

Preliminary year-end results 2013
Investor presentation

26 February 2014

Facts about Protector

- A focused Norwegian non-life insurance company
- Established Jan.1, 2004. (Listed Oslo Stock Exchange May 2007)
- Entered the Swedish market in 2011 and Denmark 1 Jan. 2012
- Ownership; ODIN, Alfred Berg Norge/Gambak, Franklin Mutual, DnB NOR SMB, Nordea, Stenshagen Invest, employees etc.
- Strong results, average combined ratio 2004 - 2013, 89.5%
- GWP in 2013: MNOK 1.861
- Solvency capital of MNOK 1.335, investment portfolio ~ 4 bn.
- Market cap. 25 Feb 2014, MNOK 2.292

Outlook 2014:

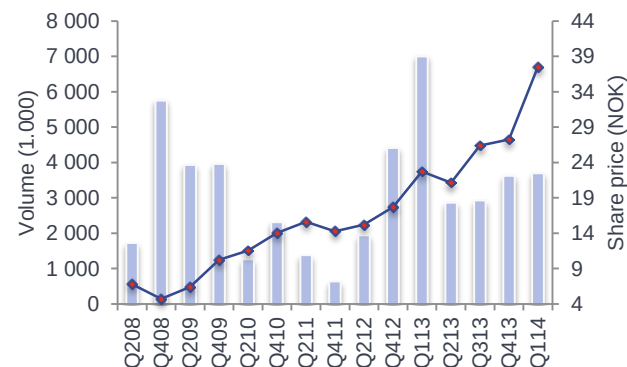
GWP + 16 %
CR ~ 90%

Dividend policy:

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

- Vision: “The challenger”
- Main targets:
 - Being top three in Protector’s defined business segments
 - Cost leadership
 - Being preferred by the brokers

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. 14.02.2014



Highlights 2013

Best year ever

- Volume up 23 % (26%)
- Gross cost ratio up to 13.8 % (12.7%)
- Net combined ratio 86.7 % (86.2%)
- All time high on quality indexes
- Sweden and Denmark, 288 mill volume
- Operating profit of NOK 430.3 mill (393.5 mill)
 - Net return on investments NOK 256.7 mill (7.0%) (246 mill, 8,9%)
- Return on solvency capital 28 % after tax (38%)
- 2014 guiding; Volume up 16%, Combined Ratio 90%
- Dividend of NOK 1,75 per share suggested, 6.6% in direct yield¹

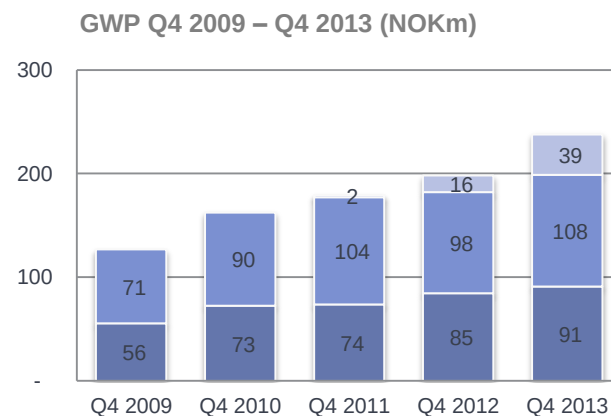
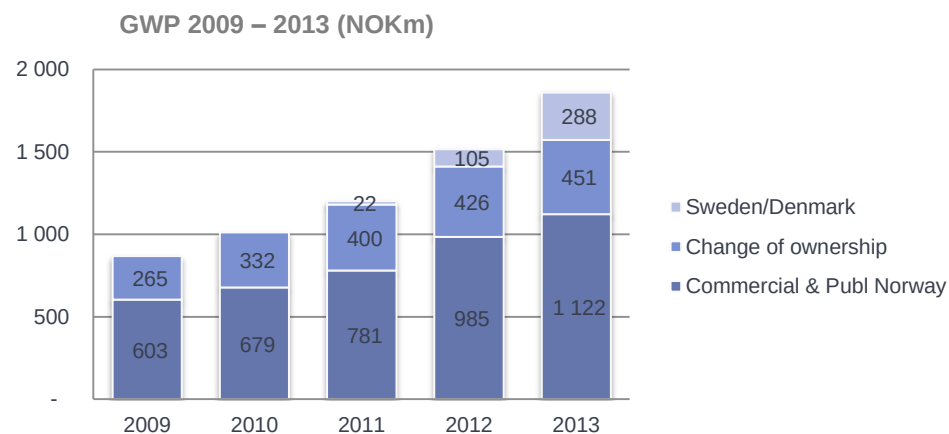
No. 1 in Nordic market
No. 1 in Nordic market
Top 3 in Nordic market

¹ Share price 25 Feb 2014 NOK 26,60

Gross written premium 2013

GWP up 23%, from NOK 1.517m to NOK 1.860,6m

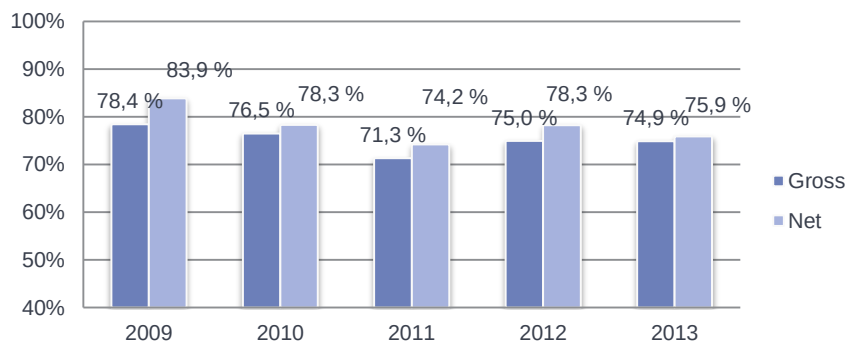
- GWP up 14% within the Norwegian commercial and public lines of business
 - Good renewal rate, 93%, down from 98% in 2012
 - Very good access to quotations, but hit-ratio slowing down in commercial sector
- GWP in Sweden and Denmark 174% growth
 - 12 percentage points of of total volume growth
 - Strong renewal rates, above 100%
- Change of ownership insurance, 6% growth
 - Increased real estate prices and increased no. of policies sold



Claims development 2013

- Gross claims ratio¹ 74.9%, down from 75.0% in 2012
 - Strong development within change of ownership insurance
 - Property, other illness and group life (municipality sector) in Norway behind schedule, all other products within the commercial and public lines of business in Norway doing well.
 - Sweden and Denmark behind schedule, two large claims including storm (> MNOK 5) in Denmark
- Net run-off-gains of NOK 61 mill, 4.4% (11,9 mill in 2012)
 - Run-off-gains on all products within the commercial sector
 - Some run-off gains in the commercial sector expected in the future because Protector's accounting is based on the FSA minimum reserve requirement
- Net claims ratio² 75.9%, down from 78.3%. Higher claims ratio than peers.

