



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	939 717 609
Organisasjonsform:	Gjensidig forsikringselskap
Foretaksnavn:	Assuranceforeningen Gard - gjensidig -
Forretningsadresse:	Kittelsbuktveien 31 4836 ARENDAL

### Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Inge Liltved
Dato for fastsettelse av årsregnskapet:	24.03.2025

### Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert  
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

*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, 05.07.2025



### Resultatregnskap

Beløp i: USD	Note	2024	2023
<b>TEKNISK REGNSKAP FOR SKADEFORSIKRING</b>			
Opptjente bruttopremier	5,6	250 371 000	234 281 000
Gjenforsikringsandel av opptjente bruttopremier	6	112 364 000	117 721 000
<b>Sum premieinntekter for egen regning</b>	<b>6</b>	<b>138 007 000</b>	<b>116 560 000</b>
Andre forsikringsrelaterte inntekter		885 000	913 000
<b>Erstatningskostnader</b>			
Brutto erstatningskostnader	6	169 118 000	146 951 000
Gjenforsikringsandel av brutto erstatningskostnader	6	33 089 000	43 688 000
<b>Sum erstatningskostnader for egen regning</b>	<b>6</b>	<b>136 029 000</b>	<b>103 263 000</b>
<b>Forsikringsrelaterte driftskostnader</b>			
Salgskostnader	7	7 996 000	10 147 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for mottatt gjenforsikring	7	12 227 000	11 299 000
Mottatte provisjoner for avgitt gjenforsikring og gevinstandeler	7	13 166 000	11 199 000
<b>Sum forsikringsrelaterte driftskostnader</b>		<b>7 057 000</b>	<b>10 247 000</b>
Andre forsikringsrelaterte driftskostnader	7	4 865 000	3 005 000
<b>Resultat av teknisk regnskap</b>		<b>-9 059 000</b>	<b>958 000</b>
<b>IKKE-TEKNISK REGNSKAP</b>			
<b>Netto Inntekter fra investeringer</b>			
Renteinntekt og utbytte m.v. på finansielle eiendeler	8	2 153 000	1 727 000
Verdiendringer på investeringer		6 236 000	16 188 000
Realisert gevinst og tap på investeringer		2 485 000	317 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		611 000	632 000
<b>Sum netto inntekter fra investeringer</b>		<b>10 263 000</b>	<b>17 600 000</b>
<b>Resultat av ikke-teknisk regnskap</b>		<b>10 263 000</b>	<b>17 600 000</b>
<b>Resultat før skattekostnad</b>		<b>1 204 000</b>	<b>18 558 000</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Skattekostnad	9	2 100 000	4 468 000
<b>Resultat før andre inntekter og kostnader</b>		<b>-896 000</b>	<b>14 090 000</b>
Estimatendringer knyttet til ytelsesbaserte pensjonsordninger	13	101 000	97 000
Skatt på andre inntekter og kostnader som ikke blir omklassifisert til resultatet	13	25 000	24 000
<b>Totalresultat</b>		<b>-820 000</b>	<b>14 163 000</b>



### Balanse

Beløp i: USD	Note	2024	2023
<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
Aksjer og andeler (inkl. aksjer og andeler målt til kost)	11	37 759 000	36 357 000
Rentebærende verdipapirer	11,12, 18	210 272 000	194 021 000
Andre finansielle eiendeler		0	0
<b>Finansielle eiendeler som måles til virkelig verdi</b>		<b>248 031 000</b>	<b>230 378 000</b>
<b>Sum investeringer</b>	18	<b>248 031 000</b>	<b>230 378 000</b>
<b>Gjenforsikringsandel av brutto forsikringsforpliktelser</b>			
Gjenforsikringsandel av ikke opptjent bruttopremie	6	15 384 000	16 552 000
Gjenforsikringsandel av brutto erstatningsavsetning	6,12	127 755 000	128 564 000
<b>Sum gjenforsikringsandel av brutto forsikringsforpliktelser</b>		<b>143 139 000</b>	<b>145 116 000</b>
<b>Fordringer</b>			
Forsikringstakere	14	21 275 000	19 592 000
<b>Fordringer i forbindelse med direkte forretninger</b>		<b>21 275 000</b>	<b>19 592 000</b>
Fordringer i forbindelse med gjenforsikring		2 675 000	523 000
Andre fordringer		20 000	612 000
<b>Sum fordringer</b>	12	<b>23 970 000</b>	<b>20 727 000</b>
<b>Andre eiendeler</b>			
Anlegg og utstyr	10	4 480 000	3 624 000
Kasse, bank	12,15, 18	108 381 000	100 777 000
Andre eiendeler betegnet etter sin art	12	8 238 000	8 074 000
<b>Sum andre eiendeler</b>	18	<b>121 099 000</b>	<b>112 475 000</b>
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		3 641 000	4 888 000



### Balanse

Beløp i: USD	Note	2024	2023
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		3 641 000	4 888 000
<b>SUM EIENDELER</b>		<b>539 880 000</b>	<b>513 584 000</b>
<b>EGENKAPITAL OG FORPLIKTELSER</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		0	0
Sum innskutt egenkapital		0	0
<b>Opptjent egenkapital</b>			
<b>Fond m.v.</b>			
Avsetning til garantiordningen		0	2 000
Annen opptjent egenkapital		117 814 000	118 632 000
Sum opptjent egenkapital		117 814 000	118 634 000
<b>Sum egenkapital</b>		<b>117 814 000</b>	<b>118 634 000</b>
<b>Sum ansvarlig lånekapital m.v.</b>		<b>0</b>	<b>0</b>
<b>Brutto forsikringsforpliktelser</b>			
Avsetning for ikke opptjent bruttopremie	6	36 147 000	34 214 000
Brutto erstatningsavsetning	6,12	342 276 000	323 718 000
Sum brutto forsikringsforpliktelser		378 423 000	357 932 000
<b>Avsetninger for forpliktelser</b>			
Pensjonsforpliktelser o.l.	13	1 115 000	1 379 000
<b>Forpliktelser ved skatt</b>			
Forpliktelser ved periodeskatt	9,12	4 965 000	3 866 000
Forpliktelser ved utsatt skatt		8 295 000	11 790 000
Sum avsetninger for forpliktelser		14 375 000	17 035 000
Forpliktelser i forbindelse med direkte forsikring	12	7 346 000	6 688 000
Forpliktelser i forbindelse med gjenforsikring	12	15 002 000	10 245 000
Andre forpliktelser	12	4 610 000	1 048 000
Sum forpliktelser		26 958 000	17 981 000



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Påløpte kostnader og mottatte ikke opptjente inntekter</b>			
Andre påløpte kostnader og mottatte ikke opptjente inntekter	12	2 310 000	2 002 000
<b>Sum påløpte kostnader og mottatte ikke opptjente inntekter</b>		<b>2 310 000</b>	<b>2 002 000</b>
<b>SUM EGENKAPITAL OG FORPLIKTELSER</b>		<b>539 880 000</b>	<b>513 584 000</b>



Gard AS  
Servicebox 600  
4809 ARENDAL

27 NOV 2009

Saksbehandler: Ola Aamodt Fanger  
Dir. tlf.: 22 93 99 41  
Vår referanse: 09-9188  
Deres referanse:  
Arkivkode: 542.5  
Dato: 25.11.2009

## DISPENSASJON - PRESENTASJONSVALUTA

Det vises til søknad av 31. august 2009 om dispensasjon fra kravet om å presentere årsregnskapet i norske kroner iht. forskrift for årsregnskap m.m. for forsikringsselskaper (heretter "forskriften") §§ 7-1 jf. 2-6.<sup>1</sup>

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

*"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 omregningskursen dersom årsregnskapet er presentert i en annen valuta enn norske kroner, jf. regnskapsloven ny § 7-2, vil kontrollmulighetene med rapporteringen forringes da det må tas høyde for korreksjoner mht valutakursvingninger."*

Kravet om presentasjonsvaluta i NOK er begrunnet med hensynet til at bruk av 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.

Assuranceforeningen Gard (heretter "Gard", "foretaket") viser til at kun 7 prosent av premieinntektene og 5 prosent av kravkostnadene er knyttet til NOK. USD er funksjonell valuta fordi den utgjør 80 prosent av premieinntektene og 60 prosent av kravkostnadene. Korreksjonene med hensyn til endringer i valutakursene gjør at regnskapet ikke viser det riktige forholdet

<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.



mellom forretningsvolum og kravkostnader fra år til år. Gard mener at kravet til presentasjon av årsregnskapet i NOK innebærer at årsregnskapet ikke gir et rettviseende bilde av virksomheten.

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 foretaket.

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.

Kredittilsynet finner at det i dette konkrete tilfellet kan gjøres unntak fra kravet om norsk presentasjonsvaluta. Anførelsen viser at virksomheten er internasjonal, med hovedsakelig utenlandske kunder. Dette medfører at regnskapsbrukerne har behov for å sammenligne regnskapet med andre foretak som har avlagt regnskap i USD. Alle inntekter og utgifter 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.


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

*Assuranceforeningen Gard gjensidig gis dispensasjon fra kravet om å presentere årsregnskapet i norsk valuta. Årsregnskapet skal presenteres i United States dollar (USD).*

Kredittilsynets vedtak kan påklages etter forvaltningsloven § 28. Finansdepartementet er klageinstans. Klagen rettes til Kredittilsynet. Klagefristen er 3 uker fra det tidspunkt dette brevet er mottatt.

For Kredittilsynet

  
Siv-Mette Thomassen  
seksjonssjef

  
Ola Aamodt Fenger  
førstekonsulent



## Skattedirektoratet

Saksbehandler Jan Hoelstad	Deres dato 31.08.2009	Vår dato 15.07.2010
Telefon 22077325	Deres referanse sunkar / Inge Liltved	Vår referanse 2009/929879

GARD AS  
Postboks 789 Stoa  
4809 ARENDAL

## Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk for Assuranceforeningen Gard - gjensidig -, org. nr: 939 717 609

Det vises til Deres søknad av 31. august 2009 oversendt til Skattedirektoratet i brev av 17. november 2009 fra Finansdepartementet for behandling. Det vises også til telefon med Deres Inge Liltved 14. juli 2010 samt tidligere kommunikasjon om at behandlingen av søknaden skulle avvente en eventuell endring i dispensasjonspraksis for slike saker. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Assuranceforeningen Gard - gjensidige -.

### Bakgrunn:

Assuranceforeningen Gard - gjensidig - (foreningen) ble opprettet i 1907 og er en gjensidig forsikringsforening som tilbyr ansvarsforsikring for skip (såkalt "P&I forsikring") for skipsredere, operatører og befraktere over hele verden. Foreningen er medlem i International Group of P&I clubs som er en sammenslutning av de 13 største P&I forsikringsforeningene i verden, og som samlet sett forsikrer om lag 90 % av verdensflåten. Sammensetningen av Assuranceforeningen Gard - gjensidig - sin medlemsportefølje har endret seg over tid. Den norske andelen er stadig synkende. I dag kommer 80 % av forsikringspremien fra utenlandske medlemmer.

Foreningens virksomhet er forsikringsvirksomhet knyttet opp til i hovedsak utenlandske kunder. Foreningens eiere (dvs. medlemmer) er også i all hovedsak utenlandske. Flere personer i styret er ikke norsk språklige. Foreningen er derfor nødt til å utarbeide sin regnskapsinformasjon på engelsk for sine medlemmer og styre. Arbeidsspråket generelt i virksomheten er engelsk. Det engelske språklige regnskapet oversettes derfor til norsk kun p.g.a. kravene i regnskapsloven. Dette innebærer ekstra administrativ og økonomisk byrde for foreningen. Det søkes derfor om dispensasjon.

### Skattedirektoratets vurdering og konklusjon

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."

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Fredrik Selmers vei 4 Org. nr: 974761076	Sentralbord 800 80 000 Telefaks 22 17 08 60
skattedirektoratet@skatteetaten.no		



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. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.


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 sentrale brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det framgår av søknaden at selskapet at selskapene opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk. Selskapets medlemmer (eiere) og kunder er også i stor grad utenlandske.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Assuranceforeningen Gard - gjensidig-dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

  
Heide Lindsjorn  
seksjonssjef  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Jan Hoelstad



Admincontrol

## List of Signatures Page 1/1

### Ass.Gard - Financial statements 311224.pdf

Name	Method	Signed at
Eilertsen, Trond	BANKID	2025-03-26 10:54 GMT+01
Grotmoll, Turid	BANKID	2025-03-25 08:23 GMT+01
Ian Beveridge	One-Time-Password	2025-03-24 15:00 GMT+01
Lunde, Marit	BANKID	2025-03-24 13:31 GMT+01
Roppestad, Rolf-Thore	BANKID	2025-03-24 13:27 GMT+01
Nils Aden	One-Time-Password	2025-03-29 14:51 GMT+01



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## FINANCIAL STATEMENTS 2024

### ASSURANCEFORENINGEN GARD - GJENSIDIG -

*for the period 1 January 2024 to 31 December 2024*



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**ASSURANCEFORENINGEN GARD - GJENSIDIG -**

The Board of Directors

Trond Eilertsen, Chairman, Norway

Ian Beveridge, Bernhard Schulte GmbH & Co., Germany

Turid Grotmoll, Norway

Nils Aden, Harren Shipping Services GmbH & Co. KG., Germany

Marit Lunde, Equinor ASA, Norway



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

#### INTRODUCTION

The Board of Directors hereby submits the report and accounts of Assuranceforeningen Gard - gjensidig - (the "Association") for the 2024 financial year, covering the period from 1 January to 31 December 2024. This is the Association's 117<sup>th</sup> year of business.

