



# Keeping you safe through uncertain waters

HALF-YEAR REPORT 2024





# Gard is financially strong and well-positioned for the future

Rolf Thore Roppestad, Gard CEO

## Contents

01	<b>Highlights</b>	<b>3</b>
02	<b>CEO's Operational Review</b>	<b>6</b>
03	<b>Financial Statements</b>	<b>12</b>



→ Highlights

02 CEO's Operational Review

03 Financial Statements



CHAPTER 01

# Highlights

# Gard at a glance

Standard and Poor's rating

## A+

13 offices  
681 employees



All amounts in USD

2024  
1 January to 30 June

2023  
1 January to 30 June

Gross earned premium  
ETC basis

588 m

559 m

Combined ratio  
ETC basis

93%

99%

Result  
ETC basis

80.2 m

58.7 m

Investment return

2.3%

2.9%

30 June 2024

31 December 2023

Equity

1,529 m

1,471 m

Assets

3.9 bn

3.5 bn

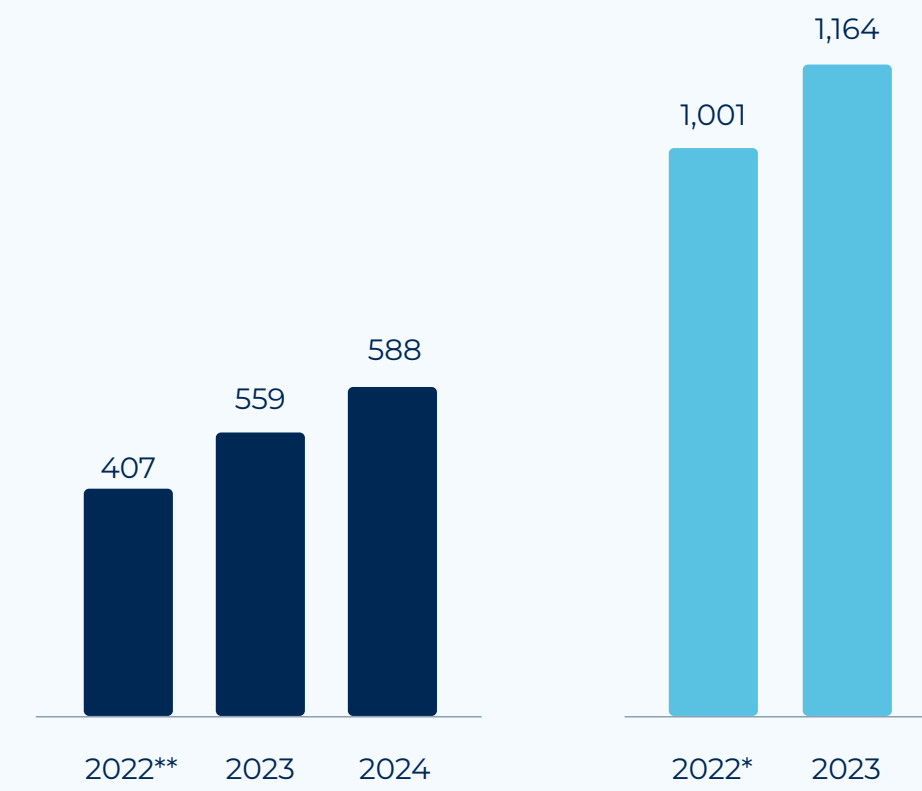
# Annual comparison

● 6 months ● 12 months

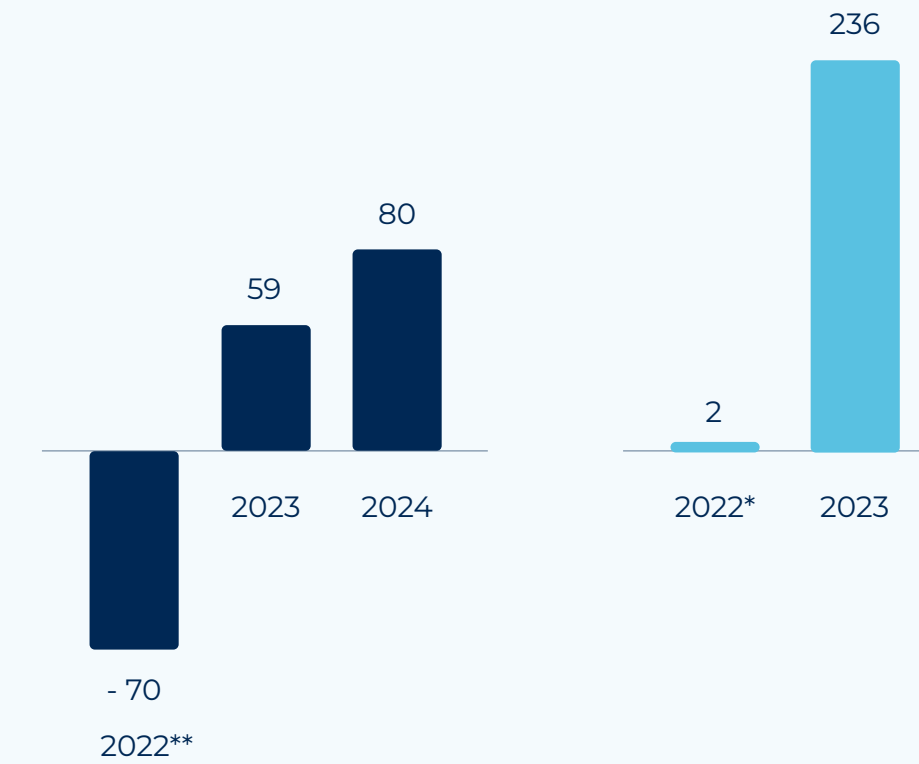
\* As from 31 December 2022 the financial year was changed from a divergent financial year, running from 21 February to 20 February, to a financial year that coincides with the calendar year. Due to this there are two 2022 financial years, one running from 21 February 2021 to 20 February 2022, and one running from 21 February 2022 to 31 December 2022.

