



COVID-19 Update from the CEO

Dear friends,

As we approach the Easter break, I wanted to give you an update from Gard and our current position. Our three main priorities over the past weeks have been helping our Members and clients, ensuring our financial strength and making sure our people are safe in every way.

Published 03 April 2020

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Supporting Members and clients in difficult times

Some of our Members and Clients have a tough time in their operations, both in terms of their people and also financial status. Gard is in continual contact with its Members and clients in these difficult times. We are working with them to understand their challenges and how we as an organisation can support them.

Our Loss Prevention team is also working hard to share knowledge on this fast-evolving subject and its consequences, whether this is looking at the implications for ships and crews, the health of seafarers or advising on the consequences of the lay-up and reactivation of vessels.

We also know that there are some criminal activities taking advantage of the global crisis, particularly in terms of cyber crime. We have seen a sharp increase in emails allegedly from senior personnel suggesting funds are transferred to new accounts. In fact, we know that we have been the subject of such a scam, so if you are in any doubt about communications that appear to come from Gard, please do check with us.

Falls in financial markets - robust business platform

Gard is capitalised to withstand a one in one-hundred-year annual loss, and still continue to operate with the same risk tolerance. The financial statements for last year have not yet been finalised, but we expect a year end capital adequacy in the upper range of the target set by our Board of Directors.

Since 20 February 2020, most global equity indexes have fallen steeply. We have a moderate exposure to equities, and we invest more in treasuries and other less risky assets. Consequently, Gard's investment portfolio has fallen much less than global equities. Still, the current nominal USD loss is high. Currently, we estimate that our capitalisation has fallen slightly below the middle range of our long-term target which is still solid. To me, this is strong proof that Gard has a very robust business platform.

Keeping people safe

I am happy to report that there are still no confirmed COVID-19 cases among our staff or their families. As the epicentre of the disease moves to different countries and cities, our thoughts are with our business partners and colleagues around the world facing the challenges to their health and economic well-being.

As a global business, a number of our offices have been working remotely for some time now, and there has been tremendous sharing of tips for this new working environment in which we find ourselves. I am sure we will have all learnt many good new habits from this when we return to a more usual working environment.

I hope you all stay safe and please let us know what we can do to help.

****Rolf Thore Roppestad****Chief Executive Officer

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