In the opinion of the Board of Directors this report and accounts for the period to 31 December 2024 gives a true and fair view of the Association's financial position and result of its operations.

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 are faced with, the Board of Directors does not consider there to be any special risks or uncertainties connected to the business activities of the Association.

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

#### THE ASSOCIATION - MEMBERSHIP RIGHTS

The Association is a Norwegian mutual insurance association founded in Arendal in 1907. The Association provides Protection and Indemnity ("P&I") insurance and related insurance products to its members being owners, operators, charterers or other direct insurers of ships entered in the Association. As a mutual insurance association, its members own the Association. There are no external capital owners.

The Members of the Association are also Members of Gard P. & I. (Bermuda) Ltd. and vice versa. The major part of the two associations' combined portfolio of direct business is underwritten by Gard P. & I. (Bermuda) Ltd. The Association is primarily used as a vehicle for a smaller proportion of the combined P&I portfolio, which is primarily direct P&I business where an EU/EEA based insurer is required in order to comply with governing EU regulations regarding to cross border activities.

In as much as Gard P. & I. (Bermuda) Ltd. has the right to exercise membership rights in the reinsured portfolio, it controls the voting rights in the Association. This is the legal basis for consolidating the two associations' accounts pursuant to the International Financial Reporting Standard 10 Consolidated Financial Statements.

#### THE OPERATION IN GENERAL

##### P&I insurance

Protection and Indemnity ("P&I") insurance is the name of the insurance covering the shipowner's liability towards a third party. The insurance covers both liability for property damage and personal injuries arisen in connection with the operation of the insured ship.

Traditional P&I insurance is currently offered by 12 clubs covering about 90 percent of the world's merchant fleet.

These 12 clubs, or mutual insurance associations, have formed an organisation called the International Group of P&I Clubs (the "IG"). One of the important functions of IG is to co-ordinate the clubs collective purchase of market reinsurances. This is done within the framework of the Pooling Agreement. The latter contains three main elements. The first is the claims sharing between the parties to the agreement. The second is the provisions dealing with collective purchase of market reinsurances covering liabilities in excess of the upper limit of the Pool. The third is the provisions governing a claim exceeding the limit of the IG clubs collective market reinsurance contract, a so-called overspill claim.

##### The Association's branch office in Tokyo

The Association has a branch office in Tokyo. The branch was established when the Association was granted a licence from the Japanese Ministry of Finance to insure vessels flying Japanese flag.

##### The Association's branch office in the Finland

The Association has a branch office in Finland. The branch is established in Finland as a branch of an Overseas Firm in accordance with the EU rules for Free Movement of Services.

##### The Association's branch office in Hong Kong

The Association has a branch office in Hong Kong. The branch office is authorized by IA (The Insurance Authority of Hong Kong) to carry out business in and from Hong Kong.

##### The Association's branch office in the United Kingdom

The Association has a branch office in the United Kingdom. The branch is established in the United Kingdom as a branch of an Overseas Firm under supervision by PRA (The Prudential Regulation Authority of United Kingdom).

##### Gard AS - the Association's insurance agent

The Association has entered into an agency agreement with Gard AS being a Norwegian registered insurance intermediary. Gard AS is registered with Finanstilsynet (The Norwegian Financial Supervisory Authority) as the agent of the Association. All underwriting and claims handling services offered by the Association are performed by Gard AS, or its subsidiaries abroad as insurance intermediaries on the basis of an agency agreement.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

#### Personnel and organisation

As a result of the appointment of Gard AS as the agent of the Association there are at the end of the only 15 persons directly employed by the Association. These persons include, inter alia, the Managing Director, the Legal Director (Company Secretary) and the Accounting Manager.

In 2024 the level of absence due to sickness has been below the corresponding average in the insurance industry. The total number of days of absence due to sickness corresponded to a percentage of 0.4 against 4.5 percent for the insurance industry in general. The organisation is focusing on preventing occupational injuries as a result of long-time use of PCs and other office equipment. There have been no injuries or accidents in connection with the operations.

The Association seeks to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith.

The working environment in the Association has in the period to 31 December 2024 been good.

#### Directors' and Officers' liability insurance

There is a Directors and Officers' liability insurance in place covering all directors and officers of the Association. 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.

#### Internal control

Pursuant to regulations determined by the Norwegian Financial Supervisory Authority the Association has established an internal control system. In accordance with the said regulations, a report about the internal auditor's findings is submitted to the Audit Committee established on a group basis as set out below as well as the Board of Directors. In line with the Solvency II regime a Compliance Officer function was established with effect from 1 January 2015. The Compliance Officer is part of the risk assessment and internal control system and shall ensure compliance with governing laws, regulation and administrative provisions.

Pursuant to the Norwegian Finance Institutions Act of 2015 no. 17, Section 8-18, the Association shall have an Audit Committee. However, the Association has been granted dispensation from the requirement to have an Audit Committee by the Norwegian Financial Supervisory Authority. The exemption is made on the basis that the parent company of the Association, Gard P. & I. (Bermuda) Ltd., has an Audit Committee overseeing the activities of the Group on a consolidated basis, including the activities of the Association. The decision by the authorities is made on the basis that the composition of the Audit Committee of Gard P. & I. (Bermuda) Ltd. is in line with the requirements of Norwegian legislation both in relation to its composition as well as responsibility to perform certain tasks.

#### Safety at sea

The Association is participating in the activities organised under the umbrella of the International Group with a view to review possible measures to be taken by insurers for the purposes of improving safety at sea. The Norwegian Act on Ship Safety, which entered into force on 1 July 2007 allows exchange of information between insurers regarding the technical condition of vessels. The Association believes that this is an important step for the purposes of improving the safety at sea.

#### Gard's double materiality assessment

The Corporate Sustainability Reporting Directive (CSRD) will be a mandatory requirement for Gard's annual report in 2026, covering activities from 2025. The directive replaces the non-financial reporting directive and regulates the reporting on both the European Sustainability Reporting Standards (ESRS) and the EU taxonomy. To ensure compliance, we have laid the necessary groundwork to meet these requirements.

In 2024, we conducted a double materiality assessment (DMA) involving a range of internal experts. The process builds upon and supplements the outcomes of the 2023 stakeholder dialogue which engaged a wide range of internal and external stakeholders.

In line with the implementation guidelines provided by the European Financial Reporting Advisory Group (EFRAG), we held a series of workshops that required stakeholders (internal experts) to identify and rate various sustainability topics based on their importance to Gard's business success (financial materiality) and their importance to the wider society (impact materiality). This exercise resulted in the identification of six material topics that are of significant relevance to Gard. These topics cover climate change, environment, social, and governance matters.

Through this process we have identified the impacts Gard can have on the environment and society, not only through our own operations but also through the direct and indirect business relationships across our value chain. Similar assessments have been made to identify the sustainability-related risks and opportunities we are exposed to.

#### Environmental impact

##### *Climate change*

Our positive impacts reflect the crucial role that Gard and the marine insurance industry can play in enabling the green transition. By providing insurance cover to risks associated with new technologies, sharing experience, preventing losses and supporting industry-wide technology adoption, we help to enable positive change and reduce the risks associated with the shift.

Our negative impacts reflect broader challenges faced by the shipping industry, primarily due to the heavy reliance on fossil-based fuels, leading to continued GHG emissions. We also provide insurance to companies engaged in oil and gas extraction, as well as vessels transporting fossil-based cargo. As we progress in our climate transition journey, we will continue to prioritize a close dialogue with our Members and clients to support their decarbonization efforts.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

In 2024, we took several actions to address material climate-related impacts. Cross-functional "Green Transition Competency Groups" were established to enhance mapping of risks and opportunities associated with alternative fuels, offshore renewable energy and battery-related fires. We also contributed to committees and working groups within the International Group of P&I clubs (the IG) and particularly raised the need to close gaps in international liability and compensation regimes governing the use of alternative fuels. We continue to maintain our partnerships with key organizations such as the Global Centre for Maritime Decarbonisation and the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as well as other institutions and initiatives working to promote low-carbon solutions.

We disclose the emissions of our insured hull and machinery (H&M) portfolio according to the Poseidon Principles for Marine Insurance (PPMI) methodology and continuously engage with our Members and clients to support them as they decarbonise. In 2024, we issued our third climate alignment score disclosing the carbon intensity of our H&M portfolio for the 2023 policy year. The reporting methodology has been modified since the last year to align with the revised IMO GHG Strategy adopted in July 2023. Additionally, PPMI now allows using modelled emissions data instead of client-reported data. This change allows us to capture a larger share of our portfolio, including vessels where neither Gard nor other PPMI signatories have claims lead.

On the energy side, Gard has significantly increased its share and lead capacity within the renewable energy sector. The expansion was achieved through our acquisition of Codan's Marine & Energy portfolio, which to a large degree consists of offshore wind projects.

#### *Pollution*

Sustainable claims handling and our approach to ship recycling are areas where we see Gard brings material positive impacts, while emerging and new forms of pollution such as plastic nurdle spills are negative impacts that require further attention.

In 2024, we collaborated with the International Tanker Owners Pollution Federation Limited (ITOPF) and others to develop environmental, social, and governance (ESG) reports for large casualties, further refining the methodology to document ESG risks during a casualty response and lessons learnt. Furthermore, we have followed up with authorities and other stakeholders involved in the restoration efforts following the oil spill from the Marco Polo incident in 2023. During the year we also published several loss prevention articles and alerts related to pollution.

Additionally, we have identified potential pollution risks and mitigation opportunities through our cross-functional "Green Transition Competency Groups", especially related to alternative fuels and battery fires. We also worked with several industry bodies such as the International Union of Marine Insurance (IUMI) to raise awareness of the potential barriers for alternative fuels in international compensation and liability regimes and how these can be solved.

#### *Biodiversity and ecosystems*

Gard has long been committed to protecting marine biodiversity by reducing and preventing pollution. Our efforts include restoring ecosystems affected by pollution incidents, screening insured fishing vessels for Illegal, Unreported, and Unregulated (IUU) activities, and providing alerts and insights to our Members and Clients related to marine biodiversity.

As a result of the 2024 DMA process, impacts related to the protection of marine biodiversity have been identified and assessed as material. Hence, Gard is explicitly stating that biodiversity is a material topic, highlighting our increased commitment as an organisation to focus further on this issue. While our 2024 Double Materiality Assessment provided an initial indication, we recognize the need to better understand and analyse potential nature-related impacts, dependencies, risks, and opportunities across our entire value chain.

#### Social impact

##### *Own Workforce*

The findings from our DMA indicate that the key topics significant for Gard's workforce are working conditions, equal treatment and opportunities, and personal data protection.

Gard's approach to managing these material impacts is anchored in our core values, a dedication to diversity and inclusion, and a focus on enhancing the wellbeing of our employees. Through this approach, we aim to create a supportive and empowering environment where every individual can contribute to our shared success.

In 2024, in compliance with the Norwegian Transparency Act, Gard completed a detailed evaluation of its own operations conducted by an external assessment provider, Ecovadis. The evaluation covered 21 sustainability criteria, organised into four key themes: Labor and Human Rights, Environment, Ethics, and Sustainable Procurement. The assessment, which included analysis of Gard's policies, actions, and reporting on key performance indicators, provided valuable insights into our sustainability efforts across these areas.

Based on the assessment, Gard maintained its Ecovadis gold rating for the third consecutive year with an improved overall score. Notably, this year's assessment highlighted significant progress, particularly in the Labor and Human Rights category where we achieved an increase in our score. This improvement can be attributed to the introduction of additional measures, such as the continuous improvement of the employee development program and comprehensive reporting on labor and human rights issues such as data on diversity, pay gaps, and health and safety.

In addition, as a reflection of our commitment to achieving gender balance, we have implemented a recruitment strategy that ensures both female and male candidates are represented in the final round for all leadership positions and reaffirmed our commitment to diversity and inclusion by signing the WISTA 40 by 30 pledge.

