



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 21.02.2020 - 20.02.2021

Konsern

Morselskap i konsern: Nei

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: Rolf Thore Roppestad
Dato for fastsettelse av årsregnskapet: 15.04.2021

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 30.06.2022



Resultatregnskap

Beløp i: USD	Note	2021	2020
TEKNISK REGNSKAP FOR SKADEFORSIKRING			
Opptjente bruttopremier	4,5	236 292 000	204 656 000
Gjenforsikringsandel av opptjente bruttopremier	5	152 514 000	133 638 000
Sum premieinntekter for egen regning	5	83 778 000	71 018 000
Erstatningskostnader			
Brutto erstatningskostnader	5	198 969 000	90 012 000
Gjenforsikringsandel av brutto erstatningskostnader	5	121 894 000	47 613 000
Sum erstatningskostnader for egen regning	5	77 075 000	42 399 000
Forsikringsrelaterte driftskostnader			
Salgskostnader	7	8 922 000	9 876 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for mottatt gjenforsikring	7	21 780 000	17 803 000
Mottatte provisjoner for avgitt gjenforsikring og gevinstandeler	7	25 257 000	21 969 000
Sum forsikringsrelaterte driftskostnader		5 445 000	5 710 000
Andre forsikringsrelaterte driftskostnader		1 093 000	992 000
Resultat av teknisk regnskap		165 000	21 917 000
IKKE-TEKNISK REGNSKAP			
Netto Inntekter fra investeringer			
Renteinntekt og utbytte m.v. på finansielle eiendeler		872 000	512 000
Verdiendringer på investeringer		10 518 000	9 236 000
Realisert gevinst og tap på investeringer		3 649 000	2 645 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		52 000	57 000
Sum netto inntekter fra investeringer		14 987 000	12 336 000
Resultat av ikke-teknisk regnskap		14 987 000	12 336 000
Resultat før skattekostnad		15 152 000	34 253 000
Skattekostnad	8	3 044 000	8 574 000



Resultatregnskap

Beløp i: USD	Note	2021	2020
Resultat før andre inntekter og kostnader		12 108 000	25 679 000
Totalresultat		12 108 000	25 679 000



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Investeringer			
Bygninger og andre faste eiendommer		0	0
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Finansielle eiendeler som måles til amortisert kost		0	0
Andre finansielle eiendeler			
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer		0	0
Gjenforsikringsandel av brutto forsikringsforpliktelser			
Gjenforsikringsandel av ikke opptjent bruttopremie	5	98 561 000	81 272 000
Gjenforsikringsandel av brutto erstatningsavsetning	5,9	160 078 000	92 227 000
Sum gjenforsikringsandel av brutto forsikringsforpliktelser		258 639 000	173 499 000
Fordringer			
Forsikringstakere	9,10	11 792 000	6 018 000
Mellommenn	9,10	127 573 000	94 699 000
Fordringer i forbindelse med direkte forretninger		139 365 000	100 717 000
Fordringer i forbindelse med gjenforsikring	9,10	75 000	943 000
Andre fordringer	12	131 517 000	74 163 000
Sum fordringer	9	270 957 000	175 823 000
Andre eiendeler			
Kasse, bank	9,11	563 000	505 000
Eiendeler ved skatt	8	1 025 000	1 008 000
Andre eiendeler betegnet etter sin art	9	10 653 000	10 635 000
Sum andre eiendeler		12 241 000	12 148 000
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		12 473 000	10 081 000
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		12 473 000	10 081 000



Balanse

Beløp i: USD	Note	2021	2020
SUM EIENDELER		554 310 000	371 551 000
EGENKAPITAL OG FORPLIKTELSER			
Innskutt egenkapital			
Aksjekapital/eierandelskapital/garantifond		77 000	64 000
Selskapskapital		77 000	64 000
Sum innskutt egenkapital		77 000	64 000
Opptjent egenkapital			
Fond m.v.			
Sum opptjent egenkapital		0	0
Sum egenkapital		77 000	64 000
Sum ansvarlig lånekapital m.v.		0	0
Brutto forsikringsforpliktelser			
Avsetning for ikke opptjent bruttopremie	5	157 168 000	125 440 000
Brutto erstatningsavsetning	5,9	262 455 000	175 870 000
Sum brutto forsikringsforpliktelser		419 623 000	301 310 000
Avsetninger for forpliktelser			
Forpliktelser ved skatt			
Forpliktelser ved periodeskatt	8,9	12 616 000	12 241 000
Sum avsetninger for forpliktelser		12 616 000	12 241 000
Forpliktelser i forbindelse med direkte forsikring	9	11 772 000	3 702 000
Forpliktelser i forbindelse med gjenforsikring	9	50 302 000	7 745 000
Forpliktelser til kredittinstitusjoner	9	46 701 000	35 051 000
Andre forpliktelser	9	34 000	6 000
Sum forpliktelser		108 809 000	46 504 000
Påløpte kostnader og mottatte ikke opptjente inntekter			
Andre påløpte kostnader og mottatte ikke opptjente inntekter		13 185 000	11 432 000
Sum påløpte kostnader og mottatte ikke opptjente inntekter		13 185 000	11 432 000
SUM EGENKAPITAL OG FORPLIKTELSER		554 310 000	371 551 000