\*\* Due to the change of financial year, the 2022 numbers cover a shorter period (21 February 2022 to 30 June 2022) than the 2023 numbers running from 1 January to 30 June.

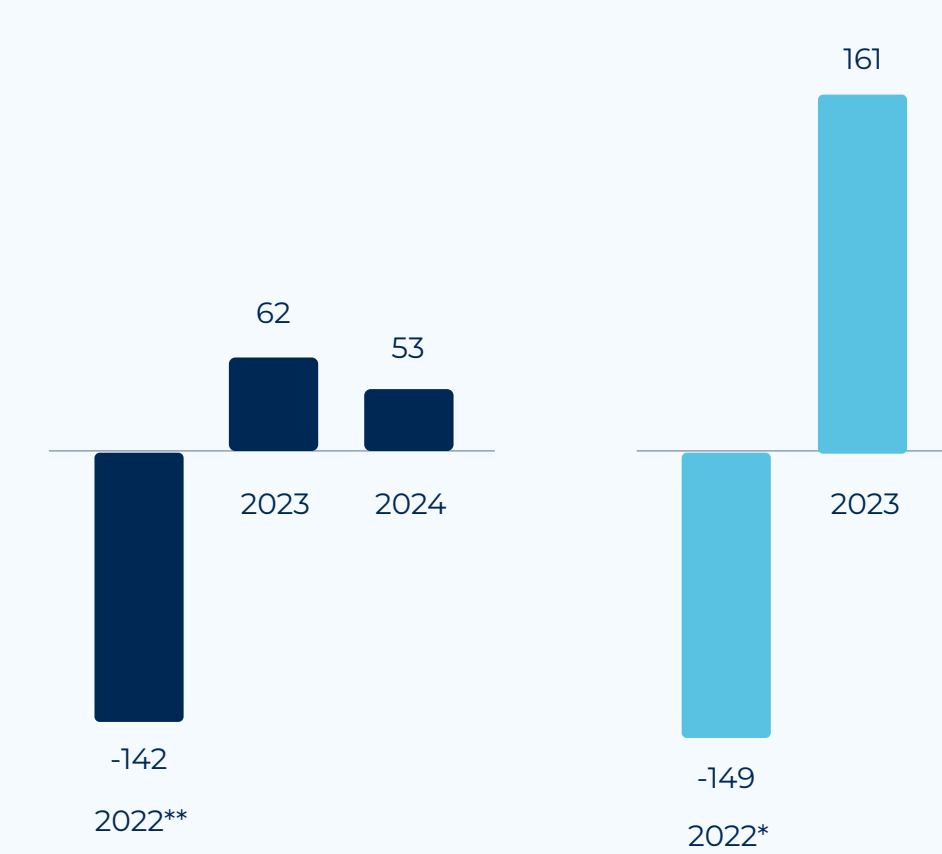
**Gross earned premium**  
(USD millions, ETC basis)



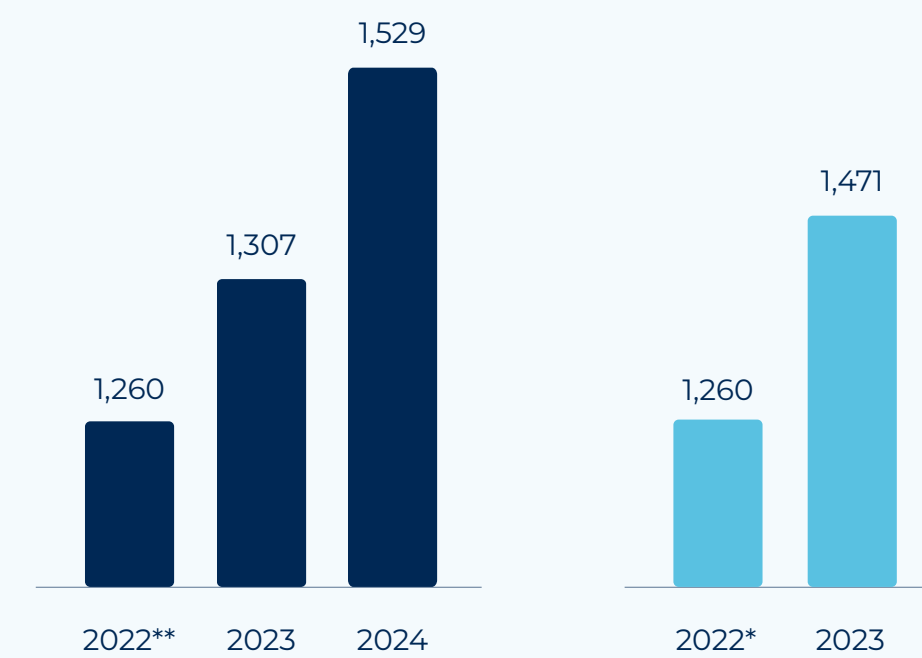
**Result**  
(USD millions, ETC basis)