##### *Workers in the value chain*

Our social responsibility extends beyond our operations to include the workers in our value chain. As the world's leading marine insurer, we rely on the services of correspondents, surveyors, experts, lawyers, wreck salvors, and other highly skilled and competent professionals in the maritime industry. Our day-to-day business operations depend on the goods, products, corporate, and site services of our suppliers such as IT, travel services, cleaning services, construction and maintenance and energy utilities. In the downstream part of our operations, we recognize that seafarers are particularly exposed to occupational hazards and sometimes extreme working conditions.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG - Board of Directors' Report

In other words, our operations impact the lives of workers and because of this, we strive to uphold the highest ethical standards and responsible business practices concerning workers in our value chain.

Our 2024 DMA process identified material impacts relating to working conditions affecting the workers in both our upstream and downstream part of the value chain.

### *Upstream part of our value chain*

To address the material impacts on working conditions, Gard's human rights due diligence process is intended to identify, prevent, and mitigate potential human rights impacts within our supply chains. This process is established to comply with the requirements of the Norwegian Transparency Act and follows the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

For the assessment process, we have applied objective factors to identify those suppliers and business partners that potentially have a higher risk of causing adverse impacts on human rights and decent working conditions.

The findings indicate improvements for the majority (68%) of the assessed operational expense (OPEX) suppliers year on year, and the total score of Gard's assessed OPEX suppliers is significantly higher than the industry average, according to Ecovadis.

Based on the assessment results by Ecovadis, common improvement areas among some of the OPEX suppliers are documentation for policies, organizational practices and actions, as well as reporting on key performance indicators. We believe that proper documentation of policies and procedures is critical to safeguarding workers' rights and ensuring adherence to human rights principles and standards. Inconclusive documentation or lack thereof can create risks, potentially allowing human rights issues to either arise or remain unaddressed. Thus, both Procurement and relevant business units are following up and working closely with the selected suppliers to work on their corrective action plans aimed at addressing these gaps.

For our professional external service providers or Claims' ESPs, some of our interviews with ESPs revealed employment practices without clear contractual support but which align with local customs and traditions, without violating human rights and decent working conditions. In these instances, we took the opportunity to suggest clearer contract frameworks for the employees, to ensure continued compliance and enhanced safety for the workers in the spirit of ongoing due diligence, all the ESPs that were assessed in 2023 were contacted also in 2024 and invited to share their CSR progress so far. Some of them really took onboard Gard's suggestions and showed important improvement in the matter of just a year.

Generally, our suppliers and business partners were all receptive to a dialogue on human rights and working conditions and the process increased our mutual awareness of the need for increased transparency in our own operations and supply chains.

### *Downstream part of our value chain*

Although seafarers are not directly impacted by our operations, we recognize their fundamental role in our value chain, and we acknowledge that the challenging and demanding nature of their work makes them particularly vulnerable to human rights risks. Moreover, as a globally leading marine insurer, we believe we can make a difference in supporting their rights.

Throughout the year, we have therefore organized a series of webinars about the critical human rights issues faced by seafarers. These webinars have centered on crew health and safety as well as crew wellbeing, emphasizing the challenging conditions many seafarers encounter at work. We also highlighted the issue of seafarer abandonment, the severe consequences this can have, and the need for industry-wide solutions.

In July 2024, Gard published its first Crew Claims Report which delves into key trends in crew and people-related insurance claims. This comprehensive report highlights the most frequent injuries, illnesses and other risks that seafarers encounter while onboard and aims to shed on the vital importance of seafarers' health and safety. Following the release of this report, a podcast outlining key findings and focusing on seafarer risks and well-being was released.

To mark the International Human Rights Day in December 2024, we also highlighted the issue of recruitment fees through an insight article published on our website. This article sheds light on the financial and social burdens placed on seafarers due to the extensive practice of recruitment fees, and the impact this has on seafarers' wellbeing and livelihoods. The article also outlines proposed industry measures to tackle the issue.

For the year ahead, we will examine the possibility of harmonizing our current routines and procedures related to human rights and governance within the organization. This means reviewing and aligning our existing frameworks, policies, and operations that deal with issues such as human rights and labor rights, anti-corruption practices, and overall responsible business conduct to ensure consistency and effectiveness. This will involve assessing the extent to which these frameworks are currently integrated and identifying opportunities to strengthen their coherence across different areas of the business.

### *Disclosure*

In 2024, Gard received one request for information to which we addressed and responded within the period specified in Section 7 of the Norwegian Transparency Act.

To meet the disclosure requirement of the Act, Gard has internal procedures to respond to information requests provided in Section 6. Inquiries or requests for information related to the Norwegian Transparency Act should be directed to [sustainable\\_business@gard.no](mailto:sustainable_business@gard.no).

The report will be made available at <https://www.gard.no/about-gard/transparency-act/> at the latest of 30 June 2025 in line with Section 5 of the Transparency Act. Previous year's report can also be found here.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

#### Economic impact

As part of our ongoing preparation for CSRD and EU Taxonomy reporting, Gard has continued to assess sustainability risks and impacts within our investment portfolio. Consistent with previous years, we have mapped the ESG performance of our equity portfolio based on methodology from MSCI, a leading provider of financial data and analytics to investors.

From 2025, Gard will report according to the EU Taxonomy, and in this regard, we have started preparing for this in collaboration with MSCI. We started gathering data so that we can assess our investment portfolio's eligibility for, and alignment to, the EU Taxonomy.

#### Governance impact

The results of our DMA process indicate that business conduct remains a material topic, reflecting its sustained significance over the years. The assessment highlights several key areas of impact for the organization, including business ethics and corporate culture, effective management of supplier relationships, prevention and detection of corruption and bribery, and data protection.

To uphold the highest legal and ethical standards, Gard expects all employees and external business partners to comply with our Code of Ethics and Business Conduct, covering financial crime prevention, anti-corruption, anti-money laundering, and Whistleblowing. We also enforce a separate Supplier Code of Conduct and Bribery Prevention Requirements for correspondents, alongside internal claims handling and underwriting instructions.

In alignment with the Norwegian Transparency Act, Gard has established formal procedures for human rights due diligence and response mechanisms. A cross-functional working group is responsible for ensuring the implementation of the human rights due diligence process. This comprehensive process involves conducting human rights risk and impact assessments across our operations and supply chains, as well as with our business partners.

Our Supplier Code of Conduct sets the minimum requirements and standards on responsible business conduct that we expect from our suppliers, business partners, and external service providers. In the event of any observed deviations from our Supplier Code of Conduct, we aim to engage in a dialogue to understand the reasons behind such deviations and discuss effective corrective measures.

Through our human rights due diligence and Know Your Counterpart processes, we aim to enforce ethical guidelines regarding labor practices and corporate governance. This includes treating their workforce and workers in the value chain with dignity and respect, prohibiting the use of forced or child labor, ensuring fair wages, providing equal opportunities, supporting equality, diversity, and inclusion, and fostering safe and healthy working conditions.

We view supplier engagement as an ongoing process. We maintain open channels of communication with our suppliers, external service providers, and business partners to discuss sustainability issues and challenges and to serve as a discussion partner for working on improvements.

Gard's has a zero-tolerance stance on corruption and bribery and has strict policies regarding facilitation payments and corporate hospitality. In addition, our Know Your Customer (KYC) Framework outlines Gard's position on corruption, providing clear guidelines for employees and third parties. It covers responsibilities, principles, and values to ensure compliance with anti-corruption standards.

Gard's policy on data privacy and protection is designed to ensure the lawful, fair, and transparent processing of personal data. The Personal Data Protection Policy outlines the company's commitment to safeguarding personal information and complying with applicable data privacy laws and regulations. In addition, our policies on information security and protection underscore the importance of structured and systematic information security management.

Gard has established grievance mechanisms which help to identify incidents, facilitate prompt intervention, and ensure that issues are dealt with in a timely manner without risk of repercussions.

- Internal intermediary channels – any complaint related to misconduct or workplace-related issues is to be reported to the responsible leader, Human Resources, employee representative or the relevant body with the appropriate mandate.
- Whistleblowing portal – concerns relating to misconduct or censurable conditions can be reported through this platform by any natural person in the context of his or her work-related activities, including employees, members, personnel of suppliers and (sub)contractors, former employees, job applicants, and business partners. The portal operates on anonymity and is managed by Ernst & Young.

Employees have the option to report through both our internal and external channels with the option of anonymity while external parties can raise, or report concerns anonymously via our Whistleblowing portal. The portal is accessible on Gard website providing a secure and confidential way to voice concerns.

While Gard has established internal whistleblowing procedures, any person has the right to report misconduct or censurable conditions to authorities.

#### Ship recycling

Gard actively encourage and support ship recycling according to the Hong Kong convention or EU Ship Recycling Regulation.

#### Research and development

The Association does not carry out research and development activities.

#### **FUND MANAGEMENT**

A major part of the Association's investment portfolio is invested through an Irish umbrella unit trust fund; a contractual fund structure with a segregated liability between sub funds and investors. The following risk carriers in the Group hold units which represent a beneficial interest in the assets of the unit trust; Assuranceforeningen Gard - gjensidig -, Gard P. & I. (Bermuda) Ltd., Gard Marine & Energy Limited, Gard Marine & Energy Insurance (Europe) AS, Hydra Gard Cell and Gard Reinsurance Co Ltd. The objective of the investment structure is saving of management costs



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

and optimizing the total returns within the investment guidelines. The portfolio managers in the Unit Trust structure are all specialists within the class of assets the individual manager has been given a mandate to manage.

The general investment guidelines for the management of the funds of the Association are determined by the Board of Directors. The general guidelines determined by the Board of Directors contain the overall risk limits with regards to the investments, such as the types of financial instruments that can be used, as ranges within certain asset classes. Each portfolio manager employed shall not manage more than 30 percent of

the total fund. The individual portfolio manager's mandate is composed on the basis of an index enabling the Association to measure the individual manager's performance against a benchmark.

Management reports on the performance and composition of the portfolio at each Board of Directors meeting. For each meeting, a compliance report is produced showing whether there are non-conformities in relation to the investment guidelines.

In the view of the Board of Directors the Association's investments can be described as having a medium risk profile.

### INSURANCE BUSINESS

#### Entered tonnage

At the end of the financial period to 31 December 2024, the number of entered vessels and other units were 4,358. The total tonnage of the direct business amounted to 189.0 million gross tons of which direct owner's entries amounted to 104.9 million gross tons.

#### Reinsurance

In the financial period to 31 December 2024, the Association's retention level for insurance liabilities, arising out of any one event any one vessel, was USD 10 million, net of reinsurance, for mutual entries reinsured under the IG Pooling Agreement. For liabilities arising under fixed premium entries reinsured outside the Pool structure, the retention level was USD 20 million, net of reinsurance, any one event any one vessel. The Association's reinsurance program was structured as outlined below.

According to the IG Pooling Agreement claims in the layer between USD 10 million and USD 100 million were shared between the parties to that agreement pursuant to an agreed formula. Further the reinsurance protection through the Pool was USD 2,000 million, any one event any one vessel, in excess of the USD 100 million being the upper limit of the Pool.

Fixed premium entries covering risks falling outside the scope of the Pooling Agreement were reinsured by the Association in the commercial reinsurance market with overall capacity limits of USD 500 million for Mobile Offshore Units and USD 1 billion for Charterers and Floating Production Storage and Offloading segments. The level of retained risk for each claim was USD 20 million.

#### Internal reinsurance contracts

The Association has entered into a separate inward reinsurance treaty with Gard P. & I. (Bermuda) Ltd., where the Association, as the reinsurer, covers a proportion of the risks retained by Gard P. & I. (Bermuda) Ltd. under the reinsurance arrangements based on the Pooling Agreement and the market reinsurance contracts for fixed premium business.

The Association has also entered into a reinsurance treaty with its parent company, Gard P. & I. (Bermuda) Ltd., covering a proportion of the risks retained under the above reinsurance arrangements based on the Pooling Agreement and the market reinsurance contract for fixed premium business.

The Association has entered into a stop loss reinsurance agreement with Gard Reinsurance Co. Ltd, a subsidiary of Gard P. & I. (Bermuda) Ltd.

The Association has also entered into a reinsurance agreement with Hydra, which is a segregated accounts company where Gard P. & I. (Bermuda) Ltd. is the owner of the Hydra Gard cell.

#### Open policy years

##### *The 2022 policy year*

Over the last 12 months, the value of reported claims for the policy year 2022 has deteriorated. The year still gives a healthy technical surplus and a stable development is expected going forward..

The year can at the earliest be closed in November 2025. Further calls are not expected.

##### *The 2023 policy year*

Over the last 12 months, the technical result for the policy year 2023 has shown a good improvement. A stable development is expected going forward.

The year can at the earliest be closed in November 2026. Further calls are not expected.