Balanse

Beløp i: USD	Note	2021	2020
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Skattedirektoratet

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

GARD AS
Postboks 789 Stoa
4809 ARENDAL

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

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

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

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skattetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks



Gard AS er forsikringsformidler for Gard P&I Ltd og Gard M&E Ltd, og leverer forsikringsformidlings-tjenester til Gard konsernet. Gard AS har sju heleide datterselskaper. Disse er alle utenlandske. Datterselskapenes hovedoppgave er å være konsernets lokale forsikringsformidlere.

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

Skattedirektoratets vurdering

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

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

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

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

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

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



Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



FINANSTILSYNET
THE FINANCIAL SUPERVISORY
AUTHORITY OF NORWAY

Gard AS
Servicebox 600
4809 ARENDAL

08.08.2011

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

Dispensasjon - presentasjonsvaluta

Det vises til søknad av 14. juni 2011 om dispensasjon fra kravet om å presentere årsregnskapet i norske kroner iht. forskrift om årsregnskap m.m. for forsikringsselskaper § 2-6, jf. § 7-1.¹

Finanstilsynet kan dispensere fra kravet om at årsregnskapet skal presenteres i norske kroner i det enkelte tilfellet, jf. forskriften § 7-1. I høringsnotat² til § 2-6 uttrykkes følgende:

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

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

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

¹ FOR 1998-12-16 nr. 1241

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



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

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

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

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

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

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

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

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

For Finanstilsynet

Terje Nilsen
spesialrådgiver

Jan Erik Bakke
seniorrådgiver

Kopi: Statistisk sentralbyrå

FINANSTILSYNET
REVIERSTREDET 3
POSTBOKS 1187 SENTRUM
0107 OSLO

TELEFON: 22 93 98 00
TELEFAKS: 22 63 02 26

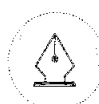
post@finansstilsynet.no
www.finanstilsynet.no



FINANCIAL STATEMENTS 2021

GARD MARINE & ENERGY LIMITED - NORWEGIAN BRANCH

for the year to 20 February 2021



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Gard Marine & Energy Limited – Norwegian Branch

Board of Directors' Report

INTRODUCTION

The Board of Directors hereby submits the report and accounts of Gard Marine & Energy Limited – Norwegian Branch for the 2021 financial year, covering the 12 month period to 20 February 2021. This is Gard Marine & Energy Limited's Norwegian branch's (the "Branch" or "Company") 16th year of operation.

In the opinion of the Board of Directors the report and accounts for the year to 20 February 2021 gives a true and fair picture of the Company and its activities and result.

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

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

THE OPERATION IN GENERAL

Marine & Energy insurance

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

The Branch

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

Gard AS

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

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

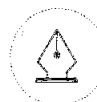
Personnel and organization

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

Directors' and Officers' liability insurance

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

Financial Statements for the year to 20 February 2021



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Gard Marine & Energy Limited – Norwegian Branch

Board of Directors' Report

Environmental damage

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

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

Research and development

The Branch does not carry out research and development activities.

INSURANCE BUSINESS

Market share

At the inception of the financial year 2021 the global market share was 7.1 percent for the business area Marine and 3.5 percent for the business area Energy. At the end of the year the market share for Marine was 7.4 percent, whilst the market share for Energy was 3 percent.

Reinsurance

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

The retention levels and the structure for the market reinsurance for the 2020 policy year was broadly the same as for the 2019 policy year.

