The premium volume in the Branch increased for the period to 31 December 2022. The major part of the increase comes from increase in volume from new and existing clients and from hardening premium rates.

#### Claims

Gross incurred claims during the period was USD 93.5 (USD 176.2 million). Net claims incurred amounted to USD 44.0 (USD 80.3 million). The claims development was better than expected with no large claims in the period.



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## GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH

### Board of Directors' Report

#### Result on the non-technical accounts

The non-technical result consists of currency exchange gains and losses and a prorated part of the non-technical result Gard Marine & Energy Limited. The part of the non-technical result is allocated based on the average of opening and closing balance of attributable investment assets plus a buffer of 20 percent. The level is set to be in compliance with tax legislation and the OECD guidelines. The non-technical result amounts to a negative USD 17.3 million (negative USD 5.2 million).

#### Total equity

The solvency capital requirement ("SCR") has decreased to USD 82.3 million (USD 87.6 million). The equity is set to meet the SCR. The SCR is funded through a receivable from Gard Marine & Energy Limited and included in the Head account (see note 12).

	31.12.2022	20.02.2022
Total comprehensive income USD	12.2 million	-1.6 million
SCR USD	82.3 million	87.6 million
Other intercompany USD	-34.6 million	39.6 million
Head account USD	59.9 million	125.6 million

The Branch is a member of the property and causality insurance companies guarantee scheme. The purpose of the scheme is to ensure the payments to assured and third parties, pursuant to the Norwegian Act on Bank Contingency Scheme and Insurance Companies' Guarantee Scheme of 1996 no. 75. Provision shall be made for payment of 1 percent of gross premium relevant to the scheme. As at 31 December 2022 the Branch's guarantee scheme was USD 118,401 (USD 119,990).

#### Technical provisions

As at 31 December 2022 the Branch's net premium reserve was USD 53.0 million (USD 55.4million) as provision for the part of premium written that exceeds the end of the financial period.

As at 31 December 2022 the Branch's net provision to cover reported and unreported claims amounted to USD 90.6 (USD 102.1 million).

The Board of Directors are of the opinion that head account and technical provisions are sufficient to cover all technical liabilities as at 31 December 2022.

### GOING CONCERN AND FUTURE DEVELOPMENT

The Company's financial situation is monitored closely, not only the development of market risk, but also insurance risk, counterparty risk, operational risk and liquidity risk.

The business development is expected to be positive.

Against this background and pursuant to the Norwegian Accounting Act of 1998, section 3-3a, the annual financial statements of the Company have been prepared on a going concern basis and the Board of Directors is of the opinion that the conditions for going concern are present.



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## GARD MARINE & ENERGY LTD. – NORWEGIAN BRANCH

Board of Directors' Report

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The Board of Directors wishes to express its gratitude to customers, business associates and correspondents for their participation and support to the Branch, and thanks all employees of Gard AS for their loyalty and interest throughout the year.

Bermuda, 16 March 2023

Board of Directors  
**Gard Marine & Energy Limited – Norwegian Branch**

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

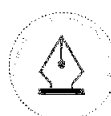
\_\_\_\_\_  
Nils Aden

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Ian Beveridge

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Jane Sy

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Kristian Dalene

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Rolf Thore Roppestad  
Managing Director



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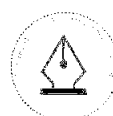
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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Statement of comprehensive income

Amounts in USD 000's	Notes	21.02.22 to 31.12.22	21.02.21 to 20.02.22
<b>Technical account</b>			
Gross written premium	4, 5	218,660	294,179
Gross earned premium	4, 5	279,486	282,526
Ceded reinsurance	5	(191,942)	(185,615)
<b>Earned premium for own account</b>		<b>87,544</b>	<b>96,910</b>
Gross incurred claims	5	93,542	176,209
Reinsurers' share of gross incurred claims	5	(49,511)	(95,887)
<b>Claims incurred for own account</b>		<b>44,031</b>	<b>80,323</b>
Acquisition costs	7	12,880	13,898
Agents commission	7	23,616	25,216
Commission received	7	(28,896)	(27,672)
<b>Insurance related expenses for own account</b>		<b>7,600</b>	<b>11,442</b>
<b>Other insurance related expenses</b>	7	<b>1,198</b>	<b>1,222</b>
<b>Technical result</b>		<b>34,716</b>	<b>3,923</b>
<b>Non-technical account</b>			
Interest and similar expense		(779)	(2,317)
Change in unrealised loss on investments		(16,186)	(6,588)
Gain/(loss) on realisation of investments		(343)	3,729
Other investment expenses		(30)	(47)
<b>Non-technical result</b>		<b>(17,337)</b>	<b>(5,223)</b>
<b>Profit/(loss) before tax</b>		<b>17,379</b>	<b>(1,300)</b>
Corporate income tax	8	5,166	319
<b>Net result before other comprehensive income/(loss)</b>	12	<b>12,212</b>	<b>(1,618)</b>
<b>Total comprehensive income/(loss)</b>		<b>12,212</b>	<b>(1,618)</b>



