

Q2 results 2013
Investor presentation

12 July 2013

Facts about Protector

- A focused Norwegian non-life insurance company
- Established Jan. 1, 2004. (Listed on Oslo Stock Exchange May 2007)
- Entered the Swedish market in 2011 and Denmark 1 Jan. 2012
- Ownership; ODIN, Franklin Mutual Funds, Alfred Berg Norge/Gambak, DnB NOR SMB, Nordea, employees etc.
- Strong results, average combined ratio 2004 - 2012, 90.3%
- GWP in 2012: MNOK 1.517
- Solvency capital of MNOK 1.171, investment portfolio > 3.7 bn.
- Market cap. 8 July 2013, MNOK 1.318
- Vision: "Protector will be the challenger to the established insurance companies"
- Main targets:
 - Being top three in Protector's defined business segments
 - Cost leadership
 - Being preferred by the brokers

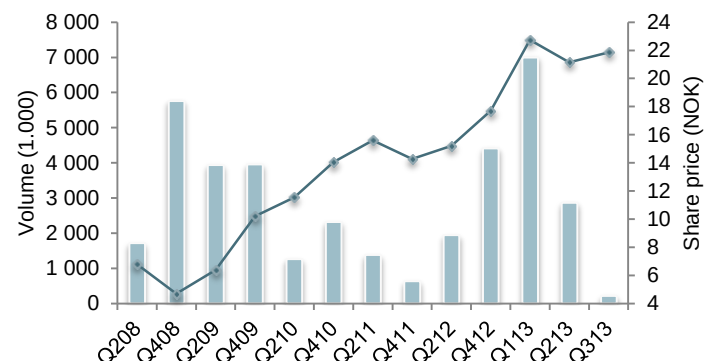
Outlook 2013:

GWP + 22%
CR ~ 88

Dividend policy:

30 – 50% of profit after tax
Target solvency margin > 250%

Protector share
Quarterly volume and share price end of quarter¹



¹ Share buy back not included in the volume figures
Share price adjusted for dividends
Data pr. 08.07.2013

Highlights Q2 2013

13% growth, increased margins and increased guiding

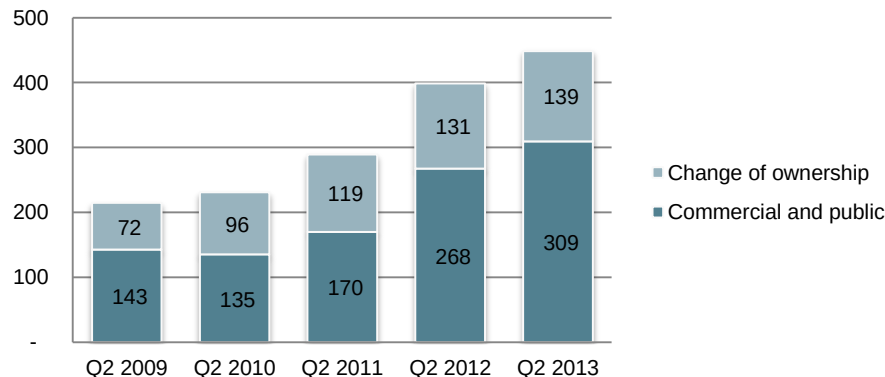
- GWP up 13 %
- Net combined ratio, 81.5%, up from 80.7%
- Return on investments, NOK 19.4m (0.4%), up from NOK 7.9m (0.3%)
 - 23% growth in investment portfolio
- Operating profit, NOK 87.2m, up from 63.6m
- Further investments in management and employees development programmes
- Outlook 2013 increased
 - Volume growth 22%, up from previously guided 20%
 - Net Combined Ratio 88%, improved from previously guided 91%
 - Operating profit NOK 340m, up from previously guided NOK 310m

Gross written premium Q2 2013

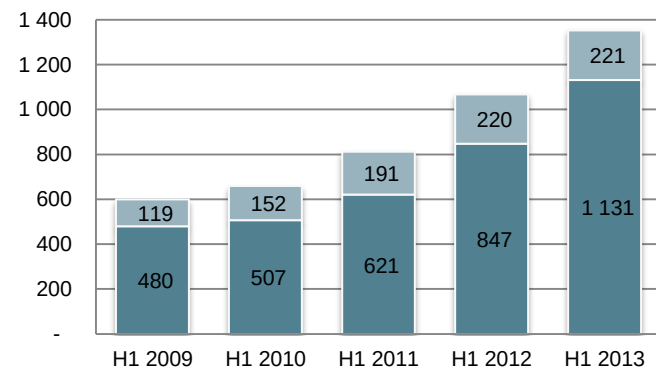
GWP up 13%, from NOK 398.7m to NOK 448.5m