Claims ratio 2009 - 2013

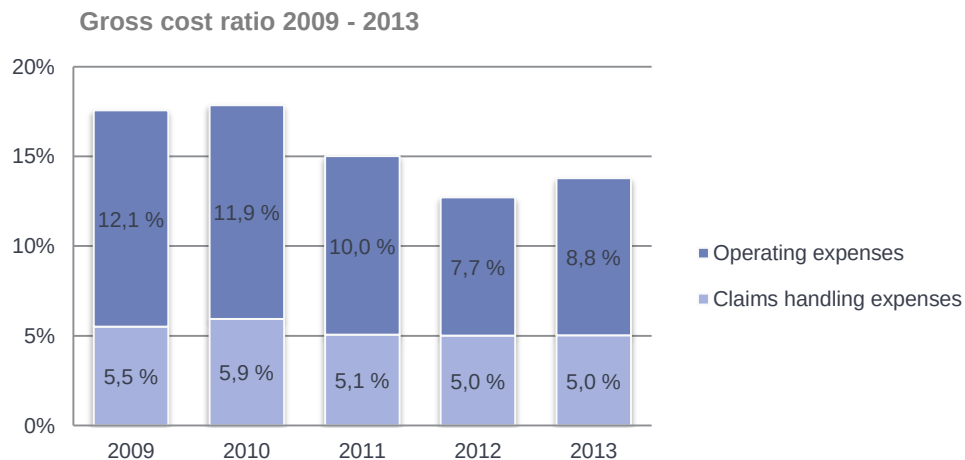


¹ Exclusive claims handling expenses, 5.0 percentage points (5.0 percentage points)

² Exclusive claims handling expenses, 6.6 percentage points (6.6 percentage points)

Cost ratio 2013

- Gross cost ratio¹ 13.8 %, up from 12.7%
 - Increased staffing in the commercial sector in Sweden, Denmark and Norway
 - Strengthening of the administration to support the build-up of Swedish and Danish business
 - Average no of employees 2013 146, up from 116 in 2012
- Net cost ratio² 10.8 %, up from 7.9 %
 - Driven by the increased gross costs
- Cost ratio will stabilize and then gradually decrease in 2014



¹ Inclusive claims handling expenses, 5.0 percentage points (5.0 percentage points)

² Inclusive claims handling expenses, 6.6 percentage points (6.6 percentage points)

Gross cost ratio

	2008	2009	2010	2011	2012	2013
PRF	11,2 %	12,1 %	11,9 %	10,0 %	7,7 %	8,8 %
Top*	14,7 %	14,9 %	15,4 %	15,7 %	15,8 %	16,2 %
Gjensidige	17,0 %	17,7 %	16,5 %	16,4 %	15,5 %	15,3 %
Tryg	17,1 %	17,2 %	17,0 %	16,6 %	16,4 %	15,6 %
If	17,4 %	17,6 %	17,2 %	17,3 %	16,9 %	16,8 %
Codan*	20,2 %	20,4 %	19,9 %	21,5 %	22,4 %	20,9 %
LF	21,0 %	22,0 %	22,0 %	21,0 %	21,0 %	19,0 %
KLP*	26,7 %	29,1 %	30,4 %	26,5 %	26,4 %	25,1 %

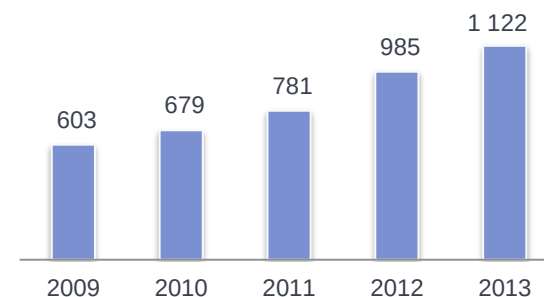
KLP, Top – pr. Q3 2013, Codan – pr. Q2 2013

- Protector's low cost ratio is driven by cost effective operations in all areas (sales, UW, services, IT and admin.)

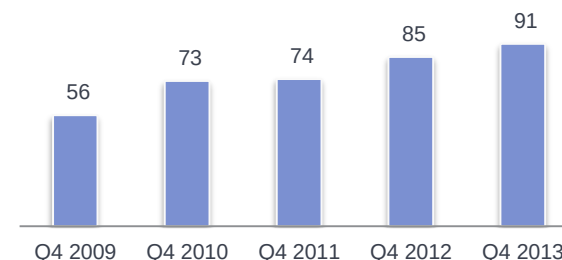
Highlights 2013 – Norwegian Commercial/public lines

- Volume up 14%
 - 13% growth in commercial sector, 18% in the public
 - Hit-ratio slowing down in the commercial sector
 - 4 large wins and 2 large non-renewals in the municipality sector
 - 7 large and 1 very large wins and 2 large non-renewals in the commercial sector
- Personal lines of business , 72% of total volume
 - 10 % growth in 2013
 - 25 % growth other lines
- Renewal rate 93%, on target
- 2014 reinsurance renewed on similar terms and conditions
- All time high relationship with leading brokers
 - Rated no. 1 seven years in a row
- Single digit growth expected in 2014

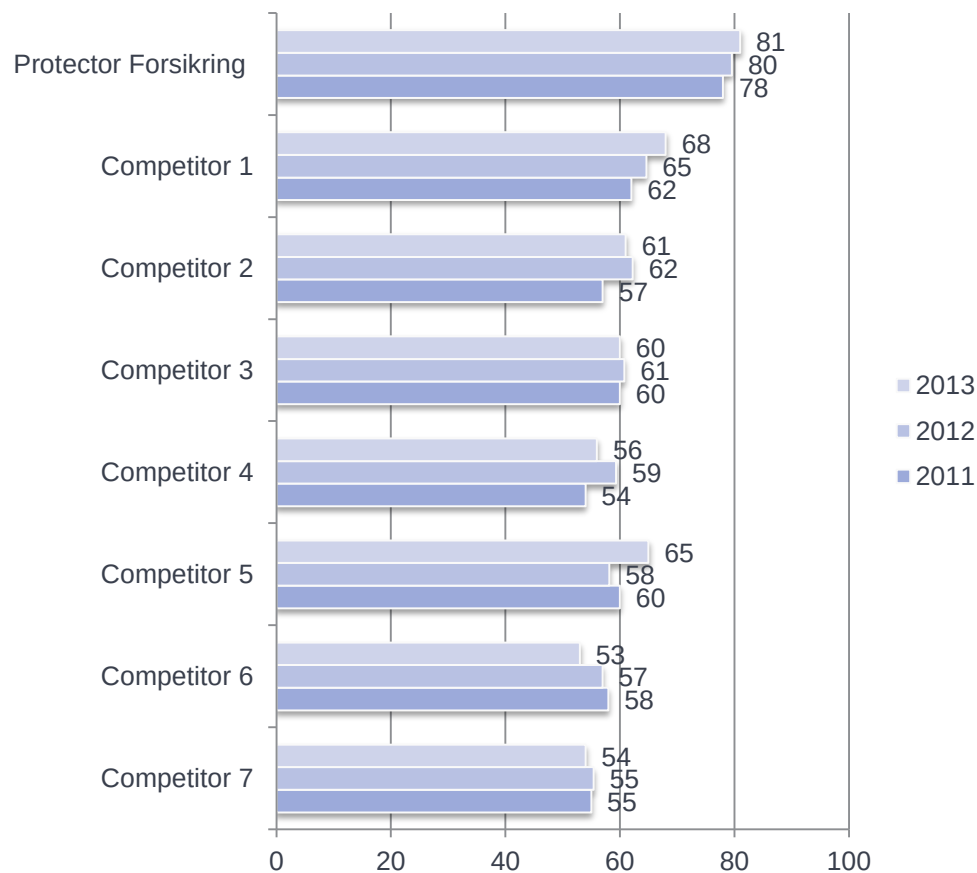
GWP 2009 – 2013 (NOKm)