Gard Marine & Energy Limited has entered into a separate reinsurance treaty with Gard Reinsurance Co Ltd covering a proportion of the risks retained under the above reinsurance arrangements. Pursuant to this separate reinsurance treaty 50 percent of the insurance liabilities of the Branch not covered by the market reinsurance arrangements was ceded to Gard Reinsurance Co Ltd as reinsurance in the financial year 2021.

FINANCIAL RISK

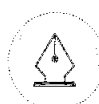
Insurance risk

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

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

Insurance stress tests have been performed on Gard Marine & Energy Limited. A set of extreme events for insurance risk has been identified and the realistic possible loss to the Company has been calculated. The highest insurance loss for own account from the identified extreme events is USD 27 million, which is 12 percent of the Company's equity.

Financial Statements for the year to 20 February 2021



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Gard Marine & Energy Limited – Norwegian Branch

Board of Directors' Report

Reverse stress testing has also been conducted. A net insurance loss of USD 115 million will endanger Gard Marine & Energy Limited's solvency. This corresponds to 6 losses in excess of USD 40 million.

Market risk

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

Counterparty default risk

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

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

Liquidity risk

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

Operational risk

The operational risk of the Gard group is assessed annually through the internal self-assessment. Results of the self-assessment are used to manage operational risk and to quantify the internal operational risk charge.

Capital and solvency position

The Branch must comply with Norwegian regulations on solvency and capital requirements and fund management. Statutory requirements are calculated quarterly. The Branch has a cash deposit of EUR 467,000 according to Norwegian requirements. Gard Marine & Energy Limited deposits assets in Ireland, through Northern Trust as custodian, for the business activities of the Branch. The deposit shall at all times cover statutory requirements as to solvency and capital requirements. The assets shall be managed following the Norwegian fund management regulations for assets covering technical provisions.

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

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

Financial Statements for the year to 20 February 2021



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Gard Marine & Energy Limited – Norwegian Branch

Board of Directors' Report

ACCOUNTS FOR THE FINANCIAL YEAR 2021

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

Result

The net result in the period was a surplus of USD 12.1 million (surplus of USD 25.7 million).

Technical result was a surplus of USD 0.2 million (surplus of USD 21.9 million).

Premiums

The gross earned premium income in the financial year 2021 was USD 236.3 million (USD 204.7 million). Earned premium for own account was USD 83.8 million (USD 71.0 million).

The premium volume in the Branch increased for the period to 20 February 2021. The major part of the increase comes from increase in volume from Marine non fronting and from positive rate development.

Claims

Gross incurred claims during the period was USD 199.0 (USD 90.0 million). Net claims incurred amounted to USD 77.1 (USD 42.4 million). The claims development is better than expected with three large claims in the period.

Result on the non-technical accounts

The non-technical result consist of currency exchange gains and losses and a prorated part of the non-technical result in the parent company. The part of the non-technical result from the parent company is allocated based on the average share between the opening and closing balance of attribute investment assets plus a buffer of 20 percent. This is to be in compliance with changes in tax the legislation and the OECD guidelines. The non-technical result amounts to a positive USD 15.0 million (positive USD 12.3 million).

Total equity

The solvency capital requirement ("SCR") has increased to USD 104.4 million (USD 85.5 million). The equity is set to meet the SCR. The SCR is funded through a receivable from Gard Marine & Energy Limited and included in the Head account (ref. note 12).

		20.02.2021	20.02.2020
Net result	USD	12.1 million	25.7 million
SCR	USD	104.4 million	85.5 million
Other intercompany	USD	15.0 million	-37.0 million
Head account	USD	131.5 million	74.2 million

The Branch is a member of the property and causality insurance companies guarantee scheme. The purpose of the scheme is to ensure the payments to assured and third parties, pursuant to the Norwegian Act on Bank Contingency Scheme and Insurance Companies' Guarantee Scheme of 1996 no. 75. Provision shall be made for payment of 1 percent of gross premium relevant to the scheme. As at 20 February 2021 the Branch's guarantee scheme was USD 77,133.

Financial Statements for the year to 20 February 2021



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Gard Marine & Energy Limited – Norwegian Branch

Board of Directors' Report

Technical provisions

As at 20 February 2021 the Branch's net premium reserve was USD 58.6 million (USD 44.2 million) as provision for the part of premium written that exceeds the end of the financial year.

As at 20 February 2021 the Branch's net provision to cover reported and unreported claims amounted to USD 102.4 (USD 83.6 million).

The Board of Directors are of the opinion that head account and technical provisions are sufficient to cover all technical liabilities as at 20 February 2021.