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Balance sheet

Amounts in USD 000's	Notes	As at 31.12.22	As at 20.02.22
<b>Assets</b>			
Reinsurers' share of technical provisions			
Reinsurers' share of gross premium reserve	5	54,972	113,397
Reinsurers' share of gross claims reserve	5, 9	131,358	149,272
<b>Total reinsurers' share of technical provisions</b>		<b>186,330</b>	<b>262,669</b>
<b>Receivables</b>			
<i>Receivables from direct insurance operations</i>			
Policyholders	9, 10	1,429	7,736
Intermediaries	9, 10	125,733	135,931
<i>Other receivables</i>			
Receivables from reinsurance operations		1,362	896
Other receivables		3	0
<b>Total receivables</b>	9	<b>128,528</b>	<b>144,563</b>
<b>Other assets</b>			
Cash and cash equivalents	9, 11	497	522
Deferred tax asset	8	454	645
Other assets	9	10,747	10,653
<b>Total other assets</b>		<b>11,698</b>	<b>11,821</b>
<b>Prepayments and accrued income</b>			
Accrued income and other prepayments		15,811	13,118
<b>Total prepayments and accrued income</b>		<b>15,811</b>	<b>13,118</b>
<b>Total assets</b>		<b>342,367</b>	<b>432,170</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Guarantee scheme provision		118	120
<b>Total equity</b>		<b>118</b>	<b>120</b>
<b>Technical provisions</b>			
Gross premium reserve	5	107,994	168,821
Gross claims reserve	5, 9	221,989	251,371
<b>Total technical provisions</b>	6	<b>329,983</b>	<b>420,192</b>
<b>Provision for other liabilities</b>			
Income tax payable	8, 9	5,033	1,445
<b>Total provisions for other liabilities</b>		<b>5,033</b>	<b>1,445</b>
<b>Payables</b>			
Payables arising out of direct insurance operations		7,676	10,319
Payables arising out of reinsurance operations		4,900	69,162
Payables arising out of reinsurance operations - group companies		41,724	44,020
Other payables		115	123
<b>Total payables</b>		<b>54,415</b>	<b>123,624</b>
<b>Accruals and deferred income</b>			
Accruals and deferred income		12,738	12,381
<b>Total accruals and deferred income</b>		<b>12,738</b>	<b>12,381</b>
<b>Total equity and liabilities</b>		<b>402,287</b>	<b>557,762</b>
<b>Net assets</b>		<b>(59,920)</b>	<b>(125,591)</b>
<b>Head account</b>			
Head account	12	(59,920)	(125,591)
<b>Total head account</b>		<b>(59,920)</b>	<b>(125,591)</b>



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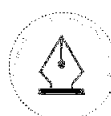
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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Statement of changes in equity

Amounts in USD 000's	Guarantee scheme	Total
Equity as at 21.02.21	77	77
Provision for Norwegian Non-life Insurance Guarantee Scheme	43	43
Equity as at 20.02.22	120	120
Equity as at 21.02.22	120	120
Provision for Norwegian Non-life Insurance Guarantee Scheme	(2)	(2)
Equity as at 31.12.22	118	118



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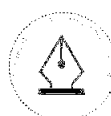
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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Statement of cash flow

Amounts in USD 000's	Notes	21.02.22 to 31.12.22	21.02.21 to 20.02.22
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		17,379	(1,300)
Tax paid	8	(1,484)	(11,082)
Change in unrealised loss on investments (other assets)		(94)	(0)
Change in receivables and payables		283	17,278
Change in technical provisions and other accruals		(16,205)	(4,909)
Change in valuation due to change in exchange rates		95	(27)
<b>Net cash flow from operating activities</b>		<b>(26)</b>	<b>(40)</b>
<b>Net change in cash and cash equivalents</b>		<b>(26)</b>	<b>(40)</b>
Cash and cash equivalents at beginning of the period		522	562
<b>Cash and cash equivalents at the end of the period</b>		<b>497</b>	<b>522</b>



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## GARD MARINE & ENERGY LIMITED – NORWEGIAN BRANCH

### Notes to the accounts

#### Note 1 – Corporate information

Gard Marine & Energy Limited (the "Company") is a limited liability company and a wholly owned subsidiary of Gard P. & I. (Bermuda) Ltd. The Company is registered and domiciled in Bermuda and licensed by the Bermuda Monetary Authority as a Class 3B insurer covering marine and energy risks. The operations and insurance activities of the Company are carried out by its insurance manager, Lingard Limited, a wholly owned subsidiary of Gard P. & I. (Bermuda) Ltd.

In order to comply with Norwegian regulations, the Company established a Norwegian Branch (the "Branch") on 21 February 2005. The Branch writes all business underwritten by the Company in Norway and is registered with the Norwegian Companies Register (organisation number 987 964 537). The financial statements of the Branch are reported to the Norwegian authorities and are filed in Norway.

