PROTECTOR forsikring

Q1 results 2014

Investor presentation

9 May 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, Ojada employees etc.
- Strong results, average combined ratio 2004 - 2013, 89.5%
- GWP in 2013: MNOK 1.861
- Solvency capital of MNOK 1.462, investment portfolio ~ NOK 4.7 bn.
- Market cap. 30 April 2014, NOK 2,53 bn.

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

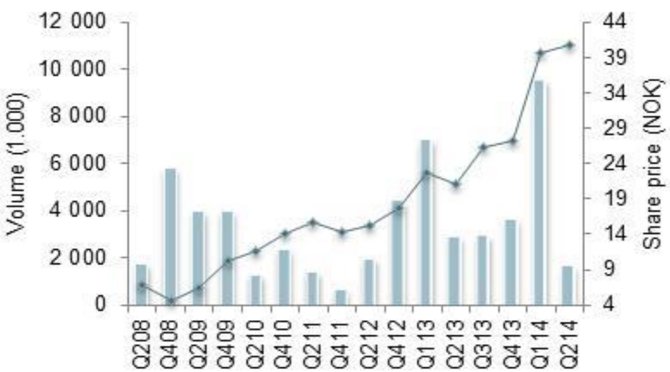
Outlook 2014:

GWP up 20 %
CR ~ 88 %

Dividend policy:

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

Protector share
Quarterly volume and share price end of quarter[1]



[1] Share buy back not included in the volume figures
Share price adjusted for dividends
Data pr. 28.04.2014

PROTECTOR forsikring

Highlights Q1 2014

34 % growth and increased guiding

- GWP in NOK up 34%,
  - Best ever growth quarter
  - GWP up 30 % in local currencies
    - Sweden and Denmark 382 mill (219 mill) in volume
- Gross cost ratio down to 8,1% (9,1%)
- Net combined ratio 79,9% (77,4%)
  - Reinsurance commissions driving CR down in Q1 as always
- 1,9 % return on the investment portfolio (2,2%)
  - Net return on investments NOK 83.8m (77.9m)
- Operating profit of NOK 162,4m (143m)
  - Best ever quarterly profit
- Guiding 2014 increased
  - Operating profit NOK 430m, up from previously guided NOK 330m
  - CR 88%, down from 90%
  - 20 % growth in GWP, up from 16%

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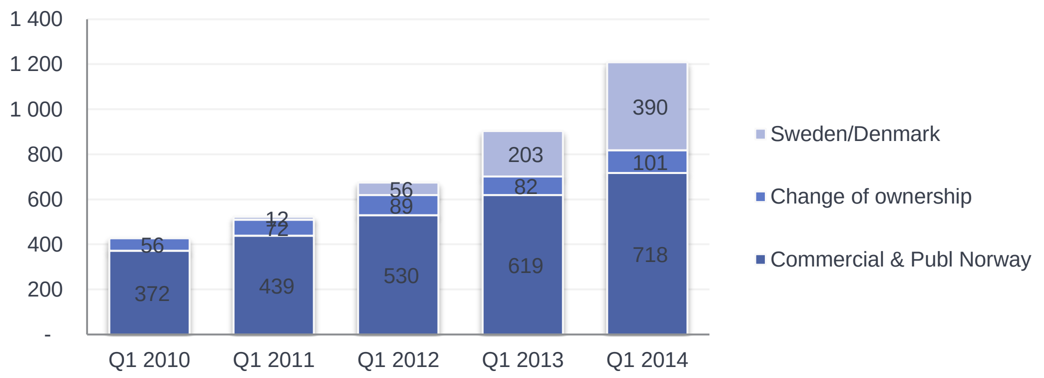
Gross written premium Q1 2014

GWP up 34%, from NOK 904m to NOK 1.208,6m

- GWP up 16% within the Norwegian commercial and public lines of business
  - Good renewal rate, 93%, down from 94% in Q1 2013
  - Very good access to quotations, but hit-ratio slowing down in commercial sector
- GWP in Sweden and Denmark 92% growth
  - 21 percentage points of total growth
  - 75% growth in local currencies and 18 percentage points of the total growth
  - Good renewal rates, 96%
- Change of ownership insurance, 22% growth
  - No. of policies sold up 17 %
  - Strong growth supported by a late Easter (Easter in Q1 the year earlier period)

GWP Q1 2010 – Q1 2014 (NOKm)