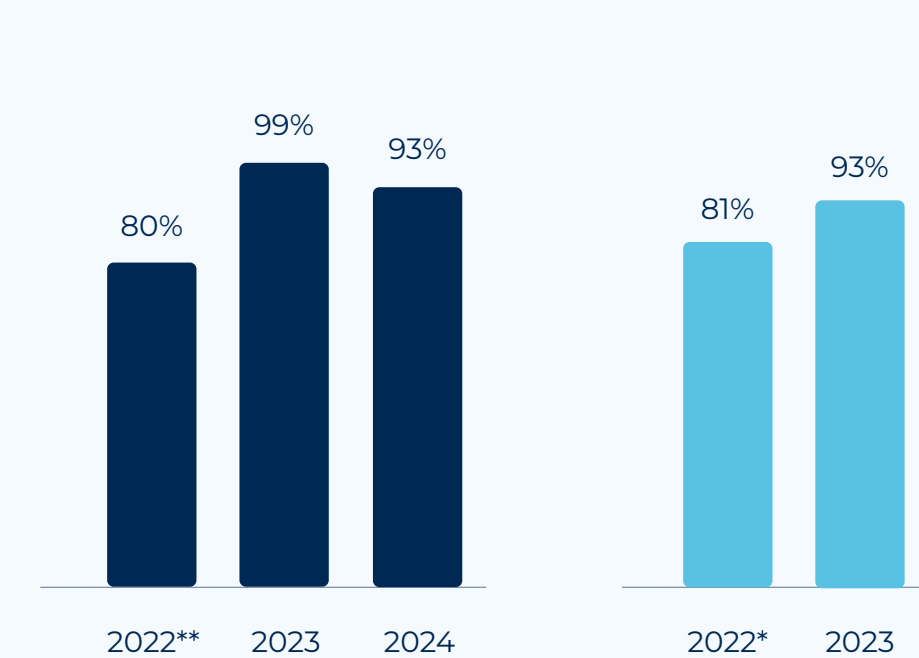
**Non-technical result**  
(USD millions)



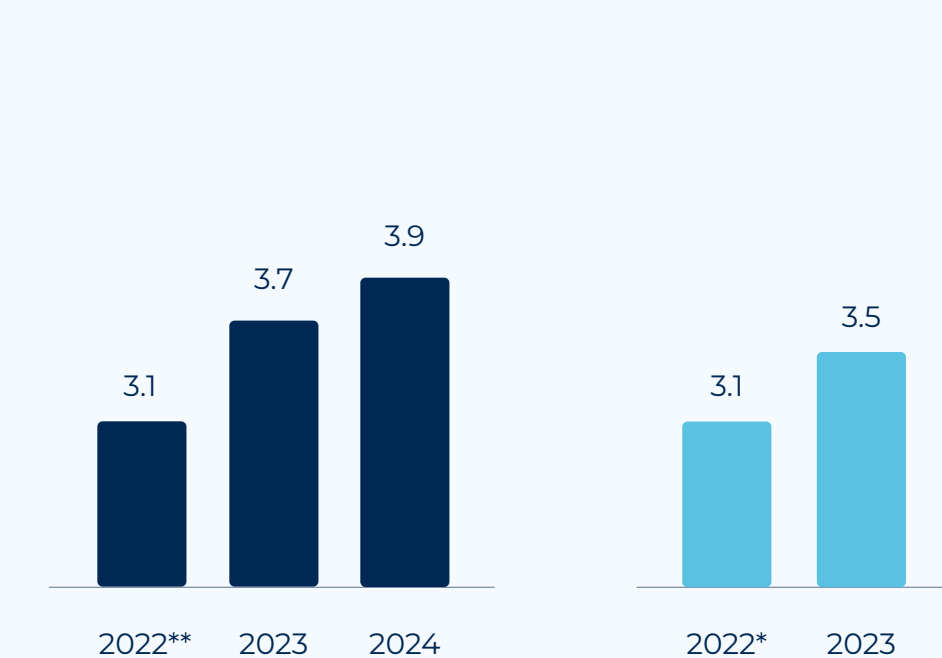
**Equity**  
(USD millions)



**Combined ratio**  
(Per cent, ETC basis)



**Assets**  
(USD billions)





CHAPTER 02

# CEO Operational Review

# Strong performance in challenging times



Rolf Thore Roppestad, Gard CEO

Gard delivers robust half-year results, maintaining solid capitalisation and a strong outlook for the future.

The first half-year of 2024, Gard has delivered impressive results and a strong performance. Investments have started to recover after an exceptional period with high market volatility, and our insurance results – remarkably strong in 2022 – continue to be well within our expectations, albeit reflecting a more normalized claims picture. We have seen a strong inflow of business in all business areas, particularly from our existing Members, both as P&I renewal transfers at the 20th of February and for newbuildings delivered so far in 2024.

On 2 July 2024 Gard announced its acquisition of Codan's Marine and Energy portfolio. With this, Gard is taking a leading position within the renewable energy segment, establishing a new office in Denmark and also adding around 50 M&E insurance specialists to its global organisation. More details will follow after the acquisition's expected closure in early 2025.

Looking ahead, our capital position remains robust. The increasing interest rates which caused us to record a mark-to-market investment loss last year, are improving our economic outlook in the longer term. Being predominantly invested in bonds, further interest rate hikes will contribute positively to our returns in the long run. Gard remains financially strong and well-positioned to withstand any future volatility.