- GWP up 14% within the Norwegian commercial and public lines of business
 - Good renewal rate, 100%, up from 84% in Q2 2012
 - Good access to quotations but hit-ratio slowing down in commercial sector
- GWP in Sweden and Denmark, 2 percentage points of the total growth
- Change of ownership insurance, 6% growth
 - Increased real estate prices and high real estate turnover rate

Gross written premium Q2 2009 – Q2 2013 (NOKm)

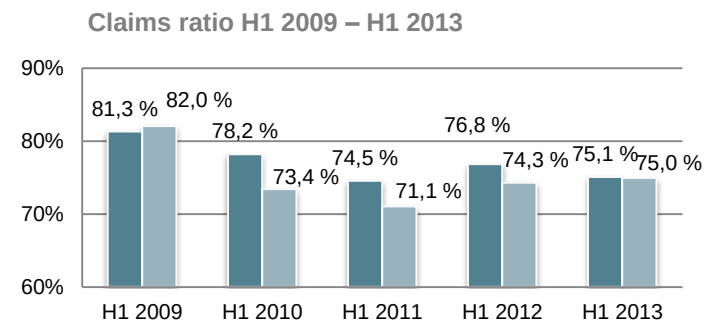
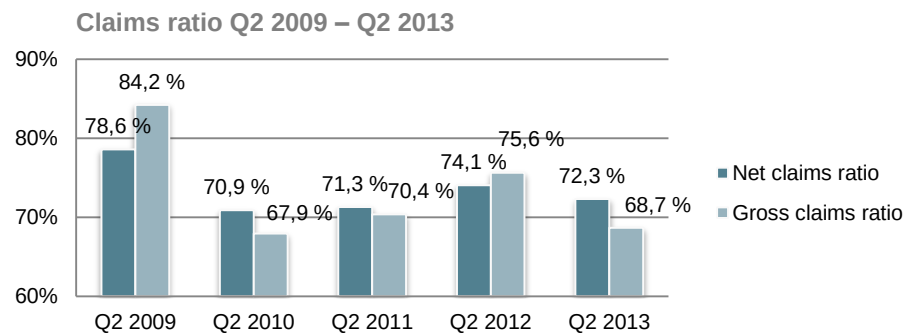


Gross written premium H1 2009 – H1 2013 (NOKm)



Claims development Q2 2013

- Gross claims ratio¹ 68.7%, down from 75.6%
 - Group life and property Norway slightly behind schedule
 - All other products in Norway doing well
 - Sweden and Denmark improved, but slightly behind schedule
 - 3 large claims (2 property claims and 1 liability claim), more than normal (1-2)
- Run-off gains of MNOK 18 related to Norwegian business (MNOK 6,4 in Q2 12)
 - Run-off gains in the commercial sector are expected in the future because Protector's accounting in Norway is based on the FSA minimum requirements which are somewhat higher than claims experience
- Net claims ratio² 72.3%, down from 74.1%