CONTINUED OPERATION AND THE FUTURE DEVELOPMENT

On 11 March 2020, the World Health Organization named the COVID-19 virus as a pandemic, following which, inter alia, many global financial markets experienced heavy turmoil and subsequent rebound. In relation to the COVID-19 pandemic, continued adjustments to the operation of the company and staff in the insurance intermediaries is necessary with most staff required to work remotely from home also in the immediate future. Internal and external meetings and communications have been done, and will continue, via telephone/video link. The changes have not had an adverse effect on the ability to run the company. The company's financial situation is monitored closely, not only the development of the market risk, but also insurance risk, counterparty risk, operational risk and liquidity risk.

Against this background and pursuant to the Norwegian Accounting Act of 1998, section 3-3a, the Board of Directors is of the opinion that it is basis for going concern. The year-end accounts are based on these premises.

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

Arendal, 15 April 2021

Board of Directors
Gard Marine & Energy Limited – Norwegian Branch

Trond Eilertsen
Chairman

Nils Aden

Jane Sy

Graham Everard

Rolf Thore Roppestad
Managing Director

Financial Statements for the year to 20 February 2021



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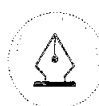


GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Statement of comprehensive income

Amounts in USD 000's	Notes	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Technical account			
Gross written premium	4, 5	268,020	242,035
Gross earned premium	4, 5	236,292	204,656
Ceded reinsurance	5	(152,514)	(133,639)
Earned premium for own account		83,778	71,018
Gross incurred claims	5	198,969	90,012
Reinsurers' share of gross incurred claims	5	(121,894)	(47,613)
Claims incurred for own account		77,075	42,399
Acquisition costs	7	8,922	9,876
Agents commission	7	21,781	17,803
Commission received	7	(25,257)	(21,969)
Insurance related expenses for own account		5,445	5,710
Other insurance related expenses		1,093	992
Technical result		165	21,917
Non-technical account			
Interest and similar income		872	512
Change in unrealised gain on investments		10,518	9,236
Gain on realisation of investments		3,649	2,645
Other investment expenses		(52)	(57)
Non-technical result		14,987	12,336
Profit before tax		15,153	34,253
Taxation	8	3,044	8,574
Net result	12	12,108	25,679
Other comprehensive income/(loss)			
Other comprehensive income/(loss), net of tax		0	0
Total comprehensive income/(loss)		12,108	25,679

Financial Statements for the year to 20 February 2021



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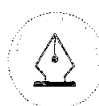
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**GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH**

Balance sheet

Amounts in USD 000's	Notes	As at 20.02.21	As at 20.02.20
Assets			
Reinsurers' share of technical provisions			
Reinsurers' share of gross premium reserve	5	98,561	81,272
Reinsurers' share of gross claims reserve	5, 9	160,078	92,227
Total reinsurers' share of technical provisions		258,639	173,499
Receivables			
<i>Receivables from direct insurance operations</i>			
Policyholders	9, 10	11,792	6,018
Intermediaries	9, 10	127,573	94,699
<i>Other receivables</i>			
Receivables from reinsurance operations	9, 10	75	943
Total receivables		139,439	101,660
Other assets			
Cash and cash equivalents	9, 11	563	505
Deferred tax asset	8	1,025	1,008
Other financial assets	9	10,653	10,635
Total other assets		12,241	12,148
Prepayments and accrued income			
Accrued income and other prepayments		12,473	10,081
Total prepayments and accrued income		12,473	10,081
Total assets		422,793	297,389
Equity and Liabilities			
Equity			
Guarantee scheme provision		77	64
Total equity		77	64
Technical provisions			
Gross premium reserve	5	157,168	125,440
Gross claims reserve	5, 9	262,456	175,870
Total technical provisions		419,623	301,310
Provision for other liabilities			
Income tax payable	8, 9	12,616	12,241
Total provisions for other liabilities		12,616	12,241
Payables			
Payables arising out of direct insurance operations	9	11,773	3,702
Payables arising out of reinsurance operations	9	50,302	7,745
Payables arising out of reinsurance operations - group companies	9	46,701	35,051
Other payables	9	34	6
Total payables		108,809	46,504
Accruals and deferred income			
Accruals and deferred income	9, 11	13,184	11,433
Total accruals and deferred income		13,184	11,433
Total equity and liabilities		554,310	371,551
Net assets		(131,517)	(74,162)
Head account			
Head account	12	131,517	74,162
Total head account		131,517	74,162