In 2022, The Board of Directors of Gard Marine & Energy Ltd. – Norwegian Branch resolved to change the financial year, which will now end on 31 December. Therefore, the current financial period is from 21 February 2022 to 31 December 2022. From 1 January 2023, the full financial year will be 1 January to 31 December.

Comparative figures have not been adjusted in relation to the change of financial year and shows the activity for the 12-month period 21 February 2021 to 20 February 2022.

#### Note 2 - Accounting policies

##### 2.1 Basis of preparation of the Accounts

The accounts include the Branch's activity from 21 February 2022 to 31 February 2022.

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

##### 2.2 Changes in accounting policies

There are no changes in accounting policies for the financial period ending 31 December 2022.

##### 2.3 Use of accounting estimates when preparing the accounts

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

Investment assets are not held directly by the Branch. A calculated share of the head office's investment return is therefore allocated to the Branch. The allocated share is calculated based on the average share between opening and closing balance of attributed investment assets plus a buffer of 20 per cent. Attributed investment assets are calculated as intercompany with head office plus accumulated deficit, while any accumulated surplus is not added. A 20 per cent buffer is added to Excess of assets over liabilities. This ensures that the basis for allocation of investment return is a solvency ratio of 120 per cent.

##### 2.4 Foreign currency

###### Functional currency and presentation currency

The accounts are prepared in USD, which is both the functional currency and presentation currency of the Branch.

###### Transactions in foreign currency

Transactions in currencies other than USD are translated at the rate applicable on the transaction date. Monetary items in the balance sheet in currencies other than USD are translated into USD using the exchange rate applicable on the balance sheet date. The currency exposure of the provision for claims is assessed to be equivalent to the same currency exposure as claims paid. The opening and closing balances of the provision for claims other than USD are translated into USD based on the same method as for monetary items.

Translation differences are recognized in the statement of comprehensive income as they occur during the accounting period. Foreign exchange gains and losses that relate to borrowings, cash, and cash equivalents are presented as part of the non-technical result as 'Interest and similar income'. Foreign exchange gains and losses that relate to financial investments are presented as part of the non-technical result as 'Change in unrealised gain/(loss) on investments'.

All foreign exchange gains and losses relating to technical operations are presented in the statement of comprehensive income as part of the technical result.

##### 2.5 Provisions, contingent liabilities and assets

Provisions are recognised when the Branch has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. For potential obligations whose likelihood is not remote or probable (i.e. not 'more likely than not'), a contingent liability is disclosed.

Contingent assets are not recognised in the financial statements but are disclosed if it is likely that resources embodying economic benefits will flow to the Branch.

##### 2.6 Events after the reporting period

New and material information on the Branch's financial position at the end of the reporting period, which becomes known after the end of the reporting period, is recorded in the financial statements. Events after the reporting period that do not affect the Branch's financial position at the end of the reporting period, but which will affect the financial position in the future, are disclosed if significant.

##### 2.7 Other significant accounting policies

Other significant accounting policies are presented and described in other notes to the financial statements, together with the more expanded disclosures for that particular area. This is done to make the disclosures more relevant to the users and to make it easier to get an overview of the relevant note.

The following table includes other significant accounting policies that are described in other notes to the financial statements, including the number of the note:

Accounting policy	Note
Technical result	5
Technical provisions	5
Other insurance related expenses	7
Tax	8
Cash and cash equivalents	11



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 3 - Intra-group transactions

##### Reinsurance agreement with Gard Reinsurance Co Ltd.

The Branch has entered into a reinsurance agreement with Gard Reinsurance Co Ltd ("Gard Re"). The Branch cedes 50 per cent of its insurance portfolio after taking the external reinsurance and the reinsurance agreement with Gard Re into account.

Amounts in USD 000's	Ceded to Gard Re	
	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Reinsurance premium	(87,544)	(96,911)
Reinsurers' share of gross settled claims	46,773	68,709
Reinsurance commission	13,540	18,228

Amounts in USD 000's	Ceded to Gard Re	
	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Reinsurers' share of gross claims reserve	74,794	86,763

##### Insurance management agreement

The Branch has appointed Lingard Limited as its insurance manager and principal representative in Bermuda. The services provided is governed by an insurance management agreement with Lingard Limited.

Amounts in USD 000's	Insurance services invoiced	
	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Insurance services invoiced	25,432	29,768

##### Insurance agency agreements

Lingard Limited in its capacity as insurance manager of the Branch has entered into insurance agency agreements with Gard AS and its subsidiaries. Gard AS is the general agent of the Branch, whereby Gard AS is delegated authority as an agent and insurance intermediary to perform claims handling and underwriting functions on behalf of the Branch. The Branch has entered into a reinsurance agency agreement with Gard Brasil, whereby Gard Brasil acts as a local representative in Brasil.