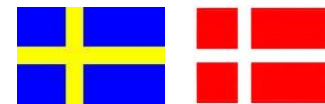
GWP Q4 2009 – Q4 2013 (NOKm)



Quality leader among insurance brokers seven years in a row



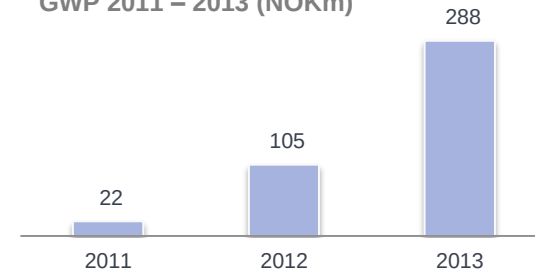
Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings



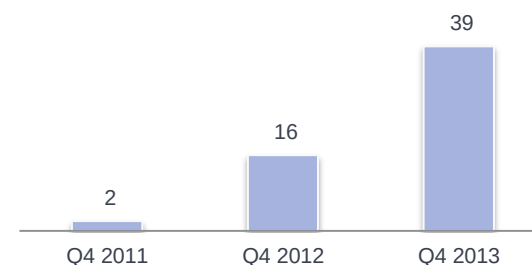
Highlights 2013 – Sweden and Denmark

- 174% growth
 - Representing 12 percentage points of the growth on company level
 - 4 large wins and 1 very large win in Denmark, no large non-renewals
 - 3 large wins in Sweden, no large non-renewals
 - Strong renewal rates, above 100% both in Sweden and Denmark
- Combined ratio above 100%
 - High cost ratios due to lack of critical mass
 - No significant profitability issues, but some necessary price increases effected January 1st 2014
 - Combined Ratio < 100% expected in 2014
- Cost ratios will stabilize early 2014 and then fall rapidly
- Will support double digit growth on company level in 2014 and 2015
- Relationship with leading brokers continues to develop

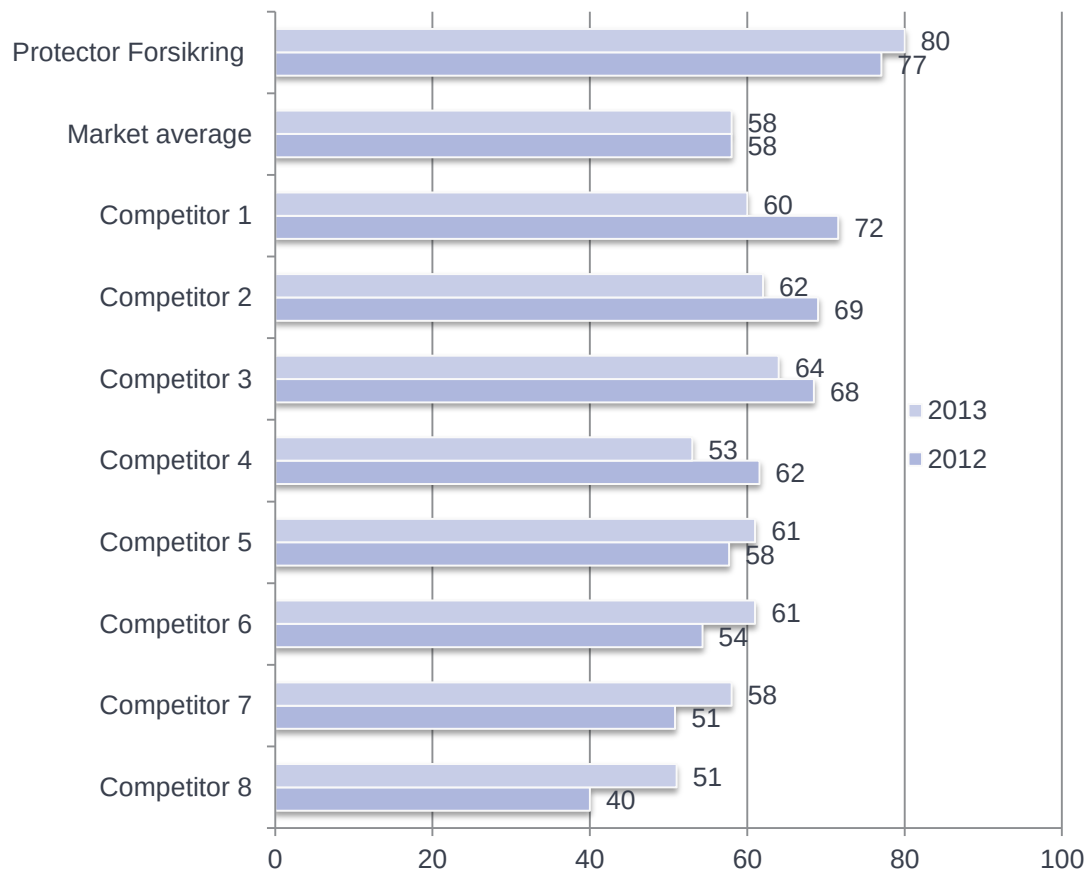
GWP 2011 – 2013 (NOKm)



GWP Q4 2011 – Q4 2013 (NOKm)