Financial Statements for the year to 20 February 2021

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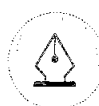


GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Statement of changes in equity

Amounts in USD 000's	Guarantee scheme	Total
Equity as at 21.02.19	0	0
Provision for Norwegian Non-life Insurance Guarantee Scheme	64	64
Equity as at 20.02.20	64	64
<hr/>		
Equity as at 21.02.20	64	64
Provision for Norwegian Non-life Insurance Guarantee Scheme	13	13
Equity as at 20.02.21	77	77

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Statement of cash flow

Amounts in USD 000's	Notes	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Cash flow from operating activities			
Profit before tax		15,153	34,253
Tax paid	8	(2,985)	(463)
Financial assets		(18)	(115)
Change in receivables and payables		(44,923)	(43,940)
Change in technical provisions and other accruals		32,532	10,538
Change in valuation due to exchange rates		299	(291)
Net cash flow from operating activities		57	(17)
Net change in cash and cash equivalents		57	(17)
Cash and cash equivalents at beginning of the year		505	522
Cash and cash equivalents at the end of the year		562	505

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LIMITED – NORWEGIAN BRANCH

Notes to the accounts

Note 1 – Corporate information

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

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

Note 2 - Accounting policies

2.1 Basis of preparation of the Accounts

This year's accounts include the Branch's activity from 21 February 2020 to 20 February 2021.

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

2.2 Use of accounting estimates when preparing the accounts

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

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

2.3 Foreign currency

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

Transactions in foreign currency

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

claims other than USD are translated into USD based on the same method as for monetary items.

Non-monetary items that are measured at fair value expressed in currencies other than USD are translated into USD using the exchange rate applicable on the transaction date. Translation differences are recognised in the income statement as they occur during the accounting period.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and financial assets are presented as part of the non-technical result as 'Interest and similar income' and 'Change in unrealised gain/loss on investments' respectively.

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

2.4 Provisions, contingent liabilities and assets

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

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

2.5 Events after the reporting period

New and material information on the Branch's financial position at the end of the reporting period, which becomes known after the end of the reporting period, is recorded in the financial statements. Events after the reporting period that do not affect the Branch's financial position at the end of the reporting period but might significantly affect the financial position in the future, are disclosed in note 14.

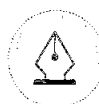
2.6 Other significant accounting policies

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

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

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

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 3 - Intra-group transactions

Reinsurance agreement with Gard Reinsurance Co Ltd.

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

Amounts in USD 000's	Ceded to Gard Re	
	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Reinsurance	83,778	71,018
Reinsurers' share of gross settled claims	48,659	28,681
Reinsurance commission	15,874	13,378

Amounts in USD 000's	Ceded to Gard Re	
	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Reinsurers' share of gross claims reserve	85,642	69,824

Insurance management agreement

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

Amounts in USD 000's	Insurance services invoiced	
	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Insurance services invoiced	23,565	21,964

Insurance agency agreements

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

Amounts in USD 000's	Insurance services invoiced	
	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Gard Brasil	467	452

Note 4 - Gross written premium by geographical areas

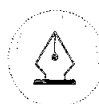
Amounts in USD 000's	21.02.20	21.02.19
	to 20.02.21	to 20.02.20
EEA	123,703	135,244
Norway	48,837	44,156
Other areas	95,480	62,635
Total gross written premium	268,020	242,035

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. Members may also be a Client of Gard.

Members with location in United Kingdom has been included in Other areas as from the financial year ending 20 February 2021.

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 5 - Technical result and technical provisions

Accounting Policy

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. A deferred call for P&I business for the accounting year is subject to approval by the Board of Directors in the following year but is included as revenue in the accounts for the current year.

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.

Reinsurance premiums

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

Claims expenses

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

Amounts in USD 000's	Marine	Energy	21.02.20 to 20.02.21 Total
Technical result			
Gross written premium	214,141	53,880	268,020
Gross earned premium	191,576	44,717	236,292
Ceded reinsurance	(126,798)	(25,715)	(152,514)
Earned premium for own account	64,777	19,001	83,778
Claims incurred, gross			
Incurred this year	152,310	24,874	177,184
Incurred previous years	20,333	1,452	21,785
Total claims incurred, gross	172,643	26,325	198,969
Reinsurers' share of gross incurred claims	(110,712)	(11,183)	(121,894)
Claims incurred for own account	61,932	15,143	77,075

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 5 - Technical result and technical provisions continued

Accounting Policy

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

Gross premium reserve

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

Gross claims reserve

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

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

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

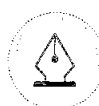
Insurance contract liabilities

Insurance contract liabilities are the main items in the balance sheet based upon judgements and estimates.