Amounts in USD 000's	Insurance services invoiced	
	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Gard Brasil	334	345

#### Note 4 - Gross written premium by geographical areas

Amounts in USD 000's	21.02.22	21.02.21
	to 31.12.22	to 20.02.22
EEA (European Economic Area)	101,567	160,996
Norway	43,531	54,918
Other areas	73,562	78,264
<b>Total gross written premium</b>	<b>218,660</b>	<b>294,179</b>

The geographical split is made based on the location of the individual client.

Client is defined as any entity with an active insurance cover from the company.



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 5 - Technical result and technical provisions

##### Accounting Policy

##### Premiums and received reinsurance premiums

Premiums are based on the insurance contracts where one party (the insurer) has accepted a significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Premiums are recognised over the insurance policy period. Supplementary calls for P&I business may be charged to Members for previous policy years.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as gross premium reserve.

##### Ceded reinsurance premiums

Reinsurance premiums are recognised as an expense over the underlying policy period.

##### Claims expenses

Expenses regarding incurred claims and other administrative expenses are recognised in the period they are incurred. Paid claims include an allocated portion of both direct and indirect claims handling cost.

Amounts in USD 000's	Marine	Energy	21.02.22 to 31.12.22 Total
<b>Technical result</b>			
Gross written premium	180,014	38,646	218,660
Gross earned premium	236,141	43,345	279,486
Ceded reinsurance	(168,146)	(23,796)	(191,942)
<b>Earned premium for own account</b>	<b>67,995</b>	<b>19,549</b>	<b>87,544</b>
<b>Claims incurred, gross</b>			
Incurred this period	99,581	10,607	110,189
Incurred previous periods	(9,432)	(7,215)	(16,646)
<b>Total claims incurred, gross</b>	<b>90,150</b>	<b>3,393</b>	<b>93,542</b>
Reinsurers' share of gross incurred claims	(48,776)	(735)	(49,511)
<b>Claims incurred for own account</b>	<b>41,373</b>	<b>2,658</b>	<b>44,031</b>

Amounts in USD 000's	Marine	Energy	21.02.21 to 20.02.22 Total
<b>Technical result</b>			
Gross written premium	248,338	45,842	294,179
Gross earned premium	234,346	48,179	282,526
Ceded reinsurance	(157,864)	(27,751)	(185,615)
<b>Earned premium for own account</b>	<b>76,482</b>	<b>20,428</b>	<b>96,910</b>
<b>Claims incurred, gross</b>			
Incurred this period	157,479	11,802	169,282
Incurred previous periods	12,461	(5,533)	6,928
<b>Total claims incurred, gross</b>	<b>169,940</b>	<b>6,269</b>	<b>176,209</b>
Reinsurers' share of gross incurred claims	(94,074)	(1,813)	(95,887)
<b>Claims incurred for own account</b>	<b>75,866</b>	<b>4,457</b>	<b>80,323</b>



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 5 - Technical result and technical provisions continued

##### Accounting Policy

Technical provisions are calculated in accordance with the regulations for annual accounts for insurance companies.

##### Gross premium reserve

The gross premium reserve is amortised over the risk period and is calculated and accounted for in the balance sheet as a provision for the part of premium written that exceeds the end of the financial year. Changes in the provision are charged to the statement of comprehensive income.

##### Gross claims reserve

The gross claims reserve comprises estimates of the expected remaining exposure from claims that have been reported to the Branch (RBNS), and from claims that have been incurred but which have not yet been reported (IBNR).

Provisions for reported claims are made by assessing the liability of each claim. Actuarial methods are used in estimating the total cost of outstanding claims. The claim provisions have not been discounted.

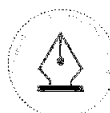
In accordance with the Norwegian regulations for insurance companies a provision for Internal Claims Handling Expenses (unallocated loss adjustment expenses, or ULAE) is included in the Gross claims reserve.

##### Insurance contract liabilities

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 use 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.

Amounts in USD 000's	Marine	Energy	As at 31.12.22 Total
<b>Technical provisions</b>			
Provisions, at the beginning of the period	206,699	44,671	251,371
Claims paid	(111,986)	(10,937)	(122,924)
Claims incurred - gross this period	99,581	10,607	110,189
Claims incurred - gross previous periods	(9,432)	(7,215)	(16,646)
<b>Provisions, at the end of the period</b>	<b>184,863</b>	<b>37,126</b>	<b>221,989</b>
Reinsurers' share of claims provision	(115,979)	(15,379)	(131,358)
<b>Provisions net, at the end of the period</b>	<b>68,884</b>	<b>21,747</b>	<b>90,631</b>
Provision for unearned premiums, gross	82,346	25,649	107,994
Reinsurers' share of premium provision	(41,785)	(13,187)	(54,972)
<b>Provision for unearned premiums, net</b>	<b>40,561</b>	<b>12,462</b>	<b>53,022</b>
Technical provision gross	267,208	62,775	329,983
Technical provision net	109,444	34,209	143,653



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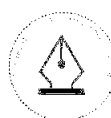


## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 5 - Technical result and technical provisions continued