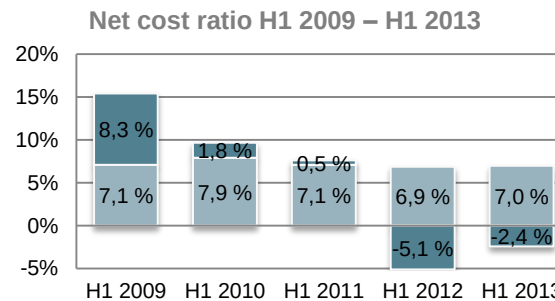
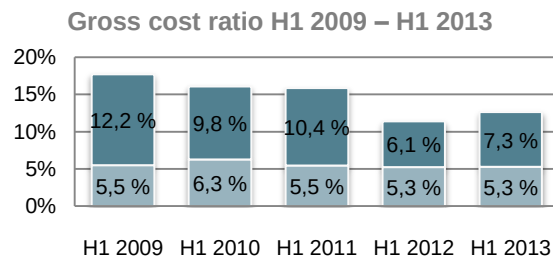
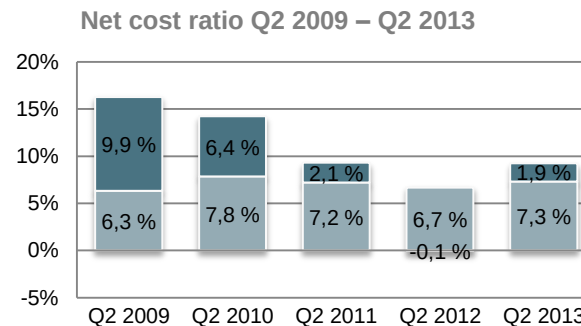
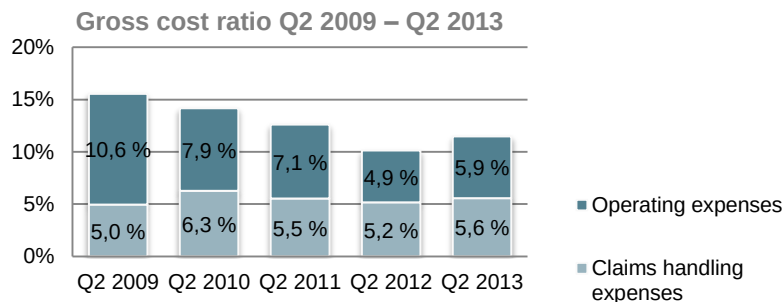


¹ Exclusive claims handling expenses, 5.6 percentage points (5.2) percentage points

² Exclusive claims handling expenses, 7.3 percentage points (6.7) percentage points

Cost ratio Q2 2013

- Gross cost ratio¹ 11.5 %, up from 10.1%
 - Increased manning in the commercial sector in Norway and in Sweden/Denmark
 - Critical mass not reached in Sweden/Denmark
 - Increased no. of employees continues in Q3
 - Increased cost level within change of ownership insurance
- Net cost ratio² 9.2 %, up from 6.6 %
 - Driven by the increased gross costs



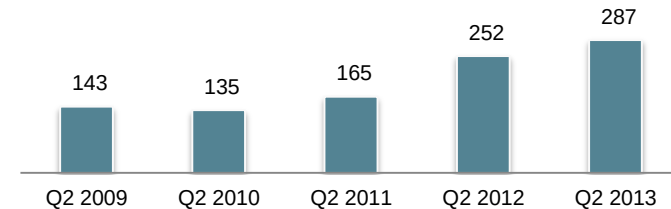
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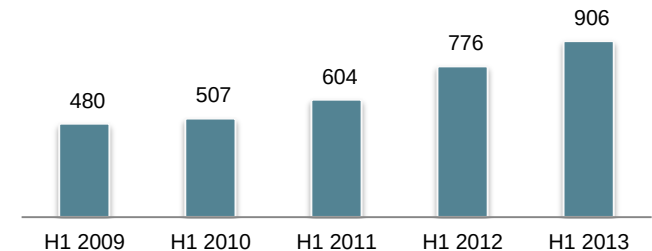
Highlights Q2 13 – Norwegian Commercial/public lines

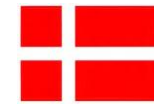
- Volume up 14%
 - 57 % growth in the municipality sector (small volume quarter)
 - 7 % growth in the commercial sector
- Personal lines of business , 78% of volume
- Renewal rate, 100% up from 84% in Q2 2012
- Rate pressure leads to significant reduced hit-ratio in commercial sector.
- Single digit growth in Q3 expected
 - Good access to quotations
 - One large non-renewal in Q3
- Value chain improvements continues
- New people on board before hunting season
- Claims handling improvement project started
 - Will influence positively in 2014 and 2015

GWP Q2 2009 – Q2 2013 (NOKm)



GWP H1 2009 – H1 2013 (NOKm)