##### *The 2024 policy year*

The 2024 policy year has delivered a result below expectations up to 31 December 2024. The result includes an Owners' General Discount (OGD) of 10 percent amounting to USD 17.0 million. The level of the OGD was decided by the Board of Directors upfront of the inception of the policy year based on the expected financial position of the Association as at 31 December 2024.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG - Board of Directors' Report

The year can at the earliest be closed in November 2027.

### Closed policy years

All closed years up to and including the 2021 policy year have developed as anticipated and show an overall surplus.

### **FINANCIAL RISK**

The regulatory solvency capital requirement for the Association was USD 114 million as of 31 December 2023, up from USD 96 million at last year's end. The regulatory solvency ratio was 152 per cent, a decrease of 17 percentage points compared to the last period's end.

### Insurance risk

The Association writes P&I risks through direct operations and reinsurance of Gard P. & I. (Bermuda) Ltd. through a quota share agreement.

The Association participates in the external reinsurance programs as described above in addition to the internal reinsurance contracts.

Insurance risk was up by USD 13 million from last year, totaling USD 108 million. This increase was mainly due to an increase in exposure in the insurance portfolio and inflation.

A set of extreme events for insurance risk has been identified and the realistic possible loss to the Association has been calculated. The highest insurance loss for own account from the identified extreme events is USD 33 million, which is 28 percent of the Association's equity.

### Market risk

The Association's market risk has been steady over the last period, slightly decreasing from USD 27 million to USD 26 million as of 31 December 2024.

According to stress tests, the highest estimated market loss to the Association is USD 25 million due to a risk premium shock.

### Counterparty default risk

The main sources of counterparty default risk are intra-group reinsurers and cash deposits at banks. As of 31 December 2024, the main counterparty exposures were towards Sumitomo Mitsui Banking Corporation, Nordea Bank Abp Norway branch, DBS Bank (Hong Kong) Limited and Northern Trust Global Services Ltd.

The credit risk regarding receivables is handled by Group policies and by close follow-up. Outstanding and overdue premiums from members and customers may be set off in claims payments.

Counterparty default risk was up by USD 1 million over the period, totaling USD 8 million.

### Liquidity risk

The insurance premium inflow is payable in three installments during the policy year, the claims payment pattern will vary, and reinsurance costs are payable in installments during the policy year. 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 duration of investable assets shall meet the pay-out profile of the Association's liabilities. The investable assets consist of a portfolio that can be liquidated in a short period. The liquidity risk is deemed low.

### Operational risk

The operational risk of the Association is assessed annually through the Group's internal self-assessment. For regulatory purposes, the operational risk is calculated using a factor-based formula according to the EIOPA's standard formula. The operational risk for the Association was up by less than USD 1 million over the period.

### Capital and solvency position

The Association and its branches in Finland, Japan, Hong Kong, and the United Kingdom comply with all solvency and capital requirements. Assuranceforeningen Gard - gjensidig - has the opportunity to do Direct Reinsurance Calls/Supplementary Calls on Gard P. & I. (Bermuda) Ltd. through the internal reinsurance agreement.

### **ACCOUNTS FOR THE FINANCIAL PERIOD TO 31 DECEMBER 2024**

The Association has been granted dispensation by the Norwegian Financial Supervisory Authority and the Tax Authority from the requirements to present the annual accounts in Norwegian currency and in the Norwegian language. In accordance with this, the annual accounts are presented in United States Dollar (USD) and in the English language.

### Result

The statement of comprehensive income shows a loss of USD 0.8 million (income of USD 14.2 million). These accounts have been prepared on the basis of 10 percent Owners' General Discount, amounting to USD 17.0 million, in respect of the 2024 policy year (financial period ending 31 December 2024). Last year the OGD was 5 percent, amounting to USD 8.3 million, in respect of the 2023 policy year (financial period ending 31 December 2023).



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## ASSURANCEFORENINGEN GARD - GJENSIDIG - Board of Directors' Report

Technical result was a negative of USD 9.1 million (positive of USD 1.0 million).

### Premiums

The Gross written premium in the period ending 31 December 2024 was USD 252.3 million (USD 238.2 million). Earned premium for own account was USD 138.0 million (USD 116.6 million).

On Estimated Total Call basis the Gross written premium for the financial period ending 31 December 2024 was USD 270.7 million (USD 246.7 million). The main reason for the increase in gross written premium on ETC basis, over last period, is increase in volume.

### Claims

Gross incurred claims during the period amounted to USD 169.1 million (USD 147.0 million). Net claims incurred for own account was USD 136.0 million (USD 103.3 million). The claims development was worse than plan with four large claims above USD 5 million and several medium sized claims.

### Technical result

The technical result was a negative USD 9.1 million in the period to 31 December 2024 (positive of USD 1.0 million).

### Non-technical result

The non-technical result was a positive USD 10.3 million for the period to 31 December 2024 (positive USD 17.6 million). The investment portfolio returned 3.8 per cent against a benchmark of 4.1 per cent.

### Total equity

Other equity has increase to USD 117.8 million (USD 118.6 million). The equity is retained to meet unforeseen fluctuations in claims exposure, possible catastrophes, and extraordinary claims patterns that fall within the Association's liabilities and to meet capital requirements.

### Technical provisions

As at 31 December 2024 the Association's technical provisions to cover reported and unreported claims for own account amounted to USD 214.5 million (USD 195.2 million).

The Board of Directors is of the opinion that other equity and the technical provisions are sufficient to cover all liabilities for the 2024 policy year and earlier policy years.

### Cash flow analysis

The Association's bank deposit as of 31 December 2024 amounted to USD 108.4 million (USD 100.8 million). Net cash flows from operating activities consist primarily of incoming payments in the form of premiums and outgoing payments in the form of claims and operating expenses. Operating liquidity (cash) is balanced by transfers to and from the investment portfolio.

## GOING CONCERN AND FUTURE DEVELOPMENT

The Association's financial situation is monitored closely, including market risk, insurance risk, counterparty risk, operational risk and liquidity risk. Assuranceforeningen Gard - gjensidig - is for the time being dependent on the reinsurance agreement with Gard P. & I. (Bermuda) Ltd. and the opportunity to do Direct calls/Supplementary calls.

The business development is expected to be positive.

Against this background and pursuant to the Norwegian Accounting Act of 1998, chapter 3, the annual financial statement of the Association has been prepared on a going concern basis and the Board of Directors is of the opinion that the conditions for going concern are present.

## GOVERNING CORPORATE BODIES

The Board of Directors of the Association are composed as shown on page 1.

### Board of Directors

Trond Eliertsen and Ian Beveridge shall retire by rotation at the forthcoming Annual General Meeting but can be re-elected.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Board of Directors' Report

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

Arendal, 24 March 2025

Board of Directors  
Assuranceforeningen Gard - gjensidig -

Trond Eilertsen  
Chairman

Ian Beveridge  
Deputy Chairman

Iurid Grotmoll

Nils Aden

Marit Lunde

Rolf Thore Roppestad  
Managing Director



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Statement of comprehensive income

Amounts in USD 000's	Notes	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Technical account</b>			
Gross written premium	4, 5, 6	252,304	238,197
Gross earned premium	5, 6	250,371	234,281
Ceded reinsurance	6	(112,364)	(117,721)
<b>Earned premium for own account</b>	<b>6</b>	<b>138,007</b>	<b>116,560</b>
<b>Other insurance related income</b>		<b>885</b>	<b>913</b>
Gross incurred claims	6	169,118	146,951
Reinsurers' share of gross incurred claims	6	(33,089)	(43,688)
<b>Claims incurred for own account</b>	<b>6</b>	<b>136,029</b>	<b>103,263</b>
Acquisition cost	7	7,996	10,147
Agents' commission	7	12,227	11,299
Commission received	7	(13,166)	(11,199)
<b>Insurance related expenses for own account</b>	<b>7</b>	<b>7,057</b>	<b>10,247</b>
<b>Other insurance related expenses</b>	<b>7</b>	<b>4,866</b>	<b>3,005</b>
<b>Technical result</b>		<b>(9,059)</b>	<b>958</b>
<b>Non-technical account</b>			
Interest and similar income	8	2,153	1,727
Change in unrealised gain on investments		6,236	16,188
Gain on realisation of investments		2,485	317
Other expenses		(611)	(631)
<b>Non-Technical result</b>		<b>10,263</b>	<b>17,600</b>
<b>Profit before tax</b>		<b>1,204</b>	<b>18,559</b>
Corporate income tax	9	2,100	4,468
<b>Net result before other comprehensive income/(loss)</b>		<b>(896)</b>	<b>14,090</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement due to change in pension assumptions	13	101	97
Income tax related to change in pension assumptions	13	(25)	(24)
<b>Other comprehensive income for the period, net of tax</b>		<b>75</b>	<b>73</b>
<b>Total comprehensive income/(loss)</b>		<b>(820)</b>	<b>14,163</b>



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Balance sheet

Amounts in USD 000's	Notes	Restated*	
		As at 31.12.24	As at 31.12.23
<b>Assets</b>			
<b>Investments</b>			
<i>Financial investments at fair value through profit or loss</i>			
Equities and investment funds	11	37,759	36,357
Interest-bearing securities and funds	11, 12, 18	210,272	194,020
<b>Total investments</b>	<b>18</b>	<b>248,031</b>	<b>230,378</b>
<hr/>			
Reinsurers' share of technical provisions			
Reinsurers' share of gross premium reserve	6	15,384	16,552
Reinsurers' share of gross claims reserve	6, 12	127,755	128,564
<b>Total reinsurers' share of technical provisions</b>		<b>143,139</b>	<b>145,116</b>
<hr/>			
<b>Receivables</b>			
<i>Receivables from direct insurance operations</i>			
Policyholders	14	21,275	19,592
<i>Receivables from reinsurance operations</i>			
Receivables from reinsurance operations		2,131	0
Receivables from group companies		544	523
<i>Other receivables</i>			
Other receivables		1	1
Other receivables from group companies		19	611
<b>Total receivables</b>	<b>12</b>	<b>23,970</b>	<b>20,727</b>
<hr/>			
<b>Other assets</b>			
Equipment	10	4,480	3,624
Cash and cash equivalents	12, 15, 18	108,381	100,778
Other assets	12	8,238	8,074
<b>Total other assets</b>	<b>18</b>	<b>121,098</b>	<b>112,475</b>
<hr/>			
<b>Prepayments and accrued income</b>			
Accrued income and other prepayments		3,641	4,888
<b>Total prepayments and accrued income</b>		<b>3,641</b>	<b>4,888</b>
<hr/>			
<b>Total assets</b>		<b>539,880</b>	<b>513,584</b>

\*See note 2.3.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Balance sheet

Amounts in USD 000's	Notes	As at 31.12.24	As at 31.12.23
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Retained earnings</i>			
Guarantee scheme		0	2
Other equity		117,814	118,633
<b>Total equity</b>		<b>117,814</b>	<b>118,634</b>
<b>Liabilities</b>			
<b>Technical provisions</b>			
Gross premium reserve	6	36,147	34,214
Gross claims reserve	6, 12	342,276	323,717
<b>Total technical provisions</b>		<b>378,423</b>	<b>357,932</b>
<b>Provisions for other liabilities</b>			
Pension obligations, net	13	1,115	1,379
Income tax payable	9, 12	4,965	3,866
Deferred tax		8,295	11,790
<b>Total provisions for other liabilities</b>		<b>14,375</b>	<b>17,035</b>
<b>Payables</b>			
Payables arising out of direct insurance operations	12	7,346	6,688
Payables arising out of reinsurance operations	12	4,839	2,627
Payables arising out of reinsurance operations - group companies	12	10,163	7,618
Payables to group companies	12	1,436	930
Other payables	12	3,174	118
<b>Total payables</b>		<b>26,958</b>	<b>17,981</b>
<b>Accruals and deferred income</b>			
Accruals and deferred income	12	2,310	2,002
<b>Total accruals and deferred income</b>		<b>2,310</b>	<b>2,002</b>
<b>Total liabilities</b>		<b>422,066</b>	<b>394,950</b>
<b>Total equity and liabilities</b>		<b>539,880</b>	<b>513,584</b>
<b>Off balance sheet items</b>			
Contingent liabilities		445	356



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Statement of changes in equity

Amounts in USD 000's	Notes	Guarantee Scheme	Other equity	Total
Equity as at 01.01.23		3	104,468	104,471
Net result before other comprehensive income		0	14,090	14,090
Remeasurement due to change in pension assumptions	13	0	97	97
Income tax related to change in pension assumptions		0	(24)	(24)
Provision for Norwegian Non-life insurance Guarantee scheme		(1)	1	0
Equity as at 31.12.23		2	118,633	118,634
Equity as at 01.01.24		2	118,633	118,635
Net result before other comprehensive loss		0	(896)	(896)
Remeasurement due to change in pension assumptions	13	0	101	101
Income tax related to change in pension assumptions		0	(25)	(25)
Provision for Norwegian Non-life insurance Guarantee scheme		(2)	2	0
Equity as at 31.12.24		0	117,814	117,814



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Statement of cash flow

Amounts in USD 000's	Notes	Restated*	
		01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Cash flow from operating activities</b>			
Profit before tax		1,204	18,559
Tax paid	9	(3,109)	(2,195)
Change in unrealised (gain)/loss on investments		(6,236)	(16,188)
Pension cost charged to statement of comprehensive income	13	(101)	(97)
Change in pension obligations		(163)	(83)
Change in receivables and payables		5,570	439
Change in technical provisions and other accruals		24,022	(4,284)
Financial investments		(11,418)	26,971
Change in valuation due to change in exchange rates		(1,310)	(404)
<b>Net cash flow from operating activities</b>		<b>8,460</b>	<b>22,718</b>
<b>Cash flow from investment activities</b>			
Purchase of equipment net of sales	10	(856)	(194)
<b>Net cash flow from investment activities</b>		<b>(856)</b>	<b>(194)</b>
<b>Net change in cash and cash equivalents</b>			
Net change in cash and cash equivalents		7,603	22,524
Cash and cash equivalents at the beginning of the period	15	100,778	78,253
<b>Cash and cash equivalents at the end of the period</b>	15, 19	<b>108,381</b>	<b>100,778</b>

\*See note 2.3.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 1 - Corporate information

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

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

The Members of the Association are also Members of Gard P. & I. (Bermuda) Ltd. and vice versa. The major part of the two associations' combined portfolio of direct business is underwritten by Gard P. & I. (Bermuda) Ltd. The Association is primarily used as a vehicle for a smaller proportion of the combined P&I portfolio, which is primarily direct P&I business where an EU/EEA based insurer is required in order to comply with governing EU regulations regarding to cross border activities.