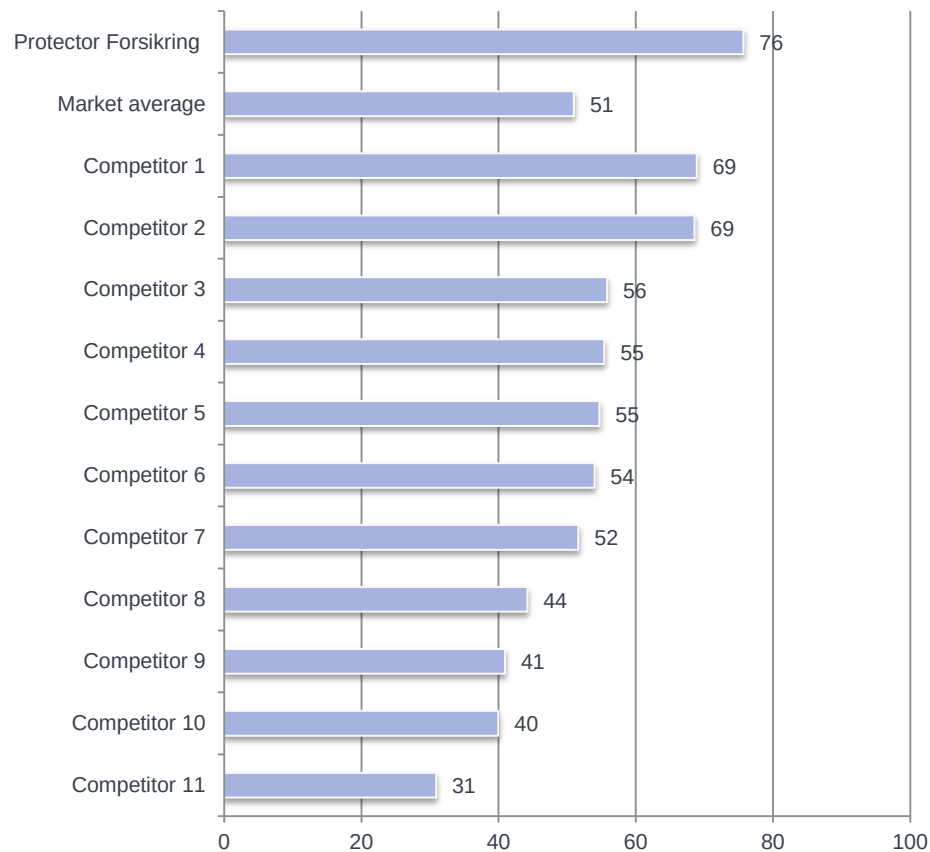


Broker satisfaction index Sweden



Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings

2013 Broker satisfaction index Denmark



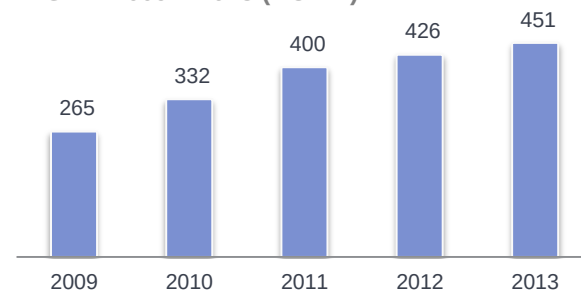
Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings

First survey, few respondents

Highlights 2013 - Change of ownership insurance

- Volume up 6%
 - Stable market share well above 50%
 - Hit-ratio stable on a high level, slightly above 80%
 - One new large customer on board late 2013, no losses
 - Real estate prices in 2013 up 4.9% relatively to 2012¹
 - High real estate market turnover rate
- Good profitability
 - Profitability actions yields results
 - More claims management capacity => improved quality
 - Average claims size increasing
- Very good court results
 - Win – draw – losses: 46% - 24% - 30%
- Real estate prices expected to slightly decline in 2014
 - 0 volume growth expected in 2014

GWP 2009 – 2013 (NOKm)

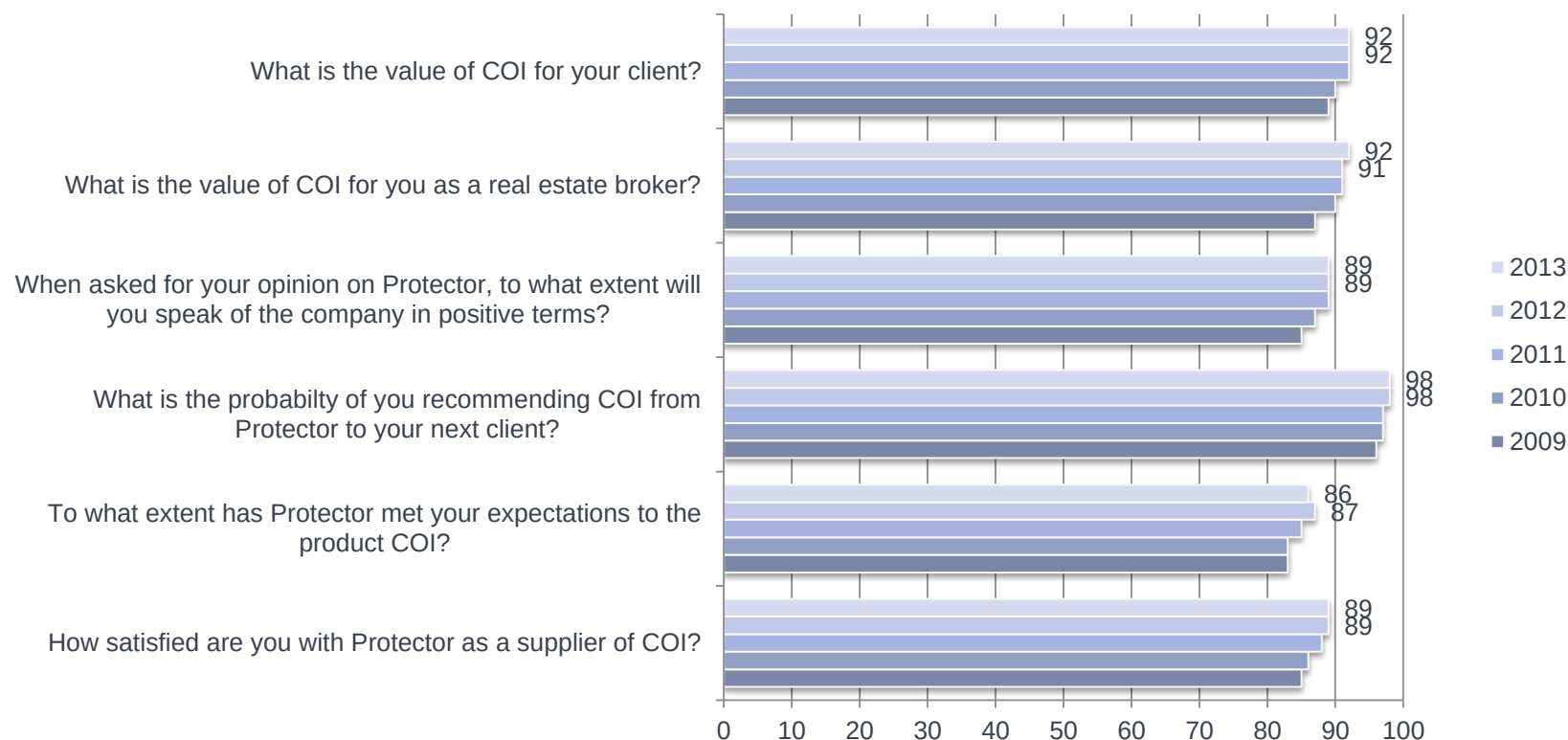


GWP Q4 2009 – Q4 2013 (NOKm)