## Half-year results

The results for the Gard group as at 30 June 2024 on an Estimated Total Call (ETC) basis are:

Total comprehensive income:

USD 80 m

Technical profit:

USD 33 m

Combined Ratio Net (CRN):

93%

Non-technical profit, including taxation and other comprehensive loss:

USD 47 m

Equity, including accrued Owners' General Discount (OGD):

USD 1,529 m

## Capital position

The Gard group continues to be very well capitalised, with low risk of additional capital having to be raised through unbudgeted supplementary calls.

We continue to deliver comparatively low, long-term insurance costs while at the same time providing a market-leading and comprehensive portfolio of products and services. As always, our main objective is to manage risks and ensure the long-term financial health of the group.

In November 2023 the Board decided to give a 10 per cent OGD to Members renewing with Gard for the 2024 policy year. This was the fifteenth year in row that Gard reduced the ETC and amounted to USD 23 million in savings for our Members for the first half year of 2024. Put differently: Gard strives to be financially robust while at the same time not holding more capital than we need.

## Looking ahead

Amid escalating geopolitical tensions, not least in the Middle East but also with the continued war in Ukraine and widespread sanctions impacting our industry, running a global business is becoming ever more complex. As we look to the future, we must brace ourselves for continued volatility. We may expect further sanctions, fragmentation of global markets and additional disruptions to global trade.

So, how will we face such a future? In Gard, we will continue to focusing on the fundamentals – understanding the risks and staying close to the needs of our Members and clients. In collaboration with the International Group of P&I Clubs (IG), we will also continue to promote fairness, consistency and regulatory alignment across different regions and jurisdictions. A level playing field has served both industry and society well for more than a century – and it should continue to do so in the years ahead.

## Business review

### Gard group results

The first six months of the 2024 financial year led to a total comprehensive income for the group on an Estimated Total Call (ETC) basis of:

USD 80 m

The 10 per cent OGD agreed for the year amounted to USD 23 million for the first half year, reducing the total comprehensive income to:

USD 58 m

The consolidated equity, which provides security and stability for the membership, was USD 1,529 million at the half year compared to USD 1,471 million as at 31 December 2023.

Gross earned premium on ETC basis was USD 588 million. The premium growth is driven by rate and volume increase from P&I and volume increase from Marine.

Claims incurred for own account totalled USD 383 million. The claims development was better than expectations for P&I, including Gard's share of the International Group Clubs' pool claims, and in line with expectations for M&E.

The technical result as at 30 June 2024, on ETC basis, was a profit of USD 33 million, equivalent to a CRN of 93 per cent.

The non-technical result was a profit of USD 47 million. The Gard group's investment portfolio returned a profit of USD 58.2 million or 2.3 per cent for the half year to 30 June 2024.

### Protection & Indemnity results on ETC basis

For P&I, gross earned premium was:

USD 342 m

Claims incurred totalled USD 232 million and was better than expected for both mutual and fixed.

The technical result as at 30 June 2024, on ETC basis, was a solid profit of USD 18 million and a CRN of 94 per cent. The 10 per cent OGD reduced the technical result to a loss of USD 5 million and a CRN 102 per cent.

### Marine & Energy results

For Marine & Energy, gross earned premium was:

USD 246 m

Claims incurred for own account totalled USD 151 million. The claims development for Marine was below expected, while Energy claims were above expected due to a larger claim.

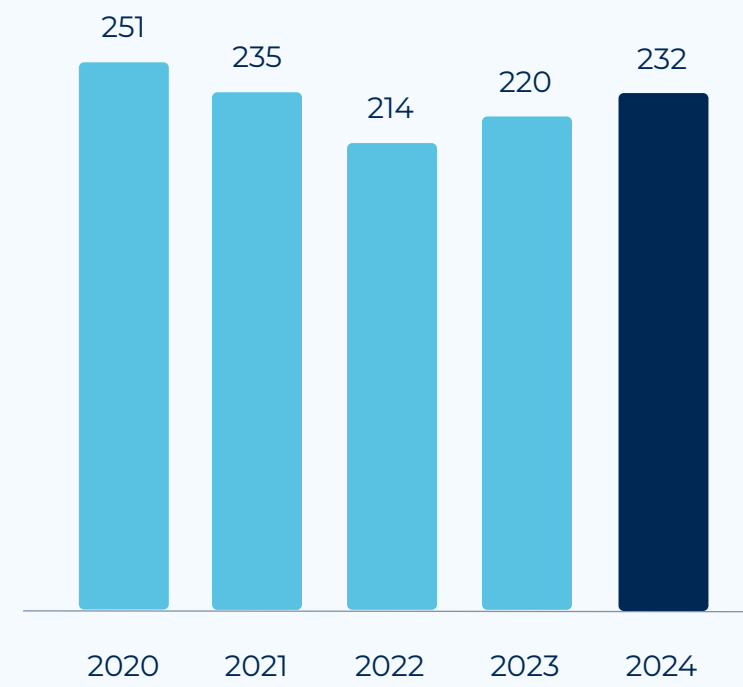
The technical result for Marine & Energy was a profit of USD 15 million. The combined ratio net was 92 per cent.



