



Company News

CEO Update, April 2015

As we finish the first quarter, I wanted to update you on Gard's progress so far in 2015, a year in which we are continuing to focus on three key strands of activity; maintaining our financial strength, developing our market position and building an efficient global organisation.

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Financial strength In February Standard & Poor's re-affirmed our A+ (stable) rating, commenting favourably on our market position, brand recognition and very strong risk-based capital adequacy. Although their forecast for our 2014 results may have been rather optimistic, I can confidently say that – from an underwriting perspective – we are expecting a strong performance for 2014.

We will be announcing our financial results slightly earlier this year, after the Board meeting on 11 May. Those numbers are still work in progress and, inevitably, there are always events that affect the final out turn that are outside our control.

Claims are the most obvious candidate, and there is no doubt our second half result was impacted by some expensive casualties late in the year. As governments strive to re-build their economies by keeping interest rates down, expected investment income is low. This year, changes to regulations in Norway have affected our pension liabilities which will also be reflected in our headline results.

****Market position ******Although it was six weeks ago, I would make a few points about the renewal at the end of February. This saw the highest net tonnage increase since 2007. Over 2014, we saw a net inflow of tonnage of 19.3 million GT, and owners' tonnage increased by 11.3% to 188.7m GT.

This is a continuation of a trend over the last several years with major Members consolidating their tonnage in the Club, and the majority of the additional tonnage entered with us during renewal comes from existing Members. This is a vote of confidence in our track record of stability and predictability.

****A service that delivers****We are very aware that it is not just what we do, but how we do it that delivers the best value in the market. For example, in a number of casualties this year, Members and clients have found that having their P&I and marine claims handlers under one roof has delivered real benefits.

The launch of our new website at the end of last year provided us with the platform to create a private portal for Members and clients. In the best Gard fashion, we are rolling this out one client at a time to make sure we leave nothing to chance. Don't worry if you have not heard from us yet, you will do when the time is right!

Spring and early summer will see a number of events hosted by Gard offices around the world – as well as our Gard Academy Summer Seminar which will cover a range of topical subject including saving migrants at sea, sanctions and bankruptcy and bunkers! We very much look forward to having the opportunity to speak to you at some of these events.