¹ Source: NEF

2013 Real-estate broker satisfaction - all time high again



Results 2013

NOKm	Q4 2013	Q4 2012	FY 2013	FY 2012
Premiums written gross	237,7	198,2	1 860,6	1 517,0
Premiums earned gross	468,4	375,6	1 814,6	1 464,2
Claims incurred gross	(362,4)	(327,1)	(1 450,6)	(1 171,0)
Premiums earned for own account	352,5	279,5	1 373,6	1 107,4
Claims incurred for own account	(291,9)	(259,3)	(1 133,5)	(940,1)
Operating costs for own account	(36,0)	(23,8)	(56,9)	(14,2)
Other income/costs	(1,8)	(0,7)	(9,5)	(5,0)
Net financial income	83,9	61,2	256,7	245,6
Profit before change in security provision etc	106,6	56,9	430,3	393,7
Change in security provision etc.	19,6	(96,7)	(54,8)	(146,5)
Profit after change in security provision etc.	126,2	(39,8)	375,5	247,1
Tax	(32,4)	13,5	(88,5)	(48,4)
Profit before comprehensive income	93,8	(26,3)	287,0	198,8
Comprehensive income	(1,5)	8,9	5,7	8,9
Profit for the period	92,3	(17,4)	292,6	207,7
Net claims ratio	82,8 %	92,8 %	82,5 %	84,9 %
Net expense ratio	10,2 %	8,5 %	4,1 %	1,3 %
Net combined ratio	93,0 %	101,3 %	86,7 %	86,2 %
Retention rate	75,3 %	74,4 %	75,7 %	75,6 %

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

- 23% growth, net combined ratio 86.7%

Return on solvency capital 28%, after tax

NOKm 31.12.2013 31.12.2012

Financial assets	3 999,8	3 192,8
Bank deposits	153,3	141,9
Other assets	590,9	430,9
Total assets	4 744,1	3 765,6
Total equity	777,2	583,7
Subordinated loan capital	148,1	148,1
Total reserves	3 368,8	2 748,0
Other liabilities	450,0	285,8
Total equity and liabilities	4 744,1	3 765,6

Solvency capital	1 335,3	1 087,0
Return on solvency capital, after tax	28 %	38 %
Solvency capital per share, end of period	16,2	13,2
Solvency ratio	93 %	93 %
Solvency margin	315 %	304 %
Capital adequacy ratio (risk weighted)	20 %	20 %
NAV	1 179,0	946,0
NAV per share, end of period	14,3	11,5

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.

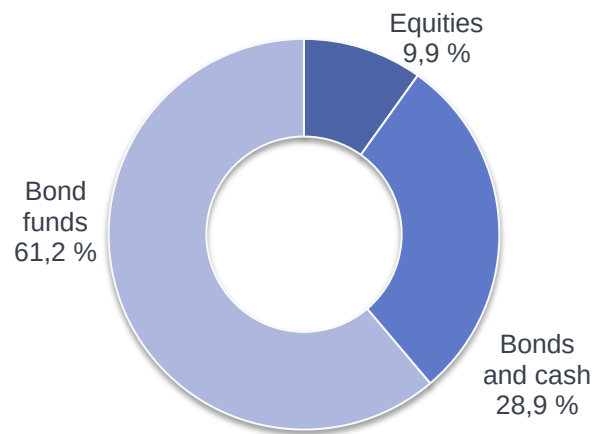
No. of shares = total outstanding shares ex own shares

- Return on solvency capital 28%, after tax
- 25% growth in investment portfolio
- Solvency margin 315%, after eventually dividend
- Historical to date Return on solvency capital after tax 21.5%

Asset allocation

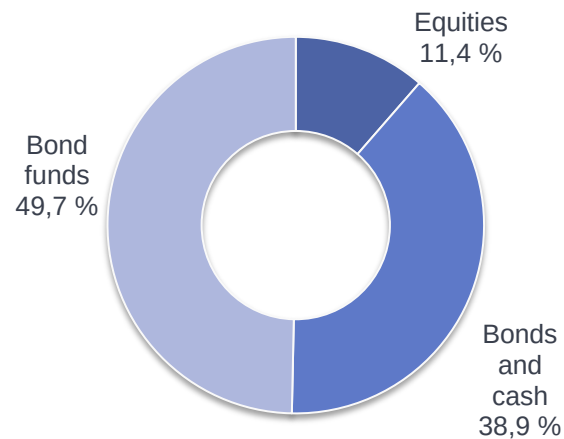
- Year end 2013; Bonds 86,8% of portfolio, Norwegian equities 13,2%
- Increased exposure in equities late Q4 (and not early 2014)
 - NOK 100 mill invested in Swedish Index fund

Money-weighted allocation of investments 31.12.2013



Total financial assets end year; NOK 3.999m

Money-weighted allocation of investments 31.12.2012

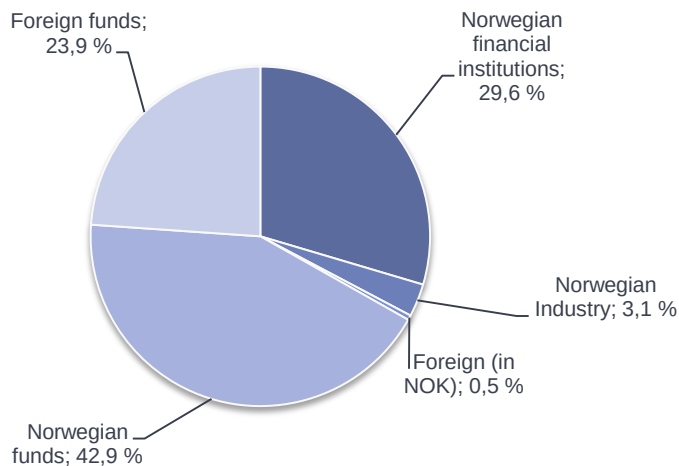


Total financial assets end year; NOK 3.193m

Portfolio structure and quality bond portfolio

- No currency risk
- Duration 0,57 years (0,88), average maturity is 3,23 years (3,1 years)
- Reduced risk in non rated funds in Q4

Bond portfolio 31 December 2013



Quality bond portfolio 31 December 2013

Split of fixed income portfolio	NOK mill	%
Bonds	1 104	32 %
Bond funds	2 319	67 %
Bank deposits	48	1 %
Total	3 471	100 %

Rating including internal rating by Norwegian financial institutions

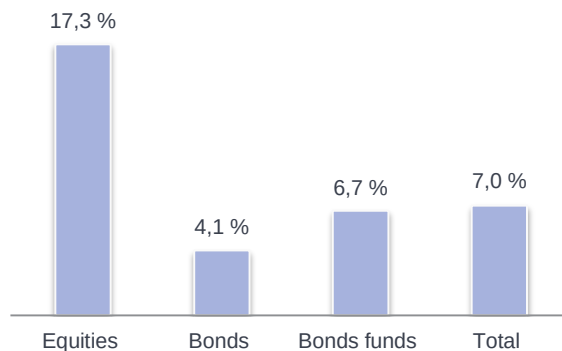
Investmentgrade	1 919	55 %
BB	62	2 %
B	-	0 %
Non rated (funds)	1 489	43 %
Total	3 471	100 %