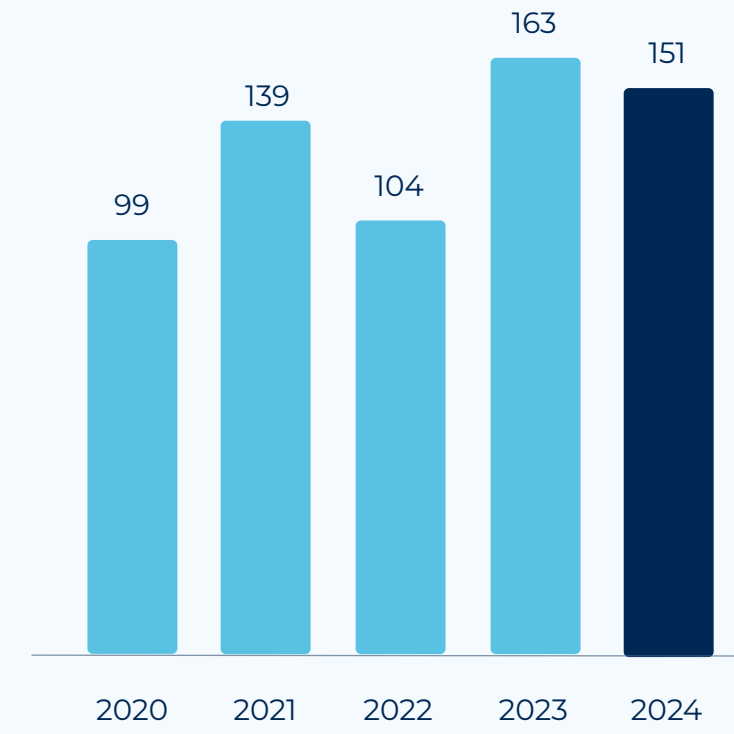
## Five year developments as at half year

- 01 Highlights
- CEO's Operational Review
- 03 Financial Statements

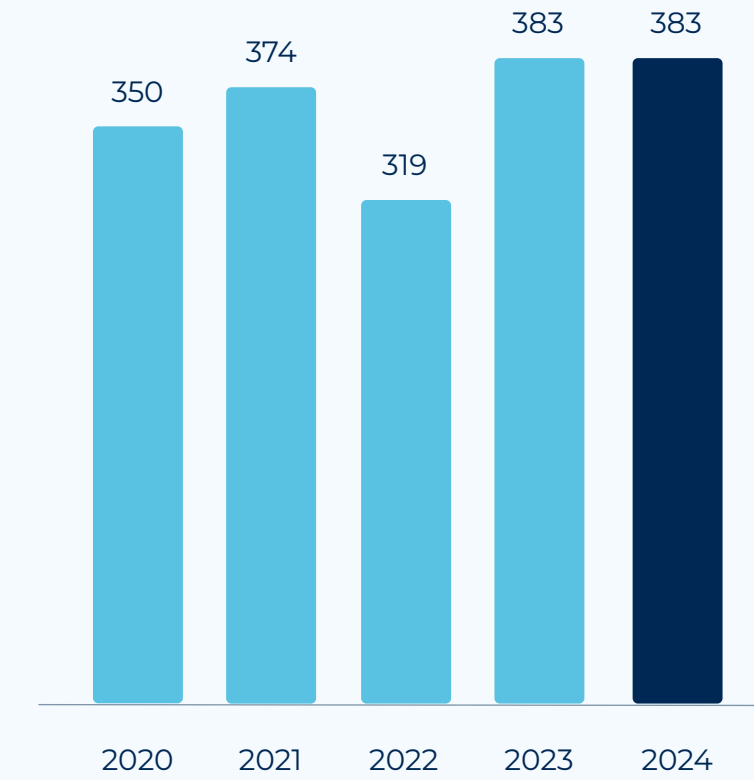
**Development of P&I claims incurred for own account**  
(USD million)



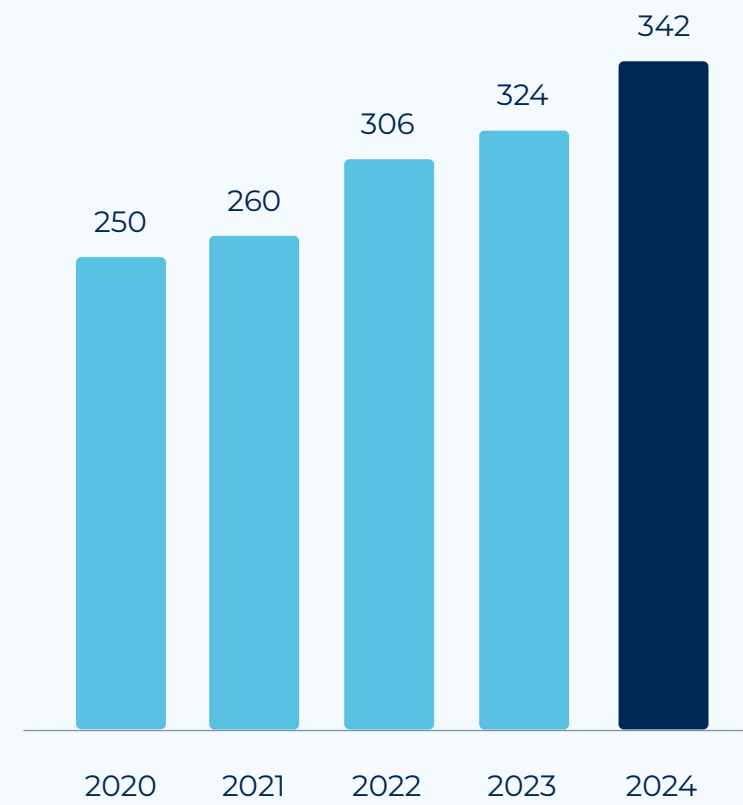
**Development of M&E claims incurred for own account**  
(USD million)