Amounts in USD 000's	Marine	Energy	As at
			20.02.22
			Total
Technical provisions			
Provisions, at the beginning of the period	198,494	63,961	262,456
Claims paid	(161,735)	(25,559)	(187,294)
Claims incurred - gross this period	157,479	11,802	169,282
Claims incurred - gross previous periods	12,461	(5,533)	6,928
<b>Provisions, at the end of the period</b>	<b>206,699</b>	<b>44,671</b>	<b>251,371</b>
Reinsurers' share of claims provision	(130,246)	(19,026)	(149,272)
<b>Provisions net, at the end of the period</b>	<b>76,453</b>	<b>25,645</b>	<b>102,098</b>
Provision for unearned premiums, gross	138,473	30,348	168,821
Reinsurers' share of premium provision	(98,040)	(15,357)	(113,397)
<b>Provision for unearned premiums, net</b>	<b>40,433</b>	<b>14,991</b>	<b>55,424</b>
Technical provision gross	345,172	75,019	420,192
Technical provision net	116,886	40,636	157,522



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 6 - Differences between Solvency II and balance sheet valuation

Amounts in USD 000's	Solvency II	Balance sheet	As at 31.12.22 Differences
<b>Assets</b>			
<b>Reinsurance recoverables</b>			
Reinsurers' share of gross premium reserve	0	54,972	(54,972)
Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision	37,608	0	37,608
Reinsurers' share of gross claims reserves	131,358	131,358	0
Discounting effect of reinsurers' share of gross claims reserves	(7,011)	0	(7,011)
Reinsurers' share of Bound but not incepted (BBNI) - net	(991)	0	(991)
Losses occurring during - net	(4,724)	0	(4,724)
<b>Reinsurance recoverables</b>	<b>156,240</b>	<b>186,330</b>	<b>(30,090)</b>
<b>Liabilities</b>			
<b>Technical provisions</b>			
Gross premium reserves	0	107,994	(107,994)
Gross expected cash flow for unexpired cover net of commission provision	73,341	0	73,341
Gross claims reserves	221,989	221,989	0
Discounting effect of gross claims reserves	(11,299)	0	(11,299)
Bound but not incepted (BBNI) - net and discounted	(1,583)	0	(1,583)
ULAE future claims discounted	5,858	0	5,858
Risk Margin	4,664	0	4,664
<b>Technical provisions</b>	<b>292,970</b>	<b>329,983</b>	<b>(37,013)</b>

#### *Reinsurance recoverables from non-life excluding health*

Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision covers the combined ratio share of reinsurers' share of gross premium reserves less reinsurance commission provisions.

Discounting effect of reinsurers' share of gross claims reserve shows the reduction in reinsurers' share of gross claims reserve, in order to arrive at net present value of the reserves as at the balance sheet date.

Reinsurers' share of Bound but not incepted (BBNI) – net, covers the net of reinsurers' share of premiums, claims and commission based on agreements with customers entered into but not incepted as at the balance sheet date.

Losses occurring during is covering expected cash flow of extended reinsurance in order to align the coverage period with the premium reserve period.

#### *Technical provisions - non-life*

Bound but not incepted (BBNI) – net is covering the net of gross premiums, claims and commission from customer agreements entered into, but not incepted as at the balance sheet date.

Gross expected cash flow for unexpired cover net of commission provision is covering the combined ratio share of gross premium reserve less commission provisions. This represents the expected claims costs related to the gross premiums reserve as at balance sheet date.

Discounting effect of gross claims reserve is showing the reduction in gross claims reserve, in order to arrive at net present value of the reserves as at balance sheet date.

The risk margin is calculated as a 6% charge on future annual cash flows, and is based on Solvency Capital Requirement in respect of non-hedgeable risks. The risk margin represents the cost of capital an insurance company would require to take on the obligations of a given company. Other equity is covering retained reserves to meet unforeseen fluctuations in claims exposure, possible catastrophes and extraordinary claims patterns that fall within the Group's liabilities. For Balance sheet amounts, other equity is included in the Technical provisions – non-life, while other equity is included in Excess of assets over liabilities for Solvency II amounts.



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 7 - Other insurance related expenses and number of staff

##### Accounting policy

Insurance related expenses for own account consist of broker and agent commissions, sales and administrative expenses, less commission received on ceded reinsurance premiums. Sales expenses are recognised in the period in which they are incurred. The administrative expenses and commission received are expensed over the underlying policy period.

Insurance related expenses are accounted for in the period they are incurred.

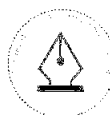
Amounts in USD 000's	21.02.22 to 31.12.22	21.02.21 to 20.02.22
<b>Acquisition costs and commissions</b>		
Insurance intermediary	12,880	13,898
Agents' commission	23,616	25,216
Commission received	(28,896)	(27,672)
<b>Insurance related expenses for own account</b>	<b>7,600</b>	<b>11,442</b>

The Branch has no employees and there has not been paid any remuneration to the Board of Directors.