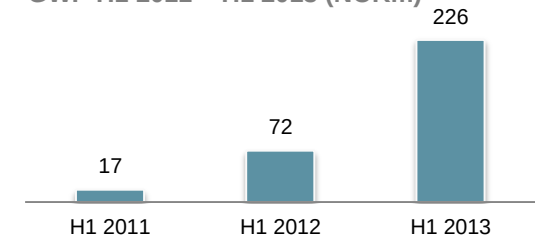
Highlights Q2 13 – Sweden and Denmark

- Continued growth in Sweden and Denmark
 - 2 percentage points of the growth on company level
- Sweden and Denmark; building up for hunting season
 - 15 on board in Sweden per 30.06, 9 on board in Denmark
 - Minimum 10 new employees arriving in H2
- Motor business still driving the Swedish volume
- More balanced product mix in Q2 in Denmark
- One very large win in Q3 in Denmark (affinity arrangement)
 - Second biggest commercial client in history
 - Will gradually increase volume next 12 months
- No significant profitability issues so far, but some customers need increased prices January 1st 2014
- Cost ratio will peak in 2013, stabilize early 2014 and then fall rapidly
- Sweden and Denmark will support double digit growth on company level in 2014 and 2015

GWP Q2 2011 – Q2 2013 (NOKm)



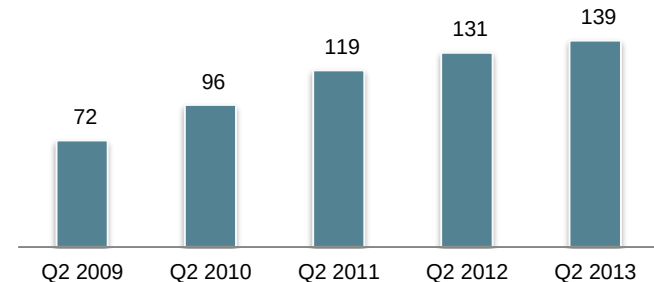
GWP H1 2011 – H1 2013 (NOKm)



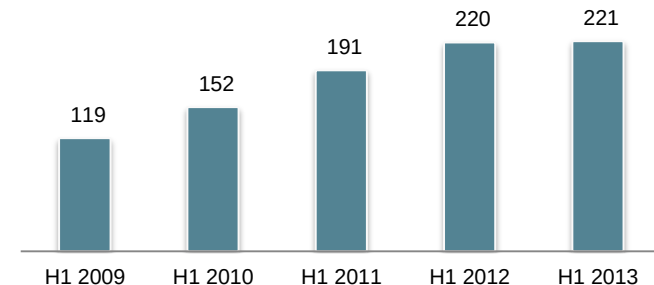
Highlights Q2 2013 - Change of ownership insurance

- Volume up 6%
 - Stable market share well above 50%
 - Hit-ratio stable on a high level, approx. 80%
 - Real estate prices in H1 up 6,9% relatively to H1 2012¹
 - High turnover rate
- Profitable in Q2
 - Profitability actions yields further results
 - More claims management capacity => improved quality
- Very strong court results
 - Win – draw – losses: 56% - 19% - 25%
 - Results supported by high internal technical competence
- Team growing stronger than sum of individuals
 - Culture eats strategy for breakfast ☺
- Price growth is expected to slow down
 - Single digit volume growth (in the lower end) expected in H2

GWP Q2 2009- Q2 2013 (NOKm)



GWP H1 2009 – H1 2013 (NOKm)



¹ Source: NEF

Results Q2 2013

NOKm	Q2 2013	Q2 2012	H1 2013	H1 2012	FY 2012
Premiums written gross	448,5	398,7	1 352,5	1 067,2	1 517,0
Premiums earned gross	477,4	386,3	877,6	713,8	1 464,2
Claims incurred gross	(354,4)	(312,1)	(704,2)	(567,7)	(1 171,0)
Premiums earned for own account	362,8	299,6	663,2	546,3	1 107,4
Claims incurred for own account	(288,8)	(241,8)	(544,3)	(457,2)	(940,1)
Operating costs for own account	(7,0)	0,2	16,0	27,9	(14,4)
Other income/costs	0,8	(2,2)	1,5	(1,5)	(5,0)
Net financial income	19,4	7,9	97,3	96,6	245,6
Profit before change in security provision etc	87,2	63,6	233,7	212,2	393,5
Change in security provision etc.	(2,4)	(8,9)	(43,3)	(20,8)	(146,5)
Profit after change in security provision etc.	84,8	54,6	190,4	191,4	246,9
Tax	(27,2)	(21,4)	(48,5)	(44,4)	(48,3)
Profit before comprehensive income	57,6	33,3	141,9	147,1	198,6
Comprehensive income	-	-	-	-	8,9
Profit for the period	57,6	33,3	141,9	147,1	207,5
Net claims ratio	79,6 %	80,7 %	82,1 %	83,7 %	84,9 %
Net expense ratio	1,9 %	-0,1 %	-2,4 %	-5,1 %	1,3 %
Net combined ratio	81,5 %	80,7 %	79,7 %	78,6 %	86,2 %
Retention rate	76,0 %	77,6 %	75,6 %	76,5 %	75,6 %
Gross claims ratio	74,2 %	80,8 %	80,2 %	79,5 %	80,0 %
Gross expense ratio	5,9 %	4,9 %	7,3 %	6,1 %	7,7 %
Gross combined ratio	80,1 %	85,7 %	87,6 %	85,7 %	87,7 %