In as much as Gard P. & I. (Bermuda) Ltd. has the right to exercise membership rights in the reinsured portfolio, it controls more than two thirds of the voting rights in the Association. This is the legal basis for consolidating the two associations' accounts pursuant to the International Financial Reporting Standard 10 Consolidated Financial Statements. Gard P. & I. (Bermuda) Ltd. and its subsidiaries are considered as 'Gard group' or 'the group'.

The Association's accounts are consolidated into the accounts of Gard P. & I. (Bermuda) Ltd. The consolidated accounts are available at the office of Gard P. & I. (Bermuda) Ltd.'s management company, Lingard Limited in Bermuda and on [www.gard.no](http://www.gard.no).

#### Note 2 - Significant accounting policies

##### 2.1 Basis of preparation of the accounts

The accounts include the activity from 1 January 2024 to 31 December 2024. The financial statements have been prepared in accordance with regulations for annual accounts for non-life insurance companies approved by the Norwegian Ministry of Finance.

##### 2.2 Changes in accounting policies

There are no other changes in accounting policies for the Association for the financial period ending 31 December 2024.

##### 2.3 Changes to presentation and classification

The Association maintains deposits in Northern Trust with an overnight sweep into a money market fund (Northern Trust Cash Fund).

During 2024 the Association reviewed the classification of these deposits. Based on the re-assessment the Association concluded that the correct classification and presentation of money market funds according to the definition in NRS (F) Cash flow statement, is Cash and cash equivalents (included in Other assets), and not Interest-bearing securities and funds and Other financial investments (both included in Financial investments at fair value through profit and loss) as earlier presented and classified. The Association therefore decided to change the presentation and classification of these funds in line with the conclusion of the re-assessment. This change only affects the classification within the balance sheet assets and the Cash flow statement, the change has no effect on total assets or total comprehensive income. Comparative information has been restated accordingly (see note 18).

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

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

##### 2.5 Foreign currency

###### Functional currency and presentation currency

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

###### Transactions in foreign currency

Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in a foreign currency 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 in foreign currency are translated into USD based on the same method as for monetary items. Translation differences are recognised 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)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.

##### 2.6 Provisions, contingent liabilities and assets

Provisions are recognised when the Association 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 Association.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 2 - Significant accounting policies (continued)

#### 2.7 Events after the reporting period

New and material information on the Association'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 Association's financial position at the end of the reporting period, but which will affect the financial position in the future, are disclosed if significant.

#### 2.8 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 make it easier to get an overview of the related note. The following table includes other significant accounting policies that are described in separate notes to the financial statements, including the number of the note:

Accounting policy	Note
Technical result	6
Technical provisions	6
Insurance related expenses	7
Interest and similar income/(expenses)	8
Tax	9
Equipment	10
Financial investments	11
Pensions	13
Cash and cash equivalents	15



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 3 - Intra-group transactions

##### Reinsurance agreements

Gard P. & I. (Bermuda) Ltd. and the Association have entered into mutual reinsurance agreements. The Association reinsures a proportion amounting to 15 per cent for policy year up to 2009 and 2 per cent for policy year from 2010 of Gard P. & I. (Bermuda) Ltd. risks that is not reinsured elsewhere. The Association cedes to Gard P. & I. (Bermuda) Ltd. by way of reinsurance 85 per cent for policy year up to 2009 and 25 per cent for policy period from 2010 of the Association's risks that are not reinsured elsewhere.

Amounts in USD 000's	Received from Gard P. & I. (Bermuda) Ltd.		Ceded to Gard P. & I. (Bermuda)	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	5,596	5,299	(44,804)	(37,754)
Reinsurers' share of gross settled claims	(3,938)	(3,958)	30,098	26,685
Reinsurance commission	(1,823)	(1,740)	13,194	11,355

Amounts in USD 000's	Received from Gard P. & I. (Bermuda) Ltd.		Ceded to Gard P. & I. (Bermuda)	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Reinsurers' share of gross claims reserve	10,626	10,552	87,540	85,111
Reinsurers' share of gross premium reserve	811	783	6,651	5,626

The Association has entered into a stop loss reinsurance agreement with Gard Reinsurance Co Ltd (a company owned by Gard P. & I. (Bermuda) Ltd.) protecting the former against insurance liabilities in excess of a loss ratio corresponding to certain per cent for each policy year. The table below provides loss ratio per cent and limit amount for each policy year.

Amounts in USD 000's	Loss ratio per cent	Limit amount
<b>Policy year</b>		
2010 to 2014	90.0	25,000
2015 to 2018	100.0	40,000
2019 to 2020	110.0	20,000
2021	95.0	9,250
2022	93.0	7,740
2023	87.5	7,500
2024	95.0	12,000

Amounts in USD 000's	Ceded to Gard Reinsurance Co Ltd	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Ceded reinsurance premium	(2,000)	(2,000)

Amounts in USD 000's	Ceded to Gard Reinsurance Co Ltd	
	As at 31.12.24	As at 31.12.23
Reinsurers' share of gross claims reserve	5,076	5,428

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

Amounts in USD 000's	Ceded to Hydra	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	(17,436)	(30,649)
Reinsurers' share of gross settled claims	276	1,113



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 3 - Intra-group transactions (continued)

Amounts in USD 000's	Ceded to Hydra	
	As at 31.12.23	As at 31.12.22
Reinsurers' share of gross claims reserve	8,854	9,149
Reinsurers' share of gross premium reserve	2,151	4,319

#### Insurance management agreement

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

In addition, secondment agreements have been entered into between the insurance branches in Japan and Hong Kong, and the insurance intermediary service company in the same country. Costs related to these agreements are reimbursed by the insurance branches directly to the insurance intermediary service companies.

Amounts in USD 000's	Insurance services invoiced	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Gard AS	18,682	18,246
Gard (Greece) Ltd.	0	288
Gard (HK) Ltd	6,779	6,979
Gard (Japan) KK	2,206	1,885
Gard (North America) Inc.	1,626	1,358
Gard (UK) Ltd.	5,740	5,112
OY Gard Baltic Ab	1,355	1,247
Gard (Singapore) Pte. Ltd.	699	0
<b>Total</b>	<b>37,087</b>	<b>35,116</b>

Note 4 - Gross written premium by geographical areas

Amounts in USD 000's	01.01.24	01.01.23
	to 31.12.24	to 31.12.23
EEA / European Economic Area	73,224	77,699
Norway	(499)	105
Other areas	179,578	160,393
<b>Total gross written premium</b>	<b>252,304</b>	<b>238,197</b>

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

A Member is an owner, operator or charterer (including a bareboat or demise charterer) or a ship entered in the Association who according to the Articles of the Association and the Rules is entitled to membership of the Association. Client is defined as any entity with an active insurance cover from the Gard group of companies that is not in the capacity of a Member (P&I Owners' Entry and Charterer's Entry). Members may also be a client of Gard.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 5 - Owners' General Discount

These accounts are prepared on the basis of 10 per cent Owners' General Discount in respect of the 2024 policy year (5 per cent in the respect of the 2023 policy year). The policy year is based on the period from GMT noon on 20 February to GMT noon on 20 February the following year.

The Owners' General Discount amounted to USD 17.0 million for the financial period ending 31 December 2024 (USD 8.3 million for the financial period ending 31 December 2023). On Estimated Total Call (ETC) basis the gross written premium for the financial period ending 31 December 2024 is USD 270.7 million (financial period ending 31 December 2023 USD 246.7 million).

The table below shows the statement of comprehensive income on ETC basis.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Gross written premium (ETC)	270,680	246,672
Gross earned premium (ETC)	267,329	242,585
Ceded reinsurance	(112,364)	(117,721)
<b>Earned premium for own account (ETC)</b>	<b>154,965</b>	<b>124,865</b>
<b>Other insurance related income</b>	<b>885</b>	<b>913</b>
Claims incurred gross	169,118	146,951
Reinsurers' share of gross incurred claims	(33,089)	(43,688)
<b>Claims incurred for own account</b>	<b>136,029</b>	<b>103,263</b>
Insurance related expenses for own account	7,057	10,247
Other insurance related expenses	4,866	3,005
<b>Technical result (ETC)</b>	<b>7,900</b>	<b>9,263</b>
<b>Non-technical result</b>	<b>10,263</b>	<b>17,600</b>
Profit/(loss) before tax (ETC)	18,162	26,863
Corporate income tax	2,100	4,468
<b>Net result before other comprehensive income/(loss)</b>	<b>16,062</b>	<b>22,395</b>
Other comprehensive income/(loss)	75	73
<b>Result (ETC)</b>	<b>16,138</b>	<b>22,468</b>
Owners' General Discount (earned)	16,958	8,305
<b>Total comprehensive income/(loss)</b>	<b>(820)</b>	<b>14,163</b>



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 6 - 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.

##### *Reinsurers' share of gross incurred claims*

Reinsurers' share of gross incurred claims are recognised as a reduction of claim expense in the period they are incurred.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Technical result</b>		
<b>Gross written premium</b>		
Direct and proportional reinsurance accepted	246,499	238,197
Non proportional reinsurance accepted	5,805	0
<b>Total gross written premium</b>	<b>252,304</b>	<b>238,197</b>
<b>Ceded reinsurance written</b>		
Ceded reinsurance written	(111,196)	(119,246)
<b>Total ceded reinsurance written</b>	<b>(111,196)</b>	<b>(119,246)</b>
<b>Gross earned premium</b>		
Direct and proportional reinsurance accepted	245,381	234,281
Non proportional reinsurance accepted	4,990	0
<b>Total gross earned premium</b>	<b>250,371</b>	<b>234,281</b>
Ceded reinsurance	(112,364)	(117,721)
<b>Earned premium for own account</b>	<b>138,007</b>	<b>116,560</b>
<b>Claims incurred, gross</b>		
<i>Direct and proportional reinsurance accepted</i>		
Incurred this period*	163,394	146,397
Incurred previous periods	4,408	554
<i>Non proportional reinsurance accepted</i>		
Incurred this period	1,315	0
<b>Total claims incurred, gross</b>	<b>169,118</b>	<b>146,951</b>
Reinsurers' share of gross incurred claims	(33,089)	(43,688)
<b>Claims incurred for own account</b>	<b>136,029</b>	<b>103,263</b>

\*Claims handling expenses incurred in the current financial year are included in Claims incurred – gross this period.

##### Accounting policy

Technical provisions are calculated in accordance with the regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance.

##### *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 period. 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 Association (RBNS), and from claims that have been incurred, but which have not yet been reported (IBNR).