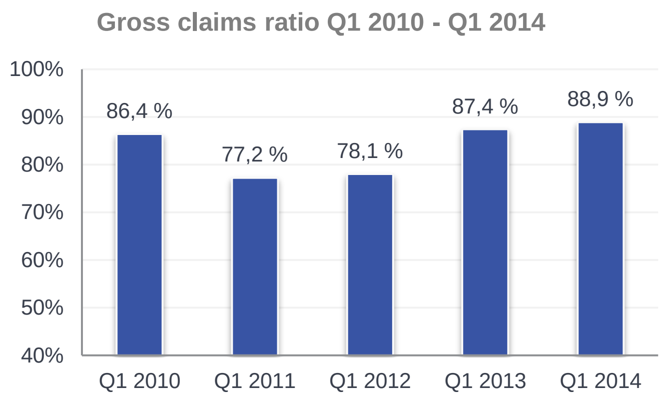


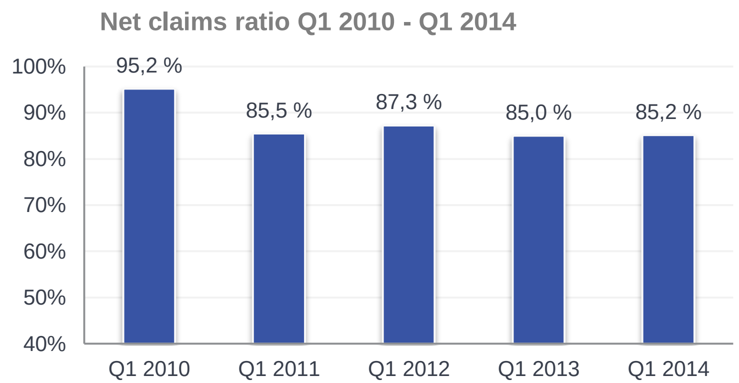
Claims development Q1 2014

- Gross claims ratio 88.9%, up from 87.4% in Q1 2013
  - Strong development within change of ownership insurance
  - Motor, other illness and accident 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 (> MNOK 5) in Sweden

- Net run-off-gains of 6,3% (3% in Q1 2013), higher than in a normal first quarter
  - Run-off-gains of MNOK 14,4 within change of ownership insurance

- Net claims ratio 85.2%, slightly up from 85.0%. Higher claims ratio than peers.





Claims development Q1 2014 – 4 large claims

Helicopter accident, personal injury

5 busses on fire

Fire in garage

Destroyed fire truck

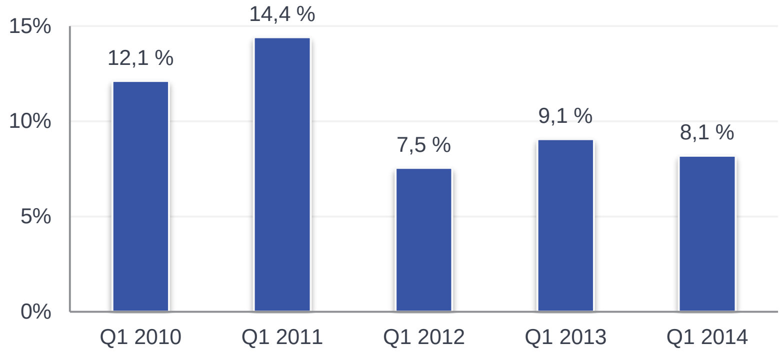
Cost ratio Q1 2014

- Gross cost ratio 8,1 %, down from 9,1 %
  - Increased staffing in all 3 countries
    - Critical mass not reached in Sweden and Denmark
  - Average no of employees Q1 2014 162, up from 131 in Q1 2013
  - Cost program will reduce costs with 15 mill in 2014

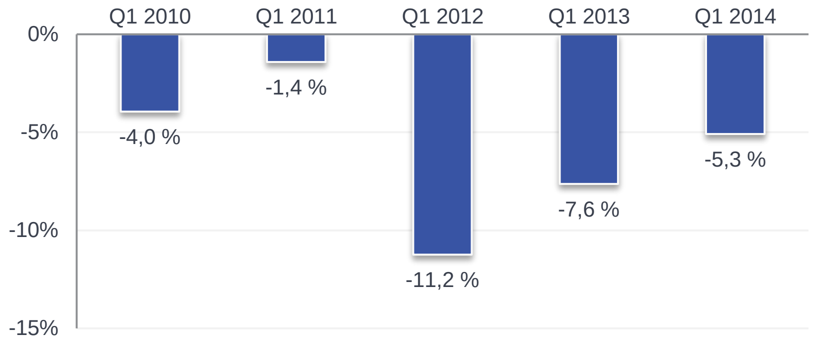
- Net cost ratio - 5,3 %, up from - 7,6 %
  - Negative costs due to high level of reinsurance commissions
  - The relative share of reinsurance commissions down due to a higher retention rate