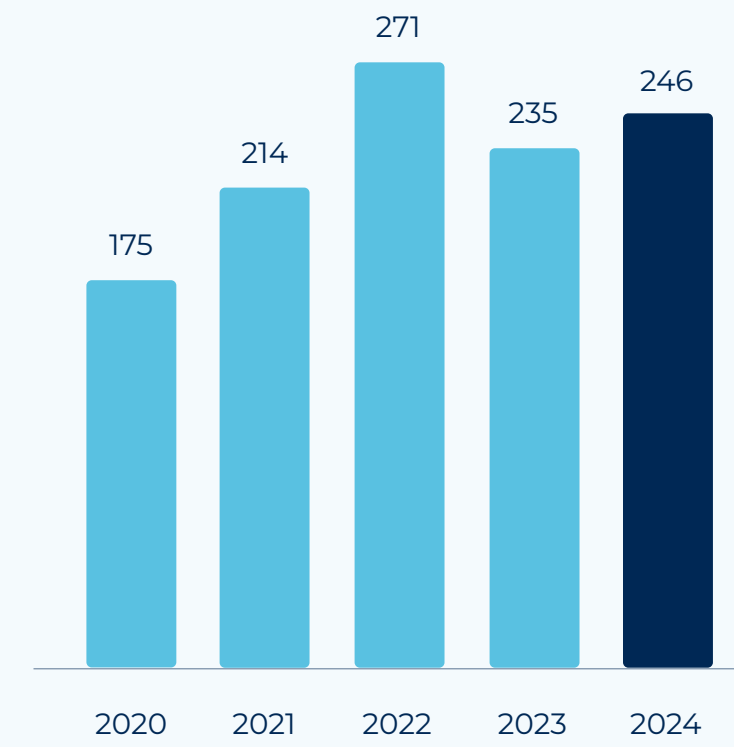
**Development of consolidated claims incurred for own account**  
(USD million)



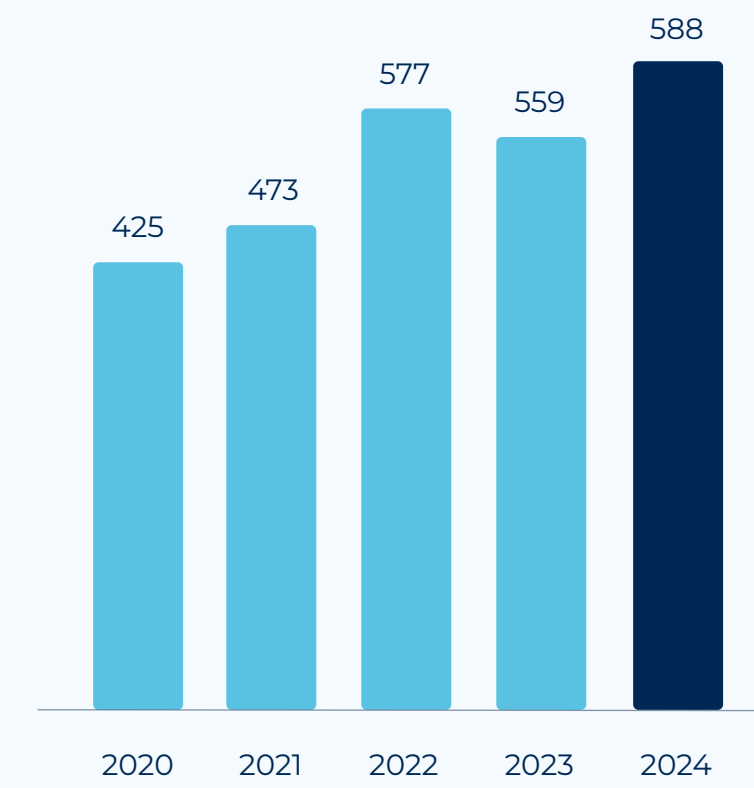
**Development of gross earned P&I premium, on ETC basis**  
(USD million)



**Development of gross earned M&E premium**  
(USD million)



**Development of consolidated gross earned premium, on ETC basis**  
(USD million)



## Investments

Gard's investment portfolio delivered a return of 2.3 per cent for the half of the year to 30 June 2024, a profit of USD 58.2 million.

The main drivers of the result were Gard's investments in equities (6.2 per cent), higher yielding corporate bonds (5.7 per cent) and alternatives (7.6 per cent). These risk assets were supported by a global backdrop for the economy and earnings growth that remained largely constructive, underpinning a period of relatively low market volatility.

Fixed income yields rose modestly in the first half of 2024, generally pressuring investment-grade bond returns (0.6 per cent). Most of the gains were in the second quarter, supported by improving inflation and the outlook for rate cuts by central banks. The dollar rally extended through the second quarter, continuing a multi-year trend of relative outperformance underpinned by strong relative US economic growth.