Investment performance 2013

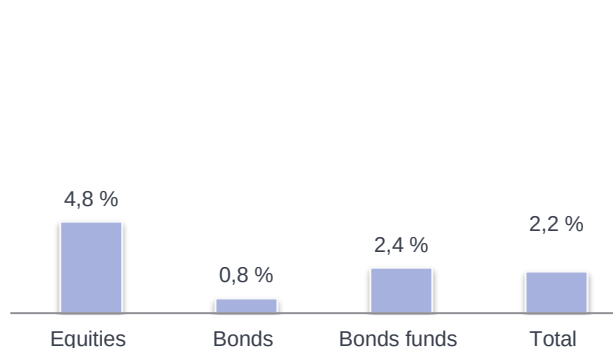
7% return on the investment portfolio

- Net investment result of NOK 256.7m, 7.0% return (NOK 245.6m, 8.9%)
 - Q4; NOK 83.9m, 2,2% return (NOK 61.2m, 2,0%)
- Equities, return of 17.3% (25.2%), OSEBX 23.6%, OSEFX 24.2%
 - Q4; 4,8% (3,1%), OSEBX 9,4% OSEFX 9,8%
- Bond portfolio, return of 5.8% (6.8%)
 - Credit spreads tightened
 - Q4: 1,9% (1,8%)
- Investment portfolio of NOK 3,999m (NOK 3,173m), 25% growth

Return 2013 per asset class



Return Q4 2013 per asset class



Investment income compared with competitors

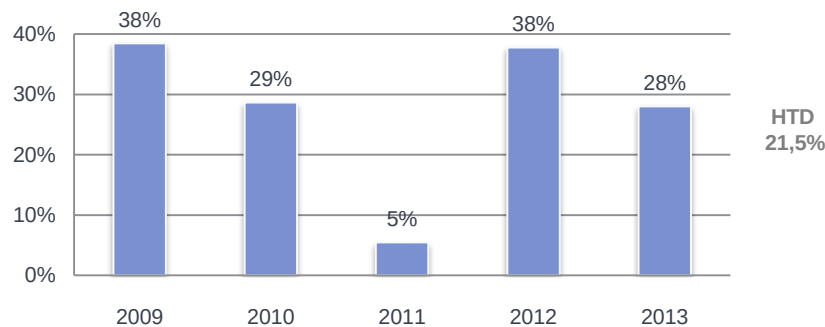
	2008	2009	2010	2011	2012	2013	Average
Protector	-2,1 %	16,1 %	9,7 %	-2,3 %	8,9 %	7,0 %	6,2 %
KLP Skade*	0,4 %	8,3 %	7,2 %	4,5 %	6,5 %	4,6 %	5,3 %
If	-3,1 %	12,4 %	7,4 %	1,8 %	6,1 %	5,0 %	4,9 %
Tryg	3,5 %	6,6 %	4,3 %	4,8 %	5,1 %	2,5 %	4,5 %
Gjensidige	-0,6 %	5,5 %	5,2 %	4,4 %	5,4 %	4,3 %	4,0 %
Codan*	5,6 %	5,9 %	3,5 %	3,0 %	3,9 %	-0,5 %	4,0 %
Top*	-6,9 %	7,3 %	4,8 %	3,1 %	6,9 %	2,8 %	3,0 %
LF	-14,0 %	10,0 %	6,0 %	-2,0 %	5,0 %	N/A	1,0 %
Average ex. PF	-3,2 %	7,5 %	5,1 %	2,5 %	5,3 %	3,2 %	3,3 %

*KLP, Top – pr. Q3 2013, Codan – pr. Q2 2013

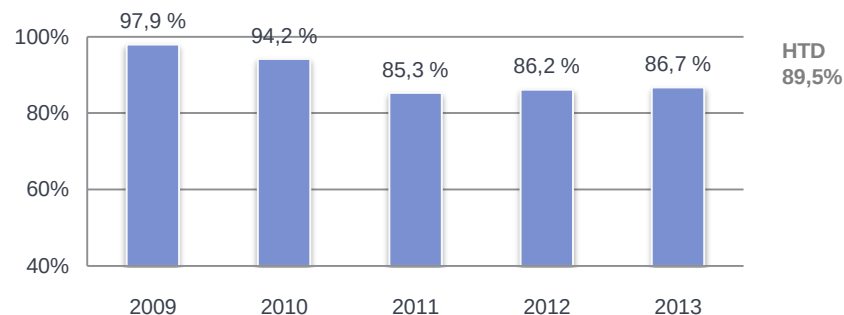
- Our assessment is that Protector also is doing well when we risk adjust the investment income

Development in earnings and key ratios

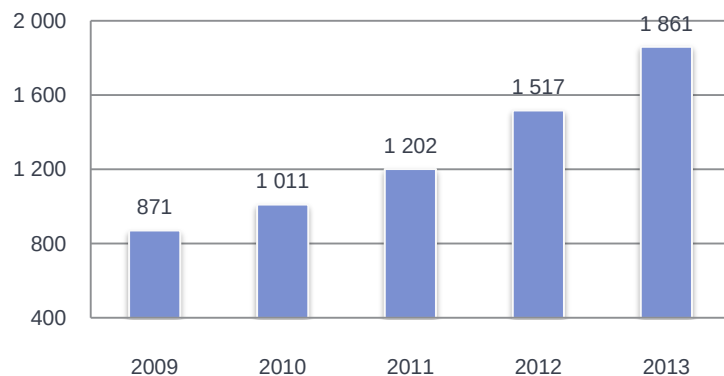
Return on solvency capital after tax



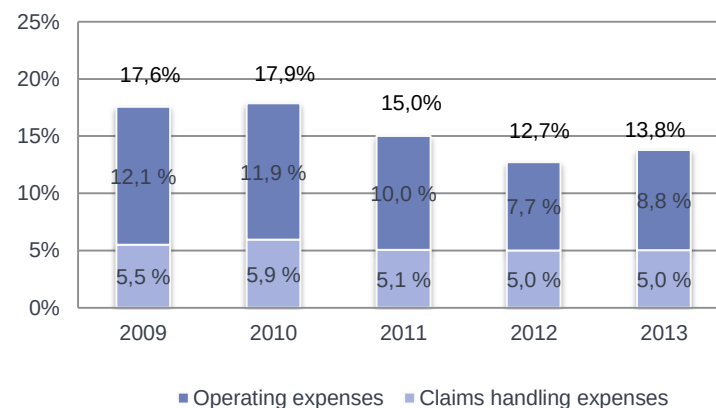
Net Combined Ratio



Gross premiums written (NOKm)