The Branch is invoiced a monthly fee regarding Insurance intermediary services amounting to USD 25.4 million for the financial year ending 31 December 2022 (20 February 2022 USD 29.8 million), of which 12.9 million (20 February 2022 USD 13.9 million) relates to acquisition cost.

Amounts in USD 000's	21.02.22 to 31.12.22	21.02.21 to 20.02.22
<b>Other insurance related expenses</b>		
Bad debt	83	564
Insurance/reinsurance agency fees	25,432	29,768
Allocated to claims handling and acquisition costs	(24,485)	(29,310)
Other operating expenses	167	200
<b>Other insurance related expenses</b>	<b>1,198</b>	<b>1,222</b>

Revenues related to non-insurance activities are included in other operating expenses.



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 8 - Tax

##### Accounting policy

The tax expense consists of tax payable and changes in deferred tax. A deferred tax asset is recorded in the balance sheet, when it is more likely than not that the tax asset will be utilised.

Amounts in USD 000's	21.02.22 to 31.12.22	21.02.21 to 20.02.22
<b>Basis for income tax expenses</b>		
Total comprehensive income/(loss) as basis for tax calculation	17,379	(1,300)
<b>Basis for calculating tax</b>	<b>17,379</b>	<b>(1,300)</b>
Permanent differences	3,287	2,574
<b>Basis for the tax expense for the year</b>	<b>20,666</b>	<b>1,274</b>
Change in temporary differences	164	(1,521)
<b>Basis for payable taxes in the income statement</b>	<b>20,830</b>	<b>(247)</b>
Change in tax losses carried forward	(700)	0
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>20,131</b>	<b>(247)</b>
<b>Income tax expenses</b>		
Tax payable	5,033	0
Change in deferred tax	134	319
<b>Tax expenses ordinary result</b>	<b>5,166</b>	<b>319</b>
<b>Income tax payable</b>		
Tax at beginning of the year	1,445	12,616
Tax payable related to the year	5,033	0
Tax paid during the year	(1,484)	(11,082)
Exchange adjustments	39	(90)
<b>Tax payable at end of the year</b>	<b>5,033</b>	<b>1,445</b>
<b>Deferred tax asset</b>		
<b>Specification of tax effect resulting from temporary differences</b>		
Tax loss carried forward	0	767
Other temporary differences	1,818	1,812
<b>Total temporary differences</b>	<b>1,818</b>	<b>2,579</b>
Deferred tax asset, 25 per cent of total temporary differences	454	645
<b>Total deferred tax asset</b>	<b>454</b>	<b>645</b>
<b>Deferred tax asset reconciliation</b>		
Deferred tax asset at beginning of the period	645	
Deferred tax expense related to the period	(134)	
Exchange adjustment	(56)	
<b>Deferred tax asset at end of the period</b>	<b>454</b>	
<b>Reconciliation of the tax expense</b>		
Basis for calculating tax	17,379	(1,300)
<b>Calculated tax 25 per cent</b>	<b>4,345</b>	<b>(325)</b>
Tax expense	5,166	319
<b>Difference</b>	<b>(822)</b>	<b>(644)</b>
<b>The difference consists of:</b>		
Permanent differences not subject to tax	(822)	(644)
<b>Sum of explained differences</b>	<b>(822)</b>	<b>(644)</b>



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 9 - Financial risk

##### Risk management framework

The purpose of the risk management system is to ensure that material risks are managed in accordance with the Branch's corporate objectives and risk-bearing capacity. The risk management system consists of the following components:

**Risk appetite and limits:** Overall Risk Appetite and Comfort Zone (target range for capitalization) are defined in accordance with risk-bearing 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:** There are group 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:** Material risks are identified, assessed regularly, managed proactively, monitored regularly and reported to relevant responsible body. Assessments are made on a quarterly basis as a minimum.

##### Main financial risks

##### Credit risk

The risk of economic losses resulting from the default of third parties.

##### Counterparty default risk

The main sources of counterparty default risk are reinsurers, cash deposits at banks, and receivables from policyholders.

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. The Branch is, however, faced with BBB rating exposure through the IG Pooling agreement. Among the thirteen clubs, three have ratings of BBB or lower. The Branch is also exposed to lower ratings originating from fronting agreements. Fronting is the use of an insurer to issue an insurance policy on behalf of a self-insured organization or captive insurer, without the intention of transferring any of the risk. The risk of loss is retained by the self-insured or captive insurer with an indemnity or reinsurance agreement.

Banks and custodians are in line with the guidelines with a credit rating of at least A/stable.

The credit risk in respect of receivables is handled by policies and by close follow up. Outstanding receivables can be netted off against outstanding claims payments to reduce the risk of doubtful debts.

The Branch acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Branch's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2022.

The table below shows the credit risk exposure as at 31 December 2022. Assets are classified according to the median rating amongst the three market leading providers, Standard & Poor's, Moody's and Fitch. Top rated assets are denoted with AAA rating and US long-term sovereign credit rating is equivalent to a AAA rating due to an applied median approach.