Note:

Net claims ratio = claims incurred for own account / NPE

Net expense ratio = (sales costs + admin costs + commission on reinsurance ceded) / NPE

Retention rate = NPE in % of GPE

Gross claims ratio = gross claims incurred / GPE

Gross expense ratio = (sales costs + admin costs) / GPE

• 13% growth, net combined ratio 81.5 %

Balance sheet Q2 2013

NOKm	30.06.2013	30.06.2012	31.12.2012
Financial assets	3 793,4	3 079,8	3 192,8
Bank deposits	112,0	115,2	141,9
Other assets	724,8	547,1	430,9
Total assets	4 630,1	3 742,0	3 765,6
Total equity	624,9	521,6	582,1
Subordinated loan capital	148,1	-	148,1
Total reserves	3 497,6	2 688,5	2 748,0
Other liabilities	359,5	383,8	287,4
Total equity and liabilities	4 630,1	3 742,0	3 765,6
Solvency capital	1 171,5	899,2	1 085,4
Return on solvency capital, after tax	16 %	20 %	38 %
Solvency capital per share, end of period	14,2	10,9	13,1
Solvency ratio	117 %	112 %	93 %
Solvency margin	360 %	285 %	304 %
Capital adequacy ratio (risk weighted)	23 %	24 %	20 %
NAV	1 018,4	793,5	944,5
NAV per share, end of period	12,3	9,6	11,4

Note:

Solvency Capital = shareholder's funds + security provision etc.

Return on solvency capital: Operating profit after tax / average solvency capital

Solvency ratio = solvency capital / NPW

Solvency margin calculated according to regulations from the FSA of Norway.

NAV = total equity plus 72% of the total security provision etc.

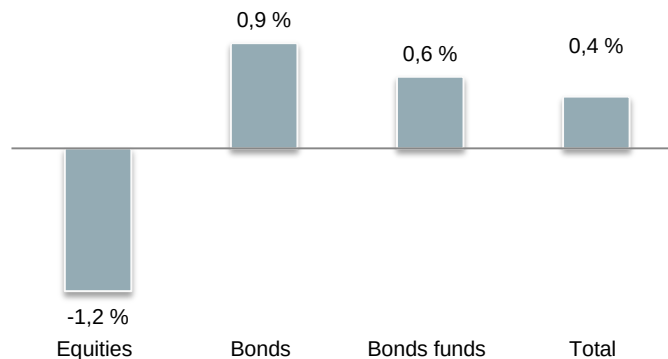
No. of shares = total outstanding shares ex own shares

- Investment portfolio, 23% growth

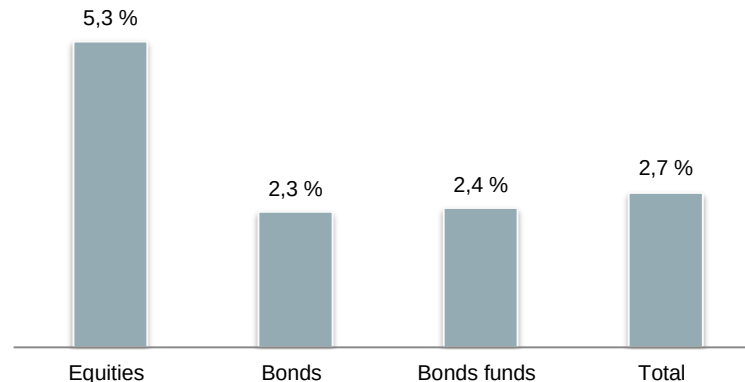
Investment performance Q2 2013

- Net investment result of NOK 19.4 m, 0.4% return (NOK 7.9m, 0.3%)
 - H1; Net investment result of NOK 97.3m, 2.7% return (NOK 96.6m, 3.7%)
- Equities, return of -1.2% (-3.8%), OSEBX -0.5%, OSEFX 0.1%
- Bond portfolio, return of 0.6% (1.0%), increased risk exposure
- Investment portfolio of NOK 3.793m (NOK 3.080m), 23% growth