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

Amounts in USD 000's	Marine	Energy	As at
			20.02.21
			Total
Technical provisions			
Provisions, at the beginning of the year	126,408	49,462	175,870
Claims paid	(100,557)	(11,826)	(112,383)
Claims incurred - gross this year	4,734	(1,647)	3,088
Claims incurred - gross previous years	167,909	27,972	195,881
Provisions, at the end of the year	198,494	63,961	262,456
Reinsurers' share of claims provision	(131,615)	(28,463)	(160,078)
Provisions net, at the end of the year	66,879	35,498	102,377
Provision for unearned premiums, gross	124,482	32,886	157,168
Reinsurers' share of premium provision	(81,963)	(16,599)	(98,561)
Provision for unearned premiums, net	42,519	16,087	58,606
Technical provision gross	322,976	96,647	419,623
Technical provision net	109,398	51,585	160,984

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 6 - Differences between Solvency II and balance sheet valuation

Amounts in USD 000's	Solvency II	Balance sheet	As at 20.02.21 Differences
Assets			
Reinsurance recoverables			
Reinsurers' share of gross premium reserve	0	98,561	(98,561)
Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision	73,934	0	73,934
Reinsurers' share of gross claims reserves	160,078	160,078	0
Discounting effect of reinsurers' share of gross claims reserves	(239)	0	(239)
Reinsurers' share of Bound but not incepted (BBNI) - net	(258)	0	(258)
Losses occurring during - net	(3,989)	0	(3,989)
Reinsurance recoverables	229,527	258,639	(29,113)
Liabilities			
Technical provisions			
Gross premium reserves	0	157,168	(157,168)
Gross expected cash flow for unexpired cover net of commission provision	108,956	0	108,956
Gross claims reserves	262,456	262,456	0
Discounting effect of gross claims reserves	(402)	0	(402)
Bound but not incepted (BBNI) - net and discounted	(834)	0	(834)
ULAE future claims discounted	21,850	0	21,850
Risk Margin	6,325	0	6,325
Technical provisions	398,350	419,623	(21,273)

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 balance sheet date.

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

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

Technical provisions - non-life

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

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

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

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

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 7 - Other insurance related expenses and number of staff

Accounting policy

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

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

Amounts in USD 000's	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Acquisition costs and commissions		
Insurance intermediary	8,922	9,876
Agents' commission	21,781	17,803
Commission received	(25,257)	(21,969)
Insurance related expenses for own account	5,445	5,710

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

The Branch is invoiced a monthly fee regarding Insurance intermediary services amounting to USD 17.4 million for the financial year ending 20 February 2021 (20 February 2020 USD 20.6 million), of which 9.9 million (20 February 2020 USD 12.1 million) relates to acquisition cost.

Amounts in USD 000's	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Remuneration auditor		
Statutory audit	0	46
Total auditor's fee	0	46

VAT is included in the fees specified above.

Amounts in USD 000's	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Other insurance related expenses		
Bad debt	686	368
Insurance/reinsurance agency fees	23,565	21,964
Allocated to claims handling and acquisition costs	(23,407)	(21,555)
Other operating expenses	250	215
Other insurance related expenses	1,093	992

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

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 8 - Tax

Accounting policy

The tax expense consists of tax payable.