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 6 - Technical result and technical provisions (continued)

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, provisions for internal claims handling expenses (unallocated loss adjustment expenses, or ULAE) and binary events are 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 methods use historical data as one of the elements in the model to estimate 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	As at 31.12.24	As at 31.12.23
<b>Technical provisions gross</b>		
Provisions, at the beginning of the period	323,717	320,074
Claims paid	(150,549)	(143,307)
Claims incurred - gross this period*	164,700	146,397
Claims incurred - gross previous periods	4,408	554
<b>Provisions, at the end of the period</b>	<b>342,276</b>	<b>323,717</b>
Reinsurers' share of claims provision	(127,755)	(128,564)
<b>Provisions net, at the end of the period</b>	<b>214,521</b>	<b>195,153</b>
*Claims handling expenses incurred in the current financial year are included in Claims incurred – gross this period.		
Provision for unearned premiums, gross	36,147	34,214
Reinsurers' share of premium provision	15,384	16,552
<b>Provision for unearned premiums, net</b>	<b>20,763</b>	<b>17,663</b>
The Association is a member of the International Group of P&I Clubs.		
Gross technical provision regarding Pooling Agreement	52,600	51,418
Net technical provision regarding Pooling Agreement	43,746	42,269
Provision for outstanding claims		
Technical provision gross	342,276	323,717
Technical provision net	214,521	195,153

Provided guarantees outside cover, not recognised in the balance sheet, amount to USD 0.4 million as at 31 December 2024 (USD 0.4 million as at 31 December 2023).

The actuarial data driven estimates for IBNR are calculated using Chain ladder method, Bornhuetter Ferguson method and the Benktander method. The default method choice is: An adjusted Bornhuetter Ferguson method for the four most recent accident quarters where the claims experience is relatively immature. This method use reduced a priori from Financial Plan as input. The Chain ladder method is used for the remaining accident quarters. Both methods use DFM curves that describes the historical development of incurred claims. The reasonableness of the default method choice is assessed, and other choices might be selected based on actuarial judgement if appropriate.

Sensitivity analyses have been performed in order to evaluate how sensitive the data driven IBNR estimate is to changes in the input parameters (DFM-factors and a priori). The parameters are adjusted one by one, increasing and decreasing the values by 10 per cent. The results are then compared with the booked results. The Association Based on these methodologies the gross claim reserve ranges between USD 319.4 million and USD 327.9 million as at 31 December 2024 (ranges between USD 316.1 million and USD 324.2 million as at 31 December 2023).



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 7 - 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.

There are no personal loan arrangement for employees or members of the Board of Directors of the Association.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Acquisition costs and commissions</b>		
Sales related salaries	86	134
Insurance intermediary	7,910	10,013
Agents' commission	12,227	11,299
Commission received	(13,166)	(11,199)
<b>Insurance related expenses for own account</b>	<b>7,057</b>	<b>10,247</b>
<b>Number of part time staff</b>	<b>15</b>	<b>15</b>

#### Remuneration to Group Leadership Team and Board of Directors

The table below provides information regarding payments made in the financial period 2024 to the Group Leadership Team and to members of the Board of Directors. Remuneration relating to the financial period to 31 December 2024, but not yet paid, is accrued for in the accounts.

Amounts in USD 000's	Salary *	Board remuneration	Total remuneration
<b>Group Leadership Team</b>			
Rolf Thore Roppestad (Managing Director)	75	0	75
Bjørnar Andresen	38	0	38
Torunn Biller White	29	0	29
Lars Lislegard-Bækken	28	0	28
Christen Guddal	35	0	35
Christian Pritchard-Davies	31	0	31
<b>Total</b>	<b>236</b>	<b>0</b>	<b>236</b>
<b>Members of the Board of Directors</b>			
Trond Ellertsen	0	5	5
Jane Sy (Member, retired)	0	5	5
Ian Beveridge (Member)	0	5	5
Sandra Gluck (Member)	0	5	5
Nils Aden (Member)	0	5	5
<b>Total</b>	<b>0</b>	<b>25</b>	<b>25</b>

\* All figures are excluding social security costs.

None of the Company's employees are entitled to stock-based compensation. The Association therefore has no expenses or obligations related to such remuneration.

The CEO has a remuneration guarantee that comes into force if the Board should ask him to leave his position. The remuneration guarantee gives him 12 months' salary in addition to a contractual six months' notice period.

The minority of the Group Leadership Team (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 the base amount (see note 13 for definition of base amount). The full pension requires a thirty year accrual period in Gard, or it will be reduced accordingly.

Gard P. & I. (Bermuda) Ltd. has given a collective bonus promise to all employees within the group including the CEO. A bonus will be paid if predefined targets are met. Members of GLT (Group Leadership Team including CEO) and other Key Employees, as defined in the legislation, are participating in the collective bonus scheme subject to certain adjustments required in the new Finance Institution Act of 2015 (Finansforbudsloven).



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 7 - Insurance related expenses and number of staff (continued)

The bonus will be paid through the companies where the employees work and refunded by Gard P. & I. (Bermuda) Ltd. A maximum possible bonus is 20 per cent of gross salary. For all employees, a bonus of 16 per cent of gross salary is expected to be paid for the year to 31 December 2024.

The key features of the special terms for members of GLT and Key Employees can be summarized as follows:

1. The payment of 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 period the bonus is linked.
2. An individual 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.
3. Leaders of control functions do not take part in the collective bonus arrangement. They have an individual part and a fixed part. The fixed part amount to 10 per cent or 20 per cent on fixed gross salary. If 10 per cent, there is an individual part based on performance up to 10 per cent.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Remuneration auditor</b>		
Statutory audit	236	165
Tax compliance services	3	15
Other approved non-audit services	13	0
<b>Total remuneration to the auditors</b>	<b>252</b>	<b>179</b>

VAT is included in the fees specified above.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Remuneration to related parties</b>		
Wikborg, Rein & Co.	1,024	1,090
<b>Total remuneration related parties</b>	<b>1,024</b>	<b>1,090</b>

During the financial period, one of the board members of the Association was a partner in the company Wikborg Rein & Co., which has provided legal services. VAT is included in the fees specified above.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Net operating expenses</b>		
Bad debt	(395)	184
Service cost	37,493	35,528
Allocated to claims handling and acquisition costs	(34,746)	(35,062)
Other operating expenses	2,513	2,355
<b>Other insurance related expenses</b>	<b>4,866</b>	<b>3,005</b>

Note 8 - Interest and similar income/(expenses)

Accounting policy

Other income and expenses are accounted for in the period they are incurred.

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Interest and similar income</b>		
Interest income/(expenses)	0	(6)
Income from financial investments	1,089	1,383
Foreign exchange gain	1,064	350
<b>Total interest and similar income</b>	<b>2,153</b>	<b>1,727</b>

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Financial Statements for the period 1 January 2024 to 31 December 2024



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 9 - Tax

##### Accounting policy

The tax expense consists of tax payable and changes in deferred tax.

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.

Taxes are calculated as follows

	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Amounts in USD 000's		
<b>Basis for income tax expense, changes in deferred tax and tax payable</b>		
Profit/(loss) before tax as basis for tax calculation	1,204	18,559
Pension charged directly to equity	95	102
<b>Basis for calculating tax</b>	<b>1,299</b>	<b>18,660</b>
Permanent differences	4,682	2,217
<b>Basis for the tax expense for the period</b>	<b>5,982</b>	<b>20,877</b>
Change in temporary differences	10,611	(7,101)
<b>Basis for payable taxes in the income statement</b>	<b>16,593</b>	<b>13,776</b>
Change in (utilisation of) tax losses carried forward	(3,900)	(1,537)
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>12,692</b>	<b>12,240</b>
<b>Income tax expenses</b>		
Tax payable	3,157	3,087
Tax correction earlier periods	0	(912)
Tax payable on net assets	542	546
Change in deferred tax	(2,247)	1,261
Tax payable related to change in pension assumptions	(24)	(26)
Accrual tax in foreign branches	673	512
<b>Tax expenses ordinary result</b>	<b>2,100</b>	<b>4,468</b>
<b>Income tax payable</b>		
Tax at the beginning of the period	3,866	3,005
Tax payable related to the period	4,396	4,101
Tax payable related to change in pension assumptions	24	26
Tax correction earlier periods	0	(921)
Tax paid during the period	(3,109)	(2,195)
Exchange adjustments	(211)	(150)
<b>Tax payable at the end of the period</b>	<b>4,965</b>	<b>3,866</b>
<b>Deferred tax liability</b>		
Specification of tax effect resulting from temporary differences		
Pension obligations	1,115	1,379
Equipment	321	1,921
Portfolio investments	(10,772)	(15,024)
Foreign tax credit	0	1,921
Other temporary differences	693	794
Retained earnings*	(24,537)	(36,588)
<b>Total temporary differences</b>	<b>(33,182)</b>	<b>(47,160)</b>
<b>Deferred tax liability, 25 per cent of total temporary differences</b>	<b>(8,295)</b>	<b>(11,790)</b>



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 9 - Tax (continued)

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
<b>Deferred tax liability reconciliation</b>		
Deferred tax liability at beginning of the period	(11,790)	(10,854)
Deferred tax expense related to the period	2,247	(1,261)
Exchange adjustment	1,247	325
<b>Deferred tax liability at end of the period</b>	<b>(8,295)</b>	<b>(11,790)</b>
<b>Reconciliation of the tax expense</b>		
Loss before tax as basis for tax calculation	1,299	18,661
<b>Calculated tax 25 per cent</b>	<b>325</b>	<b>4,665</b>
Tax expense	2,100	4,468
<b>Difference</b>	<b>(1,775)</b>	<b>197</b>
<b>The difference consists of:</b>		
Tax related to change in pension assumptions recognised in OCI	24	0
Tax payable on net assets	(542)	(546)
Tax correction earlier periods	0	912
Permanent differences not subject to tax	(1,171)	(554)
Other differences	(87)	(10)
<b>Sum explained differences</b>	<b>(1,775)</b>	<b>197</b>

\* As a result of changes in the Norwegian tax legislation for insurance companies, the part of retained earnings coming from contingency reserve, is no longer recognized as tax deductible as it has been reclassified to other equity. Deferred tax related to this part of retained earnings was implemented in the Financial Statement as at 20.02.2018 and introduced as a temporary difference. For all insurance companies except Mutuals, the change in tax regime is implemented and included in the tax provisions as at 31.12.2024. A transition rule applies and 10% of the retained earnings coming from contingency reserve will be taxable each period, and as a consequence moved from deferred tax to payable tax.

#### Note 10 - Equipment

##### Accounting policy

Fixed assets are comprised of assets intended for long term ownership and use. Costs for maintenance are expensed as incurred. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount.

Art	As at 31.12.24	As at 31.12.23
<b>Amounts in USD 000's</b>		
Acquisition costs at the beginning of the period	4,369	4,174
Net additions/(disposals)	856	194
<b>Costs at the end of the period</b>	<b>5,225</b>	<b>4,369</b>
<b>Accumulated impairment at the beginning of the period</b>	<b>(745)</b>	<b>(745)</b>
<b>Accumulated impairment at the end of the period</b>	<b>(745)</b>	<b>(745)</b>
<b>Net book value at the end of the period</b>	<b>4,480</b>	<b>3,624</b>

Art is not subject to depreciation.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 11 - Financial investments

##### Accounting policy

##### Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Association commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. Debt securities valued at amortised cost are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

##### Classification

The Association classifies its financial assets in the following categories: at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or measured at amortised cost. The classification depends on the characteristics of the financial asset and the business model under which the financial asset is held. Management determines the classification of the financial assets at initial recognition.

Financial assets are not reclassified after their initial recognition unless the Association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### Financial assets at fair value through profit or loss

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and its contractual terms give rise to it. Derivative financial investments are also valued at FVTPL.

##### Financial assets at fair value through other comprehensive income

Financial assets are measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

##### Amortised Cost

Financial assets where management has the positive intention and ability to hold to maturity other than those that the Association upon initial recognition designates as at FVTPL.

The financial asset must meet the following two criteria to be accounted for using amortised cost:

- Business model test: Financial assets are held with the purpose of collecting contractual cash flows.
- Cash flow characteristics test: The contractual cash flows are either principal or interest on principal, only.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

##### Business model assessment

For a majority of debt investments, the objective of the Association's business model is to fund insurance contract liabilities. The Association undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Association determines that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective. Certain debt securities are held in separate portfolios for long-term yield, although these can be sold to settle insurance contract liabilities. The Association considers that these securities are held within a business model whose objective is to sell assets.

The Association assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Association's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

##### Subsequent measurement and gains and losses

Unrealised gains or losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Change in unrealised gain/loss on investments' in the period in which they arise. Realised gains or losses are presented within 'Gains on realisation of investments'. Dividends and interest income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of 'Interest and similar income' when the right to receive payments is established. Dividends from investments are recognised when the Association has an unconditional right to receive the dividend. Dividend paid is recognised as a liability at the time when the General Meeting approves the payment of the dividend.

For financial assets measured through other comprehensive income, interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Interest on investments held at amortised cost is included in the consolidated statement of comprehensive income and reported as 'Interest and similar income'. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the consolidated statement of comprehensive income.