Return Q2 2013 per asset class



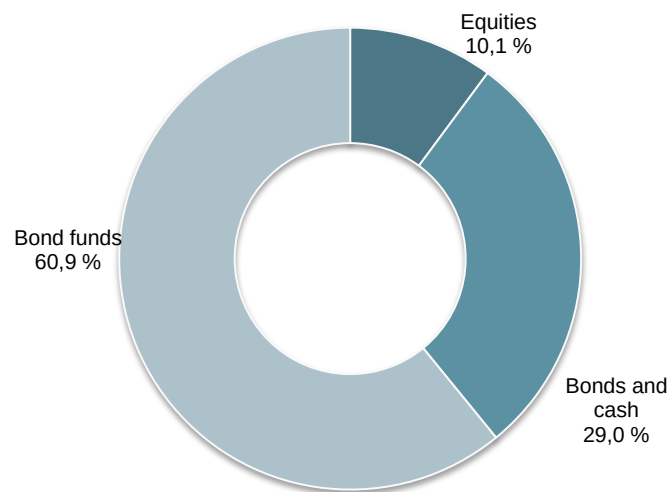
Return H1 2013 per asset class



Asset allocation

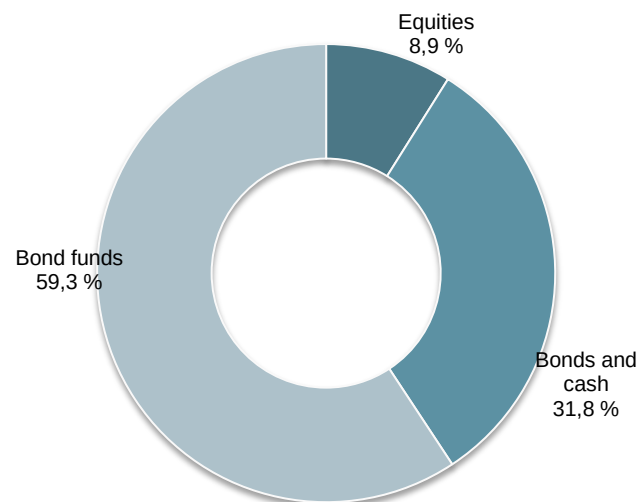
- Bonds 89.9% of portfolio, Norwegian equities 10.1%

Allocation of investments 30.06.2013



Total financial assets; NOK 3.793m

Allocation of investments 31.12.2012

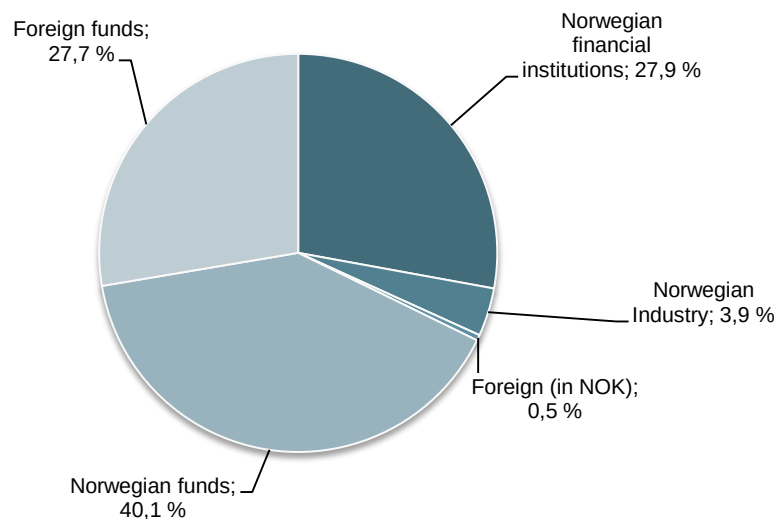


Total financial assets; NOK 3.193m

Portfolio structure and quality - bond portfolio

- No currency risk
- Duration 0,97 years (0,5 years), average maturity is 3,42 years (2,53 years)
- Increased risk in non rated funds