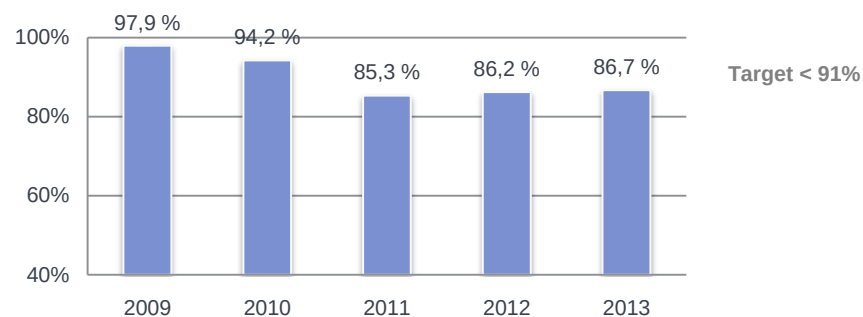
Gross cost ratio, inclusive claims handling expenses



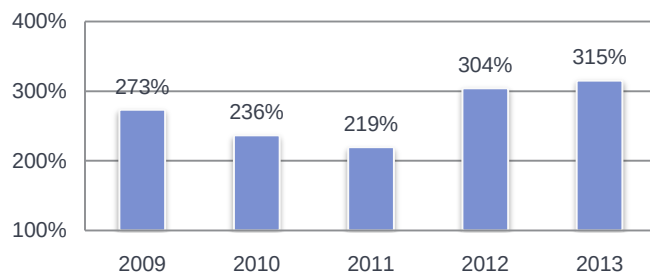
Long term financial objectives

- Medium term GWP growth rate: 10%
- Net combined ratio: 91%
- Solvency margin: > 250%
- Return on solvency capital: 20%