##### Credit risk exposure in balance sheet

Amounts in USD 000's	As at 31.12.22	As at 20.02.22
<b>Reinsurers' share of gross claims reserve</b>		
AA	108	113
A	75,683	87,660
BBB	55,320	61,253
Not rated	247	246
<b>Total reinsurers' share of gross claims reserve</b>	<b>131,358</b>	<b>149,272</b>
<b>Receivables</b>		
Not rated	128,528	144,563
<b>Total receivables</b>	<b>128,528</b>	<b>144,563</b>
<b>Cash and cash equivalents</b>		
AA	497	522
<b>Total cash and cash equivalents</b>	<b>497</b>	<b>522</b>
<b>Other financial assets</b>		
AAA	5,747	5,653
BB	5,000	5,000
<b>Total other financial assets</b>	<b>10,747</b>	<b>10,653</b>

Other financials assets include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 10.7 million as at 31 December 2022 (USD 10.7 million as at 20 February 2022).



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 9 - Financial risk continued

##### Age analysis of receivables after provision for bad debt

Amounts in USD 000's	As at	As at
	31.12.22	20.02.22
Not due	119,034	115,546
0-60 days	5,668	21,532
61-90 days	1,069	1,908
Above 90 days	4,575	7,389
Provision for bad debt	(1,818)	(1,812)
<b>Total receivables</b>	<b>128,528</b>	<b>144,563</b>

##### Impaired receivables

As at 31 Desember 2022 there are impaired receivables of USD 2.1 million (20 February 2022 USD 2.1 million) related to past due. No collateral is held as security for the impaired receivables, but the receivables can be deducted from future claim payments if any. Impairment allowance is included in 'Other insurance related expenses'.

##### Analysis of provision for bad debt

Amounts in USD 000's	As at	As at
	31.12.22	20.02.22
Balance as at the beginning of the period	1,812	4,101
Provision for receivables impairment	(5)	(2,289)
Receivables written off during the year as uncollectable	(78)	2,853
Unused amounts reversed	89	(2,853)
<b>Balance as at the end of the period</b>	<b>1,818</b>	<b>1,812</b>

The creation and release of provisions for impaired receivables has been included in 'Other insurance related expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

##### Market risk

Market risk consists of currency risk.

##### Currency risk

The risk of economic losses resulting from actual foreign exchange rates differing from expected currency rates. Foreign currency exposures are assumed to be reasonably matched across the balance sheet and managed with an emphasize on major currency exposures. Currency forward derivatives may also serve as an effective tool for mismatch adjustments. The sensitivity analysis for foreign currencies only applies to investments assets and illustrates the impact on values given changes in exchange rates against USD.

##### Inflation risk

Inflation risk is the risk of a loss in the value of nominal assets or nominal cash flows due to a persistence of high inflation. This risk is most visible in fixed income assets and liabilities due to the tendency of inflation to be followed by higher interest rates. This risk is mitigated by monitoring the duration profile of the portfolio and by maintaining a diversified portfolio of assets whose values are impacted differently by inflation, including inflation protected securities and real assets.



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 9 - Financial risk continued

The table below splits the balance sheet into the major currencies USD, EUR and GBP, and remaining currencies are grouped into Other. Note that investments held as shares/units in various fund structures are reported in base currency. The split deviates from underlying currency exposure that is used as input in the enterprise risk models.

#### Currency split balance sheet

Amounts in USD 000's	As at 31.12.22	As at 20.02.22
<b>Assets</b>		
USD	319,566	404,503
EUR	7,440	6,944
GBP	3,484	5,724
Other	11,877	14,999
<b>Total Assets</b>	<b>342,367</b>	<b>432,170</b>
<b>Liabilities and Head account</b>		
USD	291,511	378,613
EUR	17,343	18,570
GBP	6,831	6,472
Other	26,682	28,515
<b>Total Liabilities and Head account</b>	<b>342,367</b>	<b>432,170</b>
<b>Net asset exposure</b>		
USD	28,055	25,890
EUR	(9,903)	(11,627)
GBP	(3,347)	(747)
Other	(14,805)	(13,516)

#### Liquidity risk

The risk that cash resources are insufficient to meet financial obligations when they fall due. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. Liquidity risk arises primarily due to the unpredictability of the timing of payment of insurance liabilities or when market depth is insufficient to absorb the required volumes of assets to be sold, resulting in asset sale at a discount.

#### Maturity profile

The following tables below set out the maturity profile of liabilities combining amounts expected to be recovered within one year, between one and five years and more than five years. Liabilities not covered by claims reserves are classified as other liabilities in the tables.