##### Impairment of financial assets

The Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is a reasonable and supportable expectation of credit losses over the instrument's expected life (ECL). The expectation is based on changes to credit ratings of financial assets, historical credit loss experience, and reasonable and supportable forecasts that affect the estimated future cash flows of the financial asset or group of financial assets. The Association uses provision matrices for some financial assets measured at amortised costs to assess the estimated credit losses. Provision matrices are based on historical credit losses.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 11 - Financial investments (continued)

Loss allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and
- debt investments measured at FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value) but gives rise to an equal and opposite gain in OCI

#### Offsetting financial investments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### Cash and cash equivalents

Cash and cash equivalents include cash balances and call deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

#### Determination of fair value

The following describes the methodologies and assumptions used to determine fair values.

#### Financial investments at fair value through profit or loss

The fair value of financial assets classified as financial investments at fair value through profit or loss and the fair value of interest-bearing securities included 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.

#### Assets for which fair value approximates carrying value

For financial assets and liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

#### Fair value hierarchy

The Association uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique.

#### Financial investments in Level 1

The fair value of financial investments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Association is the last trade price (these investments are included in Level 1). US government bonds and other financial investments have been classified on Level 1 in the pricing hierarchy.

#### Financial investments in Level 2

The fair value of financial investments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an investment are observable, the investment is included in Level 2.

Investments listed in the following have been classified on Level 2 in the pricing hierarchy:

- Equity funds and interest-bearing securities and funds where fair values are determined by using quoted market prices of the assets where the funds are invested. Some of the funds using observable market data may also have a month-to-date return estimate, which is based on the prior month-end valuation statement provided by the fund administrator.
- Equity futures, equity options, interest futures, currency futures, currency forwards and interest rate swaps where fair values are determined on the basis of the price development on an underlying asset or instrument. All derivatives are priced by standard and well recognised methods.

If one or more of the significant inputs is not based on observable market data, the investment is included in Level 3.

Specific valuation techniques used to value financial investments include:

- Quoted market prices or dealer quotes for similar investments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial investments.

Note that all of the resulting fair value estimates are included in Level 2 except for financial investments explained below.

#### Financial investments in Level 3

There are no investments in level 3.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 11 - Financial investments (continued)

Amounts in USD 000's	As at 31.12.24			As at 31.12.23			
	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Total
<b>Financial investments</b>							
Equities and investment funds	0	37,759	0	0	36,357	0	36,357
Interest-bearing securities and funds	42,272	168,000	0	31,102	162,919	0	194,020
<b>Total financial investments</b>	<b>42,272</b>	<b>205,759</b>	<b>0</b>	<b>31,102</b>	<b>199,276</b>	<b>0</b>	<b>230,378</b>

The majority of investments held are subfunds of the Gard Unit Trust Fund, a legal fund structure established in Ireland.

#### Equities and investment funds

Each subfund holds well diversified portfolios with different investment objectives, and the underlying holdings are common stocks traded on regional stock exchanges. The Association possesses only minority interests in quoted companies.

#### Interest-bearing securities and funds

Funds classified as Interest-bearing securities and funds are predominantly invested in fixed income securities and money markets.

In the tables below all the listed financial investments are measured at fair value through profit and loss at recognition, and there have been no changes in valuation method based on the implementation of IFRS 9.

Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
<b>Equity funds</b>			
Gard Global Multifactor Equity Fund	Global equity	USD	30,903
Gard Global Impact Equity Fund	Global equity	USD	6,856
<b>Total Equity funds</b>			<b>37,759</b>
<b>Total Equities and investment funds</b>			<b>37,759</b>

The part of Equity fund invested in quoted shares 37,759

Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
<b>Interest-bearing securities</b>			
US Treasury Bills	US Treasury bond	USD	30,931
<b>Total Interest-bearing securities</b>			<b>30,931</b>
<b>Interest-bearing funds</b>			
Gard Emerging Market Debt Fund	Emerging market debt	USD	10,165
Gard Global Bond Fund I	Global aggregate bonds	USD	53,142
Gard International Credit Bond Fund I	Global corporate bonds	USD	22,841
Gard Global Treasury Fund	Government debt	USD	13,469
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	51,158
Gard US Credit Bond Fund I	US corporate bonds	USD	17,225
iShares Treasury ETF	Government debt	USD	11,341
<b>Total Interest-bearing funds</b>			<b>179,341</b>
<b>Total Interest-bearing securities and funds</b>			<b>210,272</b>
<b>Government bonds</b>			
The Japan Ministry of Finance		JPY	1,329
<b>Total Government Bonds</b>			<b>1,329</b>



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 11 - Financial investments (continued)

The Japan Government Bond is held as a deposit for the business underwritten in Japan. The bond is not subject for trade. The bond is held to maturity, and then replaced by a new bond to meet the local capital requirements. According to Norwegian GAAP the Bond is included in "Other assets" in the Balance Sheet.

#### Financial assets and liabilities at amortised cost

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	108,381	100,778
Other financial assets	8,238	8,074
Receivables		
Receivables from direct insurance operations	21,275	19,592
Receivables from reinsurance operations	2,675	523
Other receivables	20	612
<b>Total financial assets at amortised cost</b>	<b>140,589</b>	<b>129,579</b>
<b>Financial liabilities at amortised cost</b>		
Payables		
Payables arising out of direct insurance operations	7,346	6,688
Payables arising out of reinsurance operations	4,839	2,627
Payables arising out of reinsurance operations - group companies	10,163	1,618
Payables to group companies	1,436	930
Other payables	3,174	118
<b>Total financial liabilities at amortised cost</b>	<b>26,958</b>	<b>17,981</b>

#### Note 12 - Financial risk

##### Risk management framework

The purpose of the risk management system is to ensure that material risks are managed in accordance with the Association'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 capitalisation) 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 the relevant responsible body. Assessments are made on a quarterly basis as a minimum.

##### Main financial risks

###### Market risk

Market risk arises from the investment activities and the sensitivity of liabilities to changes in market price. The sensitivity analysis of investments assets aims to illustrate the risk of economic losses resulting from deviations in the value of assets caused by changes in observable market prices differing from expected values. The six main market risks selected for testing of sensitivity due to price changes are:

###### Equity risk

The risk of economic losses resulting from deviations of market values of equities from expected values. The equity portfolio is well diversified, although with skewedness towards emerging markets and smaller companies compared to a global market capitalised benchmark. This is expected to generate a slightly higher return combined with higher volatility over time. The equity portfolio is being managed by a selection of specialist fund managers.

###### Interest rate risk

The risk of economic losses resulting from deviations in actual interest rates from expected interest rates. The term structure of interest-bearing assets is broadly matched to the expected duration of the liabilities. The sensitivity analysis for interest-bearing securities instruments is testing the portfolio's interest rate sensitivity with a weighted average duration approach. Interest sensitive liabilities are not part of the analysis.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 12 - Financial risk (continued)

##### *Alternatives risk*

The risk that the actual return or performance relative to benchmark of investments due to active management decisions will be lower than expected. The sensitivity analysis for alternative risk is assigned to global alternative funds which aim to generate excess return by tactically adjusting asset allocation across a variety of asset classes.

##### *Real estate risk*

The risk of economic losses resulting from deviations of actual values and/or income from real estate from those expected. The sensitivity analysis for real estate risk is performed on funds which represent the part that is strategically allocated to real estate.

##### *Currency risk*

The risk of economic losses resulting from actual foreign exchange rates differing from expected foreign exchange rates. Foreign currency exposures are assumed to be reasonably matched across the balance sheet and managed with an emphasis on major currency exposures. 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*

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. Although presented as a stand-alone market risk, the risk is also aligned with interest rate risk.

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

	As at	As at
Amounts in USD 000's	31.12.24	31.12.23
<b>Assets</b>		
USD	513,909	488,780
EUR	3,868	4,375
GBP	1,500	367
Other	20,603	20,062
<b>Total assets</b>	<b>539,880</b>	<b>513,584</b>
<b>Equity and liabilities</b>		
USD	503,021	476,655
EUR	13,112	12,231
GBP	5,824	6,139
Other	17,924	18,559
<b>Total equity and liabilities</b>	<b>539,880</b>	<b>513,584</b>
<b>Net asset exposure</b>		
USD	10,889	12,124
EUR	(9,243)	(7,856)
GBP	(4,324)	(5,771)
Other	2,678	1,503

#### Financial investment - sensitivity analysis

The analysis below is performed for reasonably possible movements in key market variables with all other variables held constant.

	As at	As at
Amounts in USD 000's	31.12.24	31.12.23
Impact on fixed income portfolio investments given an increase of 50 basis points	(4,778)	(3,319)
Impact on equity portfolio given a 10 per cent drop in quoted market prices	(3,736)	(3,589)
Impact on total investment portfolio given a change of 10 per cent in foreign exchange rates against USD	(6,783)	(7,538)
Impact on fixed income portfolio investments given an increase of 100 basis points of inflation	(3,631)	(2,885)

The sensitivity analysis assumes no correlation between equity price, property market and foreign currency rate risk. It also assumes that all other receivables and payables remain unchanged and that no management action is taken. The sensitivity analysis for inflation risk assumes that the inflation rate is intrinsically linked to interest rates. In general, interest rates are expected to increase when inflation is rising and vice versa. The



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 12 - Financial risk (continued)

assumption for assessing the impact on fixed income investments from a change of 100 basis point of inflation is based on the historical relationship between changes in rates and inflation. The Association has no significant risk concentrations which are not in line with the overall investment guidelines set by the Gard's Board of Directors. Any impact from risk tested in the table above is not, due to tax regulations, assumed to have any taxable impact.

#### **Credit risk**

The risk of economic losses resulting from the default of third parties, split into:

##### *Credit default risk*

The risk that actual credit losses will be higher than expected due to the failure of counterparties to meet their contractual debt obligation.

##### *Credit migration risk*

The risk that a portfolio's credit quality will materially deteriorate over time, without allowing a re-pricing of the constituent loans to compensate the creditor for the higher default risk being undertaken.

The credit migration risk is foremost related to our Interest-bearing securities and Interest-bearing funds. Any changes to credit quality will ultimately be reflected in the fair value assessment of the financial assets, where the majority of the Association's investment in Interest-bearing securities and Interest-bearing funds are related to the fair value hierarchy Level 1 and Level 2. Management continuously follows up on the Interest-bearing securities and Interest-bearing funds to ensure an appropriate risk level in accordance with the Association's established investment strategy.

##### *Counterparty default risk*

The main sources of counterparty default risk are reinsurers technical provisions, cash deposits at banks and receivables towards reinsurers, policyholders, brokers and other receivables.

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. 31 December 2024. The Association is, however, faced with BBB rating exposure through the IG Pooling agreement. Among the twelve clubs, five have ratings lower than A-. The IG Pooling agreement has several mechanisms to mitigate counterpart default risk, disregard whether the event of default originates from IG Pooling partners or from external reinsurers. Estimated credit loss assessments are made when there are indicators of a loss event, not mitigated by the mechanisms in the IG Pooling agreement.

Banks and custodians are in line with the guidelines with a credit rating of at least A/stable, except from minor amounts that have ratings of BB, in addition to not rated petty cash. Changes in credit rating for Banks and custodians is considered as an impairment indicator. Hence, credit ratings are followed up on a minimum annual basis and an estimated credit loss adjustments are made when necessary.

The credit risk in respect of receivables is handled by policies and by close follow up. Gard continuously monitors the counterparty default risk in respect of receivables and makes necessary provisions for estimated credit losses in accordance with an established provision matrix. Outstanding receivables can be netted off against outstanding claims payments to reduce the risk of doubtful debts.

The Association acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Association's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2024.

The tables below show the credit risk exposure as at 31 December 2024. 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.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 12 - Financial risk (continued)

#### Credit risk exposure in balance sheet

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
<b>Interest-bearing securities and funds</b>		
AA	30,931	0
Not rated	179,341	194,020
<b>Total interest-bearing securities and funds</b>	<b>210,272</b>	<b>194,020</b>
<b>Reinsurers' share of gross claims reserve</b>		
AA	1,895	2,282
A	119,076	119,032
BB	543	0
BBB	6,210	7,249
Not rated	31	0
<b>Total reinsurers' share of gross claims reserve</b>	<b>127,755</b>	<b>128,564</b>
<b>Receivables</b>		
AA	2,178	23
A	579	1,174
Not rated	21,213	19,530
<b>Total receivables</b>	<b>23,970</b>	<b>20,727</b>
<b>Cash and cash equivalents</b>		
AAA	0	27,274
AA	30,520	30,197
A	77,861	43,306
<b>Total cash and cash equivalents</b>	<b>108,381</b>	<b>100,778</b>
<b>Other financial assets presented in balance sheet*</b>		
AAA	6,909	6,587
A	1,329	1,487
<b>Total other financial assets presented in balance sheet</b>	<b>8,238</b>	<b>8,074</b>

Other financials assets also include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 8.2 million as at 31 December 2024 (USD 8.1 million as at 31 December 2023).