Bond portfolio 30 June 2013



Quality bond portfolio 30 June 2013

Split of fixed income portfolio	NOK mill	%
Bonds	1 093	32 %
Bond funds	2 310	68 %
Bank deposits	6	0 %
Total	3 409	100 %

Rating including internal rating by Norwegian financial institutions		
Investmentgrade	1 408	41 %
BB	54	2 %
B	4	0 %
Non rated (funds)	1 943	57 %
Total	3 409	100 %

Shareholder matters 8 July 2013

Shareholder	No. shares	Percent
ODIN NORDEN	6 809 171	7,90 %
MSF-MUTUAL FINANCIAL SERVI FD	4 479 410	5,20 %
PROTECTOR FORSIKRING ASA	3 570 661	4,14 %
OJADA AS	3 563 116	4,14 %
HANSARD EUROPE LTD	3 268 585	3,79 %
VPF ALFRED BERG GAMBAK	3 184 263	3,70 %
TJONGSFJORD INVEST AS ¹	2 811 809	3,26 %
GABLER RÅDGIVNING AS ²	2 652 751	3,08 %
STENSHAGEN INVEST AS	2 600 000	3,02 %
MP PENSJON PK	2 375 706	2,76 %
ARTEL HOLDING A/S	1 873 451	2,17 %
VPF NORDEA NORGE VERDI	1 807 285	2,10 %
VERDIPAPIRFONDET DNB SMB	1 750 000	2,03 %
FROGNES AS	1 649 916	1,92 %
VARMA MUTUAL PENSION INSURANCE	1 642 329	1,91 %
VERDIPAPIRFONDET HANDELSBANKEN	1 600 000	1,86 %
JOHAN VINJE AS	1 437 841	1,67 %
PETROSERVICE AS	1 343 815	1,56 %
NORDEA NORDIC SMALL CAP FUND	1 256 653	1,46 %
JP MORGAN CHASE BANK, NA	1 250 000	1,45 %
TOTAL 20 LARGEST	50 926 762	59,11 %
OTHERS	35 228 843	40,89 %
TOTAL SHARES	86 155 605	100,00 %

No. Shareholders 2.543

¹ CEO Sverre Bjerkeli

² Chairman of the Board, Jostein Sørvoll

Related parties shareholding

- Management's direct and indirect shareholding totals 3.2m shares or 3,7 % of current outstanding shares
- Board members directly and indirectly own a total of 6,5m shares or 7,5% of current outstanding shares
- 37 employees own directly a total of 4.9 m shares or 5.7% of current outstanding shares (incl. management)
- Protector own 3.570.661 own shares or 4,14% of current outstanding shares

Outlook 2013, changed

Guiding 14 May 2013



Guiding 12 July 2013

- GWP up 20%
 - Status per Q2, ahead of schedule
- Combined ratio 91%
 - Status per Q2, ahead of schedule
- Return on investments 5.4 %
 - Status per Q2, behind schedule
- Operating profit NOK 310m
 - Status per Q2, ahead of schedule
- Return on solvency capital 23%
 - Status per Q2, ahead of schedule

GWP up 22 %

Combined ratio 88%

Return on investments 4,9%

Operating profit NOK 340m

Return on solvency 25%

Outlook 2013, changed

NOKm	Res 2012	28 Feb 2013e	14 May 2013e	New 2013e
Premium growth (%)	26	18	20	22
Operating profit	393	270	310	340
Investment Income	246	160	200	180
Gross cost ratio (%)	12.7	12.5	> 13	> 13
Net combined ratio (%)	86.2	91	91	88
Return on solvency (%)	38	20	23	25

Return assumptions 2013:

Equity allocation approx. 10 %

Return equities: 9.2 % p.a.

Return bonds: 4.4 % p.a.

Average invested capital: NOK 3.750m

Summary

13% growth, increased margins and increased guiding

- Profitable growth continues
- 23% growth in investment portfolio
- Further investments in management and employees development programmes highlighted
- Outlook 2013 increased
- Recruitments on historical high level in order to prepare for future growth
- We look forward to the hunting season