## Investment allocation as of 30 June 2024

Cash Equivalents

3%

Emerging market bonds

5%

Global Real Estate

4%

Alternatives

9%

Global high yield loans/bonds

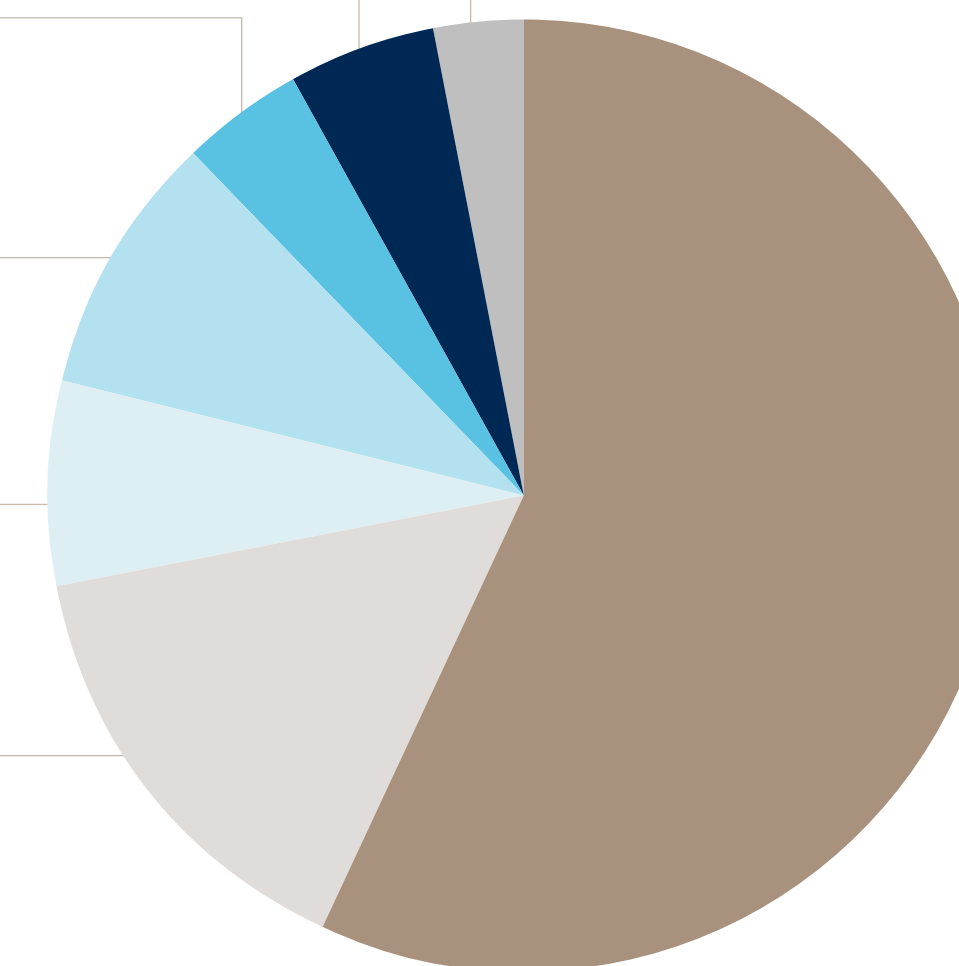
7%

Global equities

15%

Investment grade Government/Credit bonds

57%



## Capital and Risk Management

Gard has a simple capital structure consisting of Tier 1 capital through equity, which is earned and available, and high-quality Tier 2 capital, in the form of the ability to call unbudgeted supplementary calls. No deferred tax assets are included as Tier 3 capital as the maximum of 50 per cent of the solvency capital requirements of Tier 2 and Tier 3 combined is covered by Tier 2 capital. The solvency capital requirement is calculated based on a partial internal model.

The Gard group manages its capital in such a way that all its regulated entities always meet local regulatory capital requirements.

(USD million)

Eligible own funds	30 June 2024	31 December 2023
Tier 1 Basic own funds	1,463	1,290
Tier 2 Ancillary own funds	250	224
Tier 3 Other own funds	0	0
Eligible own funds	1,713	1,514
Solvency capital requirement	501	447
Solvency capital ratio	342.1%	338.3%