\* Includes loan to subsidiaries and other financial assets.

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

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
Not due	6,349	3,521
0-60 days	10,378	10,690
61-90 days	1,297	905
Above 90 days	6,672	6,450
Provision for bad debt	(725)	(839)
<b>Total receivables</b>	<b>23,970</b>	<b>20,727</b>

#### Impaired receivables

As at 31 December 2024 there are impaired receivables of USD 0.7 million (31 December 2023 USD 0.8 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'.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 12 - Financial risk (continued)

##### Analysis of provision for bad debt

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
Balance as at the beginning of the period	839	1,536
Provision for receivables impairment	114	(146)
Receivables written off during the period as uncollectable	282	(38)
Unused amounts reversed	(508)	(513)
<b>Balance as at the end of the period</b>	<b>725</b>	<b>839</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.

##### Liquidity risk

The risk that cash and other liquid assets 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 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.

The Association maintains highly marketable financial investments and diverse assets that can be liquidated in the event of an unforeseen interruption of cash flow. This gives a presentation of the maturity profile on the payables.

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.24 Total
Gross claims reserve	100,877	198,286	43,113	0	342,276
Other liabilities	4,965	0	8,295	1,115	14,375
Payables, accruals and deferred income	26,093	0	0	0	26,093
Other payables	3,174	0	0	0	3,174

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.23 Total
Gross claims reserve	102,133	190,540	31,044	0	323,717
Other liabilities	3,866	0	11,790	1,379	17,035
Payables, accruals and deferred income	19,865	0	0	0	19,865
Other payables	118	0	0	0	118



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 13 - Pensions

##### Accounting Policy

Employees are covered by pension plans which comply with Norwegian laws and regulations. The Association has defined benefit pension plans only.

The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using a straight-line earnings method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Employer's contribution is included in the gross pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Statement of comprehensive income in the period in which they arise. Past-service costs are recognised immediately in technical result.

##### Pension obligations

The Association has defined benefit plans covering one retired employees. These contracts are financed through the Association's operations. Part time employees working with the Association are included in the pension scheme in Gard AS. This pension scheme covers the required occupational pension in accordance with the Norwegian Pension Act.

Defined benefit plans entitle the employees to a defined level of future pension payments. Such future pension payments are mainly dependent on number of contributory years and the salary level on retirement.

For defined benefit plans actuarial calculations are made with regard to pension liabilities at the end of the year, and resulting changes in pension liabilities are charged to the income statement.

Actuarial calculations of pension liabilities have been prepared as at 31 December 2024. These calculations show that the Association has pension liabilities amounting to USD 1.1 million (USD 1.4 million as at 31 December 2023).

Pension costs and pension liabilities are accounted for in accordance with IAS19R.

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
<b>Pension cost</b>		
<b>Defined benefit pension plans</b>		
Interest expense on earned pension	36	32
Past service cost - curtailment/plan amendment	(114)	0
<b>Net pension cost earning related plan</b>	<b>(78)</b>	<b>32</b>
<b>Total pension cost charged to the statement of comprehensive income</b>	<b>(78)</b>	<b>32</b>
<b>Changes in pension assumptions charged to other comprehensive income</b>		
Change in pension assumptions	101	97
Income tax related to change in pension assumptions	(25)	(24)
<b>Liabilities according to the actuarial calculations</b>		
Pension obligation gross	1,115	1,379
<b>Net pension obligation at the end of the period</b>	<b>1,115</b>	<b>1,379</b>
<b>Financial assumptions</b>	<b>Per cent</b>	<b>Per cent</b>
Discount rate	3.90	3.10
Assumed annual salary regulation	4.00	3.50
Assumed pension increase	2.25	2.25
Assumed regulations of public pensions	3.75	3.25
Assumed yield on funds	3.90	3.10

G is a base rate used as the basis for calculating benefits. G is adjusted annually and is approved each year by Norwegian parliament. The last time G was updated was May 2024. As of 31 December 2024 G equals NOK 124,028 (USD 10,921).



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 14 - Receivables from direct insurance operations

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
Direct and received premium	18,712	17,925
Direct and received premium through broker	2,506	1,672
Not closed premium	41	(7)
Claims related debtors, co-insurers	741	840
Provision for bad debts	(725)	(839)
<b>Receivables from direct insurance operations</b>	<b>21,275</b>	<b>19,592</b>

Note 15 - Cash and cash equivalents

#### Accounting policy

Cash and cash equivalents include cash in hand and deposits held at call with banks, brokers and fund managers, and money market funds.

#### Cash and cash equivalents

Cash and cash equivalents include restricted cash amounting to USD 0.021 million as at 31 December 2024 (USD 0.021 million as at 31 December 2023). Cash and cash equivalents also include regulatory and contractually required cash deposits that is considered restricted cash amounting to USD 73.7 million as at 31 December 2024 (USD 58.1 million as at 31 December 2023).

There are no Letter of Credit, Guarantees or other instruments included in the balance sheet. A Letter of Credit in the amount of HKD 545 million equal to USD 70.2 million has been issued in relation to insurance licence of the Hong Kong branches.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 16 - Differences between Solvency II and balance sheet valuation

Amounts in USD 000's	Solvency II	Balance Sheet	As at
			31.12.24
			Differences
<b>Assets</b>			
<b>Reinsurance recoverables</b>			
Reinsurers' share of gross premium reserve	0	15,384	(15,384)
Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision	8,328	0	8,328
Reinsurers' share of gross claims reserves	127,755	127,755	0
Discounting effect of reinsurers' share of gross claims reserves	(7,136)	0	(7,136)
Reinsurers' share of Bound but not incepted (BBNI) - net and discounted	(2,532)	0	(2,532)
<b>Reinsurance recoverables</b>	<b>126,416</b>	<b>143,139</b>	<b>(16,724)</b>
<b>Liabilities</b>			
<b>Technical provisions</b>			
Gross premium reserves	0	36,147	(36,147)
Gross expected cash flow for unexpired cover net of commission provision	24,808	0	24,808
Gross claims reserves	342,276	342,276	0
Discounting effect of gross claims reserves	(22,078)	0	(22,078)
Bound but not incepted (BBNI) - net and discounted	(5,721)	0	(5,721)
ULAE future claims discounted	4,710	0	4,710
Risk Margin	4,825	0	4,825
<b>Technical provisions</b>	<b>348,821</b>	<b>378,423</b>	<b>(29,603)</b>

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

Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision claims, 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 the 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 Association's liabilities. For balance sheet amounts, other equity is included in the technical provisions, while other equity is included in Excess of assets over liabilities for Solvency II amounts.



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

#### Note 17 - Capital requirements

Assuranceforeningen Gard - gjensidig - is required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. The statutory capital and surplus for Assuranceforeningen Gard - gjensidig - include supplementary calls based on gross written premium for the last three open policy years. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Supervisory Authority (Finanstilsynet) until after presentation of the financial statements (April 2025 for the 31 December 2024 figures). As a result, preliminary figures are included as at 31 December 2024 and final figures are included as at 31 December 2023.

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
<b>Own funds</b>		
Share premium account	0	118,634
Reconciliation reserve	116,334	(3,488)
<b>Excess of assets over liabilities</b>	<b>116,334</b>	<b>115,147</b>
Tier 1 - Unrestricted	116,334	115,147
<b>Total basic own funds / (equal to Excess of assets over liabilities)</b>	<b>116,334</b>	<b>115,147</b>
Tier 2 - Supplementary calls - Available	265,586	241,543
Tier 2 - Supplementary calls - Eligible	57,095	48,196
<b>Total ancillary own funds</b>	<b>265,586</b>	<b>241,543</b>
Total available own funds to meet the SCR	381,920	356,690
Total available own funds to meet the MCR	116,334	115,147
Total eligible own funds to meet the SCR	173,429	163,342
Total eligible own funds to meet the MCR	116,334	115,147
SCR	114,190	96,391
MCR	42,166	37,200
<b>Ratio of eligible own funds to SCR</b>	<b>152 %</b>	<b>169%</b>
<b>Ratio of eligible own funds to MCR</b>	<b>276 %</b>	<b>310%</b>
<b>Minimum Capital Requirement (MCR)</b>		
Linear MCR	42,166	37,200
SCR	114,190	96,391
MCR cap (45% of SCR)	51,385	43,376
MCR floor (25% of SCR)	28,547	24,098
Combined MCR	42,166	37,200
Absolute floor of the MCR	4,353	4,248
<b>MCR</b>	<b>42,166</b>	<b>37,200</b>
<b>Solvency Capital Requirement (SCR)</b>		
Market risk	6,503	9,179
Counterparty default risk	19,301	18,018
Non-life underwriting risk	138,141	108,331
Diversification	(38,214)	(35,250)
<b>Basic SCR</b>	<b>125,732</b>	<b>100,278</b>
<b>Calculation of SCR</b>		
Adj - Loss Absorbing Capacity of Deferred tax	(21,862)	(13,746)
Operational risk	10,320	9,859
<b>SCR</b>	<b>114,190</b>	<b>96,391</b>



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## ASSURANCEFORENINGEN GARD - GJENSIDIG -

### Notes to the accounts

Note 18 - Impact of changes to presentation

The following table sets out changes to the presentation of the balance sheet as at 31 December 2023, as described in note 2.3.

	Reported As at	Earlier reported As at
Amounts in USD 000's	31.12.23	31.12.23
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Interest-bearing securities and funds	194,020	221,294
Other financial investments	0	2
<b>Total investments</b>	<b>230,378</b>	<b>257,653</b>
Other assets		
Cash and cash equivalents	100,778	73,501
<b>Total other assets</b>	<b>112,475</b>	<b>85,199</b>

The cash flow statement has been restated as shown in the table below.

	Reported As at	Earlier reported As at
Amounts in USD 000's	31.12.23	31.12.23
Cash flow from operating activities		
Financial investments	26,971	(305)
<b>Net cash flow from operating activities</b>	<b>22,718</b>	<b>(4,558)</b>
Net change in cash and cash equivalents	22,524	(4,752)
<b>Cash and cash equivalents at the end of the period</b>	<b>100,778</b>	<b>73,501</b>



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**ASSURANCEFORENINGEN GARD - GJENSIDIG -**  
Notes to the accounts

Arendal, 24 March 2025

Board of Directors

Assuranceforeningen Gard - gjensidig -

Trond Ellertsen  
Chairman

Ian Beveridge  
Deputy Chairman

Turid Grotmoll

Nils Aden

Marit Lunde

Rolf Thore Roppestad  
Managing Director



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**KPMG AS**  
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To the General Meeting of Assuranceforeningen Gard - gjensidig -

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Assuranceforeningen Gard - gjensidig - (the Association), which comprise the balance sheet as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, 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 Association as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the Audit Committee.

### 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 Association 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Assuranceforeningen Gard - gjensidig - for 2 years from the election by the general meeting of the shareholders on 16 June 2023 for the accounting year 2023.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Offices in:

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Gross claim reserves

With reference to the Association's disclosures in Note 6. Technical result and technical provision on page 22 and Note 12. Financial risk on page 31.

<i>Description of the Key Audit Matter</i>	<i>How our audit addressed the Key Audit Matter</i>
<p>The gross claims reserve is an estimate on future claims payments for claims that have been reported and incurred claims that have not yet been reported at the reporting date. The estimate of the gross claims reserves is a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> <li>• The gross claims reserve are material to the Association.</li> <li>• The estimation of gross claims reserve requires application of significant management judgement.</li> <li>• The determination of the gross claims reserve provision is complex and uses a variety of actuarial methods with various inputs.</li> <li>• There is a high degree of estimation uncertainty related to the selection of assumptions and the use of historical data to predict future claim payments.</li> </ul>	<p>With the assistance of our actuarial specialists, we evaluated management's significant assumptions and the actuarial methods used to prepare the accounting estimate. Our audit procedures in these areas included:</p> <ul style="list-style-type: none"> <li>• assessing whether the selection of the methods, assumptions and data used in the estimate were appropriate and according to the applicable Financial Reporting framework and industry norm.</li> <li>• evaluating the relevance and reliability of the information and data used in the actuarial models and testing a selection of data against supporting documentation.</li> <li>• performing analysis on the run-off results for different lines of business to evaluate the predictive ability of the model.</li> <li>• preparing an independent expectation to the gross claims reserve. We compare management point estimate to our estimate.</li> <li>• performing a re-calculation of the gross claim's reserves.</li> </ul> <p>We also evaluated the completeness, accuracy and relevance of disclosures required by the Regulation of Annual Accounts for non-life insurance companies, including disclosures about sensitivities and major sources of estimation uncertainty.</p>

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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.

## 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 Association'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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 31 March 2025

KPMG AS

Anders Sjöström  
*State Authorised Public Accountant*  
(This document is signed electronically)

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## Sjöström, Nils Anders

Statsautorisert revisor

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