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.22 Total
Gross claims reserve	92,170	125,069	4,751	0	221,989
Income tax payable	5,033	0	0	0	5,033
Payables and accruals	67,153	0	0	0	67,153
<b>Amounts in USD 000's</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>No maturity date</b>	<b>As at 20.02.22 Total</b>
Gross claims reserve	104,141	140,825	6,405	0	251,371
Income tax payable	1,445	0	0	0	1,445
Payables and accruals	136,005	0	0	0	136,005



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 10 - Receivables from direct insurance operations

Amounts in USD 000's	As at 31.12.22	As at 20.02.22
Direct and received premium	2,668	7,808
Direct and received premium through broker	63,281	63,782
Not closed premium	28,343	41,263
Claims related debtors, co-insurers	34,662	32,597
Provision for bad debts	(1,790)	(1,783)
<b>Receivables from direct insurance operations</b>	<b>127,162</b>	<b>143,667</b>

#### Note 11 - Cash and cash equivalents

##### Accounting policy

Cash and cash equivalents include cash in hand and deposits held at call with banks and brokers.

The Branch has a group account agreement and participates in a cash pool agreement. Both agreements are made with Nordea Bank Abp filial i Norge. The group account agreement implies that the Company can make overdrafts on individual bank accounts as long as the Company's total bank deposit is positive. The cash pool agreement secures efficient use of the operating bank deposits through the companies' opportunities to make use of the overdraft facility on individual bank accounts. Each company participating in the cash pool agreement is jointly liable for the overdraft facility through unsecured guarantees.

Cash and cash equivalents include restricted cash amounting to USD 0.5 million as at 31 December 2022 (USD 0.5 million as at 20 February 2022).

#### Note 12 - Head account - Gard Marine & Energy Ltd.

Amounts in USD 000's	As at 31.12.22	As at 20.02.22
Balance at the beginning of the period	125,591	131,517
Total comprehensive income/(loss)	12,212	(1,618)
Transfers with Gard Marine & Energy Ltd.	(160,168)	(97,335)
Solvency Capital Requirement (SCR)	82,285	93,027
<b>Balance at the end of the period</b>	<b>59,920</b>	<b>125,591</b>

The insurance activity of the Branch is financed through Gard Marine & Energy Limited. Accumulated results, solvency capital and any additional financing required is classified as balance towards Gard Marine & Energy Limited and presented as Head account.



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

### Notes to the accounts

#### Note 13 - Regulatory requirements

Gard Marine & Energy Limited - Norwegian branch is required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Supervisory Authority (Finanstilsynet) until after the presentation of the financial statements (April 2023 for the 31 December 2022 figures). As a result, preliminary figures are included as at 31 December 2022 and 20 February 2022.

Amounts in USD 000's	As at 31.12.22	As at 20.02.22
<b>Own funds</b>		
Reconciliation reserve	98,287	110,669
Net deferred tax assets	454	963
<b>Excess of assets over liabilities</b>	<b>98,741</b>	<b>111,632</b>
Tier 1 - Unrestricted	98,287	110,669
Tier 3 - Net deferred tax assets	454	963
<b>Total basic own funds / (equal to Excess of assets over liabilities)</b>	<b>98,741</b>	<b>111,632</b>
Total available own funds to meet the SCR	98,741	111,632
Total available own funds to meet the MCR	98,287	110,669
Total eligible own funds to meet the SCR	98,741	111,632
Total eligible own funds to meet the MCR	98,287	110,669
SCR	82,285	93,027
MCR	25,523	29,477
<b>Ratio of eligible own funds to SCR</b>	<b>120%</b>	<b>120%</b>
<b>Ratio of eligible own funds to MCR</b>	<b>385%</b>	<b>375%</b>
<b>Minimum Capital Requirement (MCR)</b>		
Linear MCR	25,523	29,477
SCR	82,285	93,027
MCR cap (45% of SCR)	37,028	41,862
MCR floor (25% of SCR)	20,571	23,257
Combined MCR	25,523	29,477
Absolute floor of the MCR	3,966	4,309
<b>MCR</b>	<b>25,523</b>	<b>29,477</b>
<b>Solvency Capital Requirement (SCR)</b>		
Market risk	7,009	4,928
Counterparty default risk	16,125	25,571
Non-life underwriting risk	68,552	70,480
Diversification	(11,619)	(13,318)
<b>Basic SCR</b>	<b>80,067</b>	<b>87,661</b>
<b>Calculation of SCR</b>		
Adj - Loss Absorbing Capacity of Deferred tax	(6,431)	(6,270)
Operational risk	8,649	11,635
<b>SCR</b>	<b>82,285</b>	<b>93,027</b>



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## GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Bermuda, 16 March 2023

The Board of Directors  
**GARD MARINE & ENERGY LIMITED - Norwegian Branch**

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Trond Eilertsen  
Chairman

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Nils Aden

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Ian Beveridge

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Jane Sy

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Kristian Dalane

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Rolf Thore Roppestad  
Managing Director



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To the General Meeting of Gard Marine & Energy Limited NUF

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Gard Marine & Energy Limited NUF (the Company), which comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the period then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Kystveien 14, NO-4841 Arendal  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Arendal, 16 March 2023  
**PricewaterhouseCoopers AS**

Fredrik Botha  
State Authorised Public Accountant  
(This document is signed electronically)



 Securely signed with Brevio

Auditor's report

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Botha, Fredrik	BANKID	2023-03-23 11:27

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