Amounts in USD 000's	21.02.20 to 20.02.21	21.02.19 to 20.02.20
Basis for income tax expenses		
Total comprehensive income/(loss) as basis for tax calculation	15,153	34,253
Exchange adjustments	1,521	(1,630)
Basis for calculating tax	16,673	32,624
Permanent differences	(4,330)	1,674
Basis for the tax expense for the year	12,343	34,298
Change in temporary differences	67	413
Taxable income (basis for payable taxes in the balance sheet)	12,410	34,711
Income tax expenses		
Tax payable	3,076	8,678
Tax correction earlier year	(15)	0
Change in deferred tax	(17)	(103)
Tax expenses ordinary result	3,044	8,574
Income tax payable		
Tax at beginning of the year	12,241	4,317
Tax payable related to the year	3,076	8,678
Tax paid during the year	(2,985)	(463)
Tax correction earlier year	(22)	0
Exchange adjustments	307	(291)
Tax payable at end of the year	12,616	12,241
Deferred tax/tax asset		
Specification of tax effect resulting from temporary differences		
Other temporary differences	4,100	4,033
Total temporary differences	4,100	4,033
Deferred tax asset, 25 per cent of total temporary differences	1,025	1,008
Reconciliation of the tax expense		
Basis for calculating tax	16,673	32,624
Calculated tax 25 per cent	4,168	8,156
Tax expense	3,044	8,574
Difference	1,124	(419)
The difference consists of:		
Tax correction earlier year	22	0
Permanent differences not subject to tax	1,082	(419)
Currency effect translation	19	0
Sum of explained differences	1,123	(419)

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 9 - Financial risk

Risk management framework

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

Risk appetite and limits: Overall Risk Appetite and Comfort Zone (target range for capitalization) are defined in accordance with risk-bearing capacity and corporate objectives. This cascades into limits by risk type and legal entities. This forms the basis for all risk management, monitoring and reporting.

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

Risk management cycle: Material risks are identified, assessed regularly, managed proactively, monitored regularly and reported to relevant responsible body.

Main financial risks

The Covid-19 pandemic situation was monitored closely throughout 2020, not only the development of market risk, but also insurance risk, counterparty risk, operational risk and liquidity risk. The management took steps to manage the adverse financial and operational effects as events unfolded, with satisfactory results as the year came to an end. Future challenges due to Covid-19 might arise, however the experience from the previous year will strengthen the risk management going forward.

Credit risk

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

Counterparty 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.

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

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. The Branch is, however, faced with BBB rating exposure through the IG Pooling agreement. Among the thirteen clubs, three have ratings of BBB or lower.

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

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

The table below shows the credit risk exposure as at 20 February 2021. Assets are classified according to the median rating amongst the three market leading providers, Standard & Poor's, Moody's and Fitch. Top rated assets are denoted with AAA rating and US long-term sovereign credit rating is equivalent to a AAA rating due to an applied median approach.

Credit risk exposure in balance sheet

Amounts in USD 000's	As at 20.02.21	As at 20.02.20
Reinsurers' share of gross claims reserve		
AA	442	632
A	86,830	71,430
BBB	72,570	19,900
Not rated	235	265
Total reinsurers' share of gross claims reserve	160,078	92,227
Receivables		
Not rated	139,439	101,660
Total receivables	139,439	101,660
Cash and cash equivalents		
AA	563	505
Total cash and cash equivalents	563	505
Other financial assets		
AA	5,653	5,635
BB	5,000	5,000
Total other financial assets	10,653	10,635

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 9 - Financial risk continued

Age analysis of receivables after provision for bad debt

Amounts in USD 000's	As at 20.02.21	As at 20.02.20
Not due	134,963	87,450
0-60 days	4,783	6,219
61-90 days	184	1,118
Above 90 days	3,610	6,874
Provision for bad debt	(4,101)	(3,620)
Total receivables	139,439	101,660

Impaired receivables

As at 20 February 2021 there are impaired receivables of USD 4.4 million (20 February 2020 USD 4.0 million) related to past due. No collateral is held as security for the impaired receivables, but the receivables can be deducted from future claim payments if any. Impairment allowance is included in 'Other insurance related expenses'.

Analysis of provision for bad debt

Amounts in USD 000's	As at 20.02.21	As at 20.02.20
Balance as at the beginning of the period	3,757	3,620
Provision for receivables impairment	344	137
Receivables written off during the year as uncollectable	(447)	(228)
Unused amounts reversed	447	228
Balance as at the end of the period	4,101	3,757

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

Market risk

Market risk consists of currency risk.