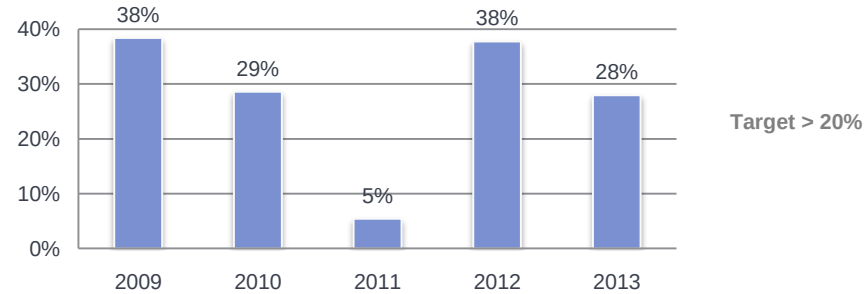
Net Combined Ratio



Solvency margin

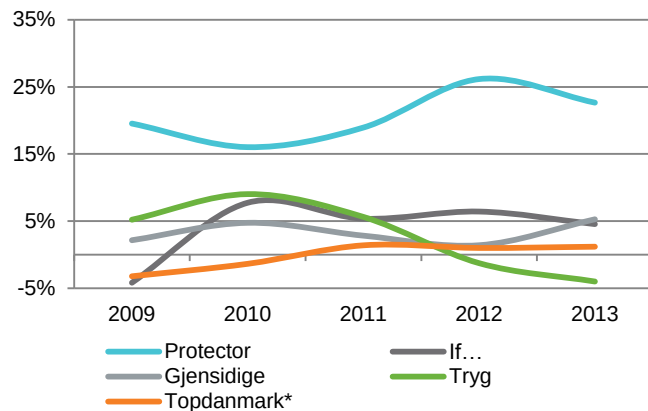


Return on solvency capital after tax



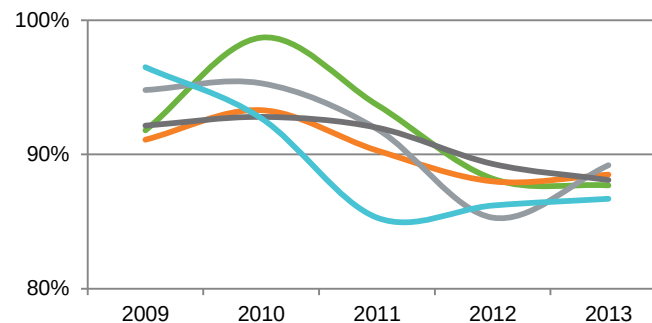
Nordic peers

Premium growth

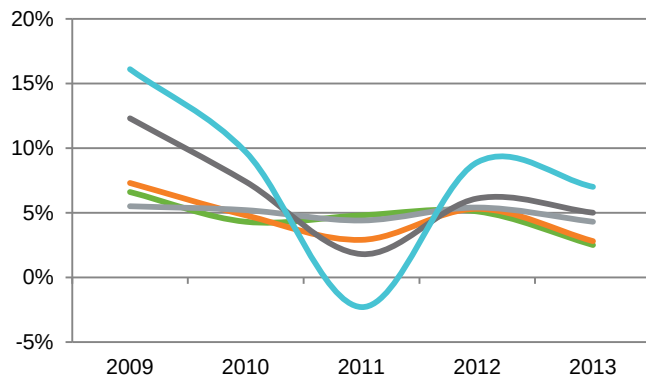


* Pr. Q3 2013

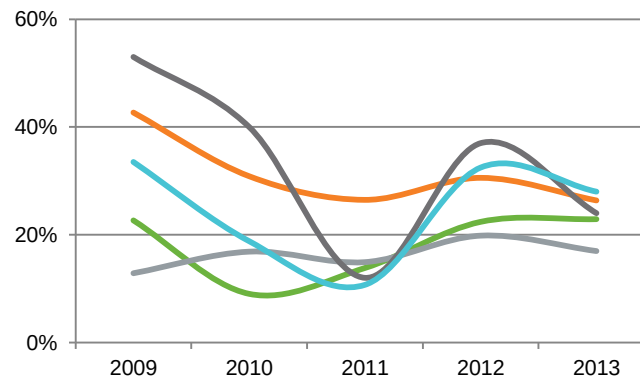
Combined ratio



Return on investments

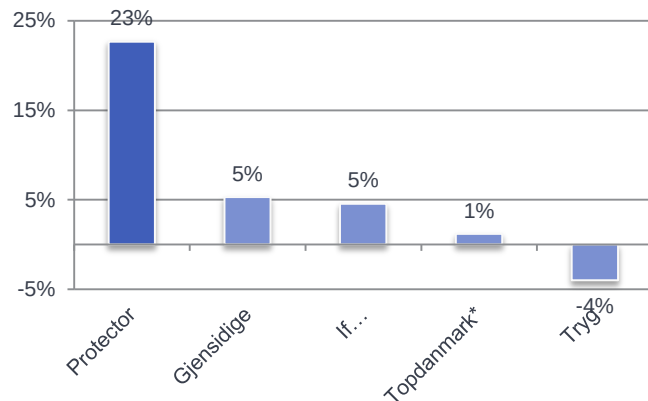


RoNAV



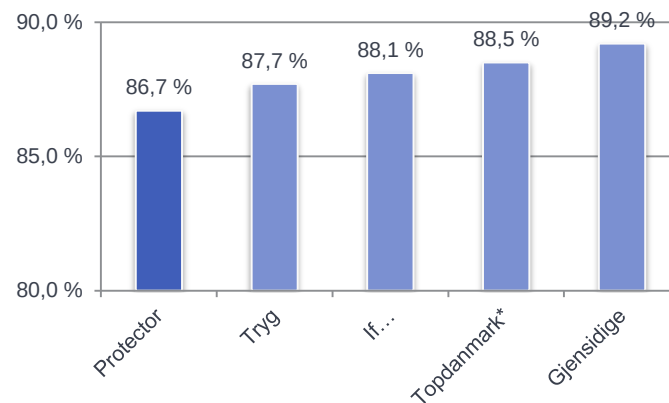
Nordic peers – 2013

Premium growth

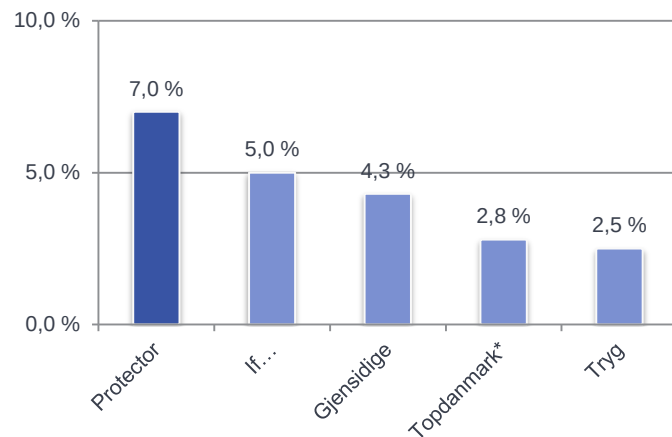


* Pr. Q3 2013

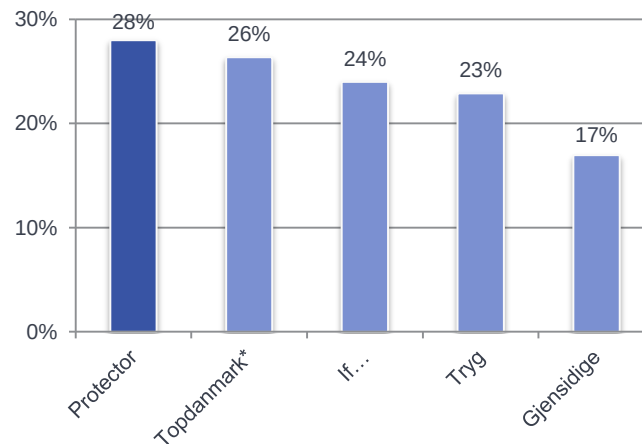
Combined ratio



Return on investments



RoNAV



Shareholder matters 19 February 2014

Shareholder	No. shares	Percent
ODIN NORDEN	6 611 211	7,67 %
STENSHAGEN INVEST AS	4 489 873	5,21 %
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	3 353 957	3,89 %
TJONGSFJORD INVEST AS	2 811 809	3,26 %
GABLER RÅDGIVNING AS	2 502 751	2,90 %
MP PENJON PK	2 375 706	2,76 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 111 193	2,45 %
ARTEL HOLDING A/S	1 873 451	2,17 %
VERDIPAPIRFONDET HANDELSBANKEN	1 804 734	2,09 %
AVANZA BANK AB	1 721 599	2,00 %
VPF NORDEA NORGE VERDI	1 671 268	1,94 %
FROGNES AS	1 649 916	1,92 %
VARMA MUTUAL PENSION INSURANCE	1 642 329	1,91 %
JOHAN VINJE AS	1 437 841	1,67 %
PETROSERVICE AS	1 343 815	1,56 %
NORDEA NORDIC SMALL CAP FUND	1 283 657	1,49 %
JP MORGAN CHASE BANK, NA	1 250 000	1,45 %
TOTAL 20 LARGEST	51 548 297	59,83 %
OTHERS	34 607 308	40,17 %
TOTAL SHARES	86 155 605	100,00 %

Related parties shareholding

- Management's direct and indirect shareholding totals 3,1m shares or 3,6% of current outstanding shares
- Board members directly and indirectly own a total of 6,3m shares or 7,3% of current outstanding shares
- 31 employees own directly a total of 4.8 m shares or 5.5% of current outstanding shares (incl. management)
- Protector own 3.570.661 own shares or 4,14% of current outstanding shares

No. Shareholders 2.564

¹ CEO Sverre Bjerkeli

² Chairman of the Board, Jostein Sørvoll

Outlook 2014

Volume up 16 % (23 % in 2013)

- + January 1st volume on a strong level
- + Very strong start in Sweden, strong start in Denmark
- Norwegian real estate market flattens or slightly decline, 0 growth within change of ownership
- Continued rate pressure in the commercial and public sector

Net claims ratio¹ 80% (75.9% in 2013)

- + Good start in 2014
- + Profitability measurers claims handling (Change of ownership and commercial) yielding results
- Some rate pressure in commercial and public sector
- Slightly poorer customer portfolio (Sweden, Denmark)

Gross cost ratio² <13% (13,8% in 2013)

- + Some volume growth and scalability Norway
- + Critical mass Sweden/Denmark will gradually occur during 2014
- + Cost program will reduce cost with 15 mill in 2014
- Very high level of motor business in Sweden, less cost effective

Net Combined ratio 90% (86.7% in 2013)

¹ Exclusive claims handling costs

² Inclusive claims handling costs

CEO Summary, risk outlook 2014

Slightly increased

Risk

+ Volume up in commercial & public sector Norway	Low
+ Sweden and Denmark support double digit growth	No
+ Balance sheet growing leads to increased financial income	No
+ Cost ratio Gross & Net going down	Low
0 Unchanged volume in Change of Ownership sector	Medium
- Price inflation lower than claims inflation in Change of Ownership	High
- Rate pressure driving claims ratio upwards	Medium
- One or two negative surprises will occur	Medium
- Sweden and/or Denmark develops worse than guided	Low

Outlook 2013

NOKm	Res 2013	Outlook 2014
Premium growth (%)	23	16
Operating profit	430	330
Investment Income	257	190
Gross cost ratio (%)	13.8	< 13
Net combined ratio (%)	86.7	90
Return on solvency (%)	28	20

Return assumptions 2014:

Equity allocation approx. 10%

Return equities: 8% p.a.

Return bonds: 4% p.a.

Average invested capital: NOK 4.300m



Summary 2013

- Volume up 23 %, Sweden and Denmark GWP 288 mill
- Net combined ratio 86.7 %
- All time high on quality indexes
- Operating profit of NOK 430.3 mill
- Return on solvency capital 28 % after tax
- 2014 guiding;
 - Volume up 16%
 - Combined Ratio 90%
 - Cost < 13%
- Strong Q1 2014 expected