## S&P rating

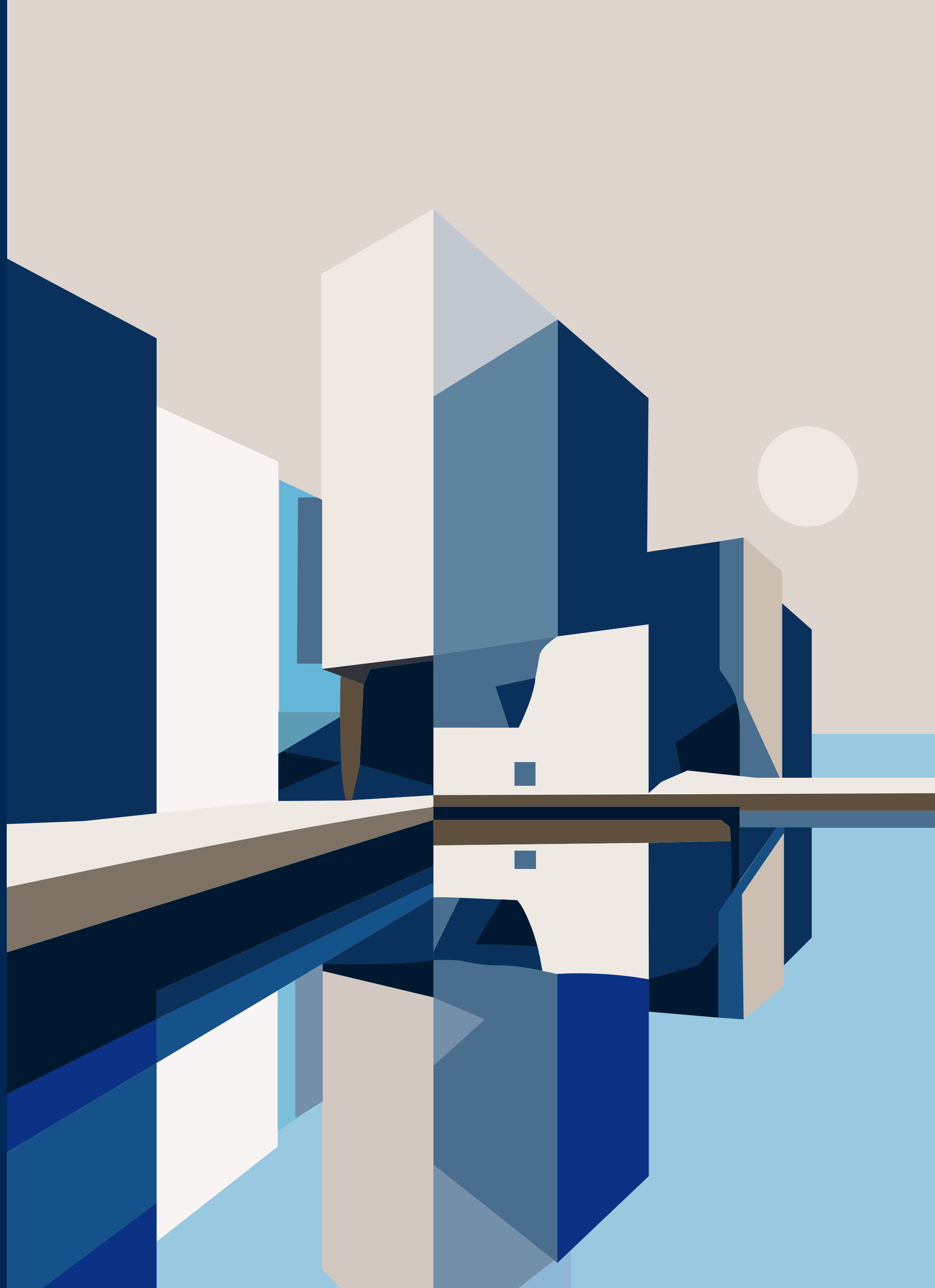
In March 2024, Standard & Poor's (S&P) re-affirmed the A+ financial strength rating of the Gard group and its direct writing subsidiaries Gard P. & I. (Bermuda) Ltd., Assuranceforeningen Gard - gjensidig -, Gard Marine & Energy Limited and Gard Marine & Energy Insurance (Europe) AS. Gard continues to be the only A+-rated club, reflecting our strong and market-leading position.

Standard and Poor's rating

A+

Gard continues to be the only A+ rated club, reflecting our strong and market-leading position.





CHAPTER 03

# Financial Statements

## Summary income statement

Amounts in USD 000s	Consolidated accounts	
	01.01.24 to 30.06.24	01.01.23 to 30.06.23
Gross earned premium*	565 207	546 642
Earned premium for own account	446 436	432 110
Other insurance related income	4 434	3 151
Claims incurred for own account**	382 784	383 105
Operating expenses	57 261	60 018
<b>Technical result</b>	<b>10 825</b>	<b>(7 863)</b>
<b>Non-technical result***</b>	<b>46 824</b>	<b>54 275</b>
<b>Result</b>	<b>57 649</b>	<b>46 412</b>
Combined Ratio Net (CRN), ETC basis	93%	99%

\*\* Gross earned premium include a 10 per cent Owners General Discount for the P&I business for the half year to 30.06.24 and a 5 pec cent for the half year to 30.06.23

\*\* Claims handling costs' share of Operating expenses are included in Claims incurred for own account.

\*\*\* Taxation and Other comprehensive income/(loss) are included in Non-technical result.

## Balance sheet

Amounts in USD 000s	Consolidated accounts	
	As at 30.06.24	As at 31.12.24
Investments at fair value	2 609 227	2 560 662
Reinsurers' share of technical provisions	240 073	180 372
Cash and equivalents	285 451	295 884
Other assets	799 762	447 021
<b>Total assets</b>	<b>3 934 513</b>	<b>3 483 939</b>
Equity	1 528 940	1 471 291
Gross premium reserve	656 808	296 257
Gross claims reserve	1 555 565	1 530 152
Other liabilities	193 200	186 239
<b>Total equity and liabilities</b>	<b>3 934 513</b>	<b>3 483 939</b>

## Income statement on lines of business

Amounts in USD 000s	P&I	M&E	Consolidated accounts
	01.01.24 to 30.06.24		
Gross earned premium on ETC basis	341 810	245 925	587 735
Earned premium for own account on ETC basis	274 608	194 356	468 964
Other insurance related income	3 646	788	4 434
Claims incurred for own account*	232 061	150 723	382 784
Operating expenses	28 230	29 031	57 261
<b>Technical result on ETC basis</b>	<b>17 963</b>	<b>15 390</b>	<b>33 353</b>
<b>Non-technical result**</b>	<b>45 599</b>	<b>1 225</b>	<b>46 824</b>
<b>Result on ETC basis</b>	<b>63 562</b>	<b>16 615</b>	<b>80 177</b>
Owners' General Discount	(22 528)	0	(22 528)
<b>Total comprehensive income/(loss)</b>	<b>41 034</b>	<b>16 615</b>	<b>57 649</b>
Combined ratio net at ETC basis	94%	92%	93%

\* Claims handling costs' share of operating expenses are included in Claims incurred for own account

\*\* Taxation and Other comprehensive income/(loss) are included in Non-technical result.