Currency risk

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

Currency split balance sheet

Amounts in USD 000's	As at 20.02.21	As at 20.02.20
Assets		
USD	391,853	277,971
EUR	8,457	6,097
GBP	5,687	1,483
Other	16,796	11,839
Total Assets	422,793	297,389
Liabilities and Head account		
USD	366,674	248,274
EUR	17,616	18,755
GBP	10,955	5,533
Other	27,549	24,827
Total Liabilities and Head account	422,793	297,389
Net asset exposure		
USD	25,179	29,696
EUR	(9,159)	(12,658)
GBP	(5,268)	(4,050)
Other	(10,752)	(12,988)

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 9 - Financial risk continued

Liquidity risk

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

Maturity profile

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

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 20.02.21 Total
Gross claims reserve	111,911	147,080	3,464	0	262,456
Income tax payable	12,616	0	0	0	12,616
Payables, accruals and deferred income	121,993	0	0	0	121,993

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 20.02.20 Total
Gross claims reserve	73,140	98,098	4,631	0	175,870
Income tax payable	12,241	0	0	0	12,241
Payables, accruals and deferred income	57,937	0	0	0	57,937

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 10 - Receivables from direct insurance operations

Amounts in USD 000's	As at	As at
	20.02.21	20.02.20
Direct and received premium	14,029	6,011
Direct and received premium through broker	58,299	56,904
Not closed premium	43,525	29,046
Claims related debtors, co-insurers	24,768	9,736
Provision for bad debts	(1,256)	(980)
Receivables from direct insurance operations	139,364	100,717

Note 11 - Cash and cash equivalents

Accounting policy

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

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

Cash and cash equivalents include restricted cash amounting to USD 0.6 million as at 20 February 2021 (USD 0.5 million as at 20 February 2020).

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

Amounts in USD 000's	As at	As at
	20.02.21	20.02.20
Balance at the beginning of the year	74,162	67,791
Net result	12,108	25,679
Transfers with Gard Marine & Energy Ltd.	(59,166)	(104,820)
Solvency Capital Requirement (SCR)	104,413	85,512
Balance at the end of the year	131,517	74,162

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

Financial Statements for the year to 20 February 2021



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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Note 13 - Regulatory requirements

Gard Marine & Energy Limited - Norwegian branch is required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Services Authority (Finanstilsynet) until May 2020. As a result, preliminary figures are included as at 20 February 2021.

Amounts in USD 000's	As at 20.02.21
Own funds	
Ordinary share capital	0
Share premium account	0
Reconciliation reserve	124,584
Net deferred tax assets	711
Excess of assets over liabilities	125,296
Tier 1 - Unrestricted	124,584
Tier 1 - Restricted	0
Tier 3 - Net deferred tax assets	711
Total basic own funds / (equal to Excess of assets over liabilities)	125,296
Total available own funds to meet the SCR	125,296
Total available own funds to meet the MCR	124,584
Total eligible own funds to meet the SCR	125,296
Total eligible own funds to meet the MCR	124,584
SCR	104,413
MCR	30,488
Ratio of eligible own funds to SCR	120%
Ratio of eligible own funds to MCR	409%
Minimum Capital Requirement (MCR)	
Linear MCR	30,488
SCR	104,413
MCR cap (45% of SCR)	46,986
MCR floor (25% of SCR)	26,103
Combined MCR	30,488
Absolute floor of the MCR	4,328
MCR	30,488
Solvency Capital Requirement (SCR)	
Market risk	7,715
Counterparty default risk	19,488
Non-life underwriting risk	81,607
Diversification	(13,525)
Basic SCR	95,286
Calculation of SCR	
Adj - Loss Absorbing Capacity of Deferred tax	(2,633)
Operational risk	11,761
SCR	104,413

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GARD MARINE & ENERGY LTD. - NORWEGIAN BRANCH

Notes to the accounts

Arendal, 15 April 2021

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

Trond Eilertsen
Chairman

Nils Aden

Jane Sy

Graham W. Everard

Rolf Thore Roppestad
Managing Director

Financial Statements for the year to 20 February 2021



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Name	Method	Signed at
Roppestad, Rolf-Thore	BANKID_MOBILE	2021-04-29 16:49 GMT+02
Nils Aden	One-Time-Password	2021-04-29 11:08 GMT+02
Jane Sy	One-Time-Password	2021-04-28 18:26 GMT+02
Eilertsen, Trond	BANKID	2021-04-28 08:55 GMT+02
Graham Everard	One-Time-Password	2021-04-27 21:07 GMT+02



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To the General Meeting of Gard Marine & Energy Limited NUF

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gard Marine & Energy Limited NUF, which comprise the balance sheet as at 20 February 2021, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 20 February 2021, 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.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Kystveien 14, NO-4841 Arendal
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Gard Marine & Energy Limited NUF



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly

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Independent Auditor's Report - Gard Marine & Energy Limited NUF



set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Arendal, 22 April 2021

PricewaterhouseCoopers AS

Fredrik Botha

State Authorised Public Accountant