- Gross cost ratio will continue to decrease in 2014 and forwards

Gross cost ratio Q1 2010 - Q1 2014



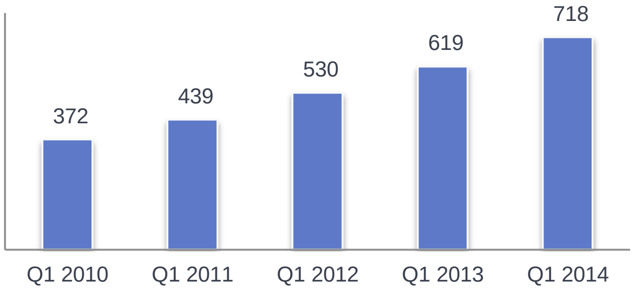
Net cost ratio Q1 2010 - Q1 2014



Highlights Q1 2014 – Norwegian Commercial/public lines

- Volume up 16 %
  - 37 % growth in the public sector
    - 5 large and 1 very large wins, 0 large non-renewals
  - 2 % growth in the commercial sector
    - 6 large wins and 1 large and 1 very large non-renewals
- Personal lines of business , 66% of total volume
  - 9 % growth in Q1
  - 30 % growth other lines
- Renewal rate 93 % , up from 90 %
  - Renewal rate above 100 % in the municipality sector
  - Renewal rate in the commercial sector 86 %
- Profitability measures within claims handling started
  - Loss prevention and recourse, yearly claims reduction of NOK 40 – 50 mill
  - Full effect of the measures expected in 2016
- Slow start on Q2
  - 2 large non-renewals

GWP Q1 2010 – Q1 2014 (NOKm)



Very large, GWP > 10 mill, large GWP > 3 mill

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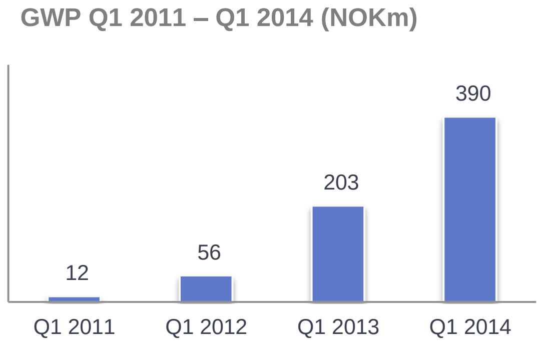
Highlights Q1 2014 – Sweden and Denmark

- 92% growth, 21 percentage points of total company growth
  - 75 % growth in local currencies, 18 % points of total company growth
  - 3 large wins and 1 very large win in Sweden, no large non-renewals
  - 2 large wins in Denmark, no large non-renewals
  - Strong renewal rates, 96%

- Combined ratios above 100%
  - High cost ratios due to lack of critical mass
    - Critical mass will gradually occur in 2014
    - Very high level of Motor business in Sweden, less cost effective
  - 2 large claims in Sweden in Q1, no significantly profitability issues
  - Combined Ratio < 100% expected in 2014

- Will support double digit growth on company level in 2014 and 2015

- Very good start on Q2
  - 2 very large and one large wins

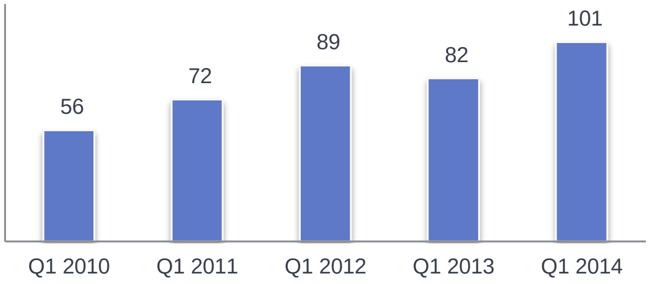


Very large, GWP > 10 mill, large GWP > 3 mill

Highlights Q1 2014 - Change of ownership insurance

- Volume up 22%
  - No. of policies sold up 17%
  - Strong growth supported by a late Easter (in Q1 last year)
  - Real estate prices in Q1 unchanged (up 0,1%) relatively to Q1 2013[1]
- Good profitability
  - Run-off-gains of MNOK 14,4
  - Profitability measures yields results
  - Cost ratio on a high level due to seasonality
- The recovery level remains high, but is slightly behind the very strong Q1 2013
- Very good court results, but no. of lawsuits remains on a very high level
  - Win – draw – losses: 56% - 21% - 24%
- The real-estate prices are expected to flatten or slightly increase in 2014
  - 4 % volume growth expected in 2014

GWP Q1 2010 – Q1 2014 (NOKm)



[1] Source: SSB

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Results Q1 2014

NOKm	Q1 2014	Q1 2013	2013
Premiums written gross	**1 208,6**	**904,0**	**1 860,6**
Premiums earned gross	530,7	400,2	1 814,6
Claims incurred gross	(472,0)	(349,8)	(1 450,6)
Premiums earned for own account	403,2	300,4	1 373,6
Claims incurred for own account	(343,5)	(255,5)	(1 133,5)
Operating costs for own account	21,3	23,0	(56,9)
Other income/costs	(2,4)	(2,8)	(9,5)
Net financial income	83,8	77,9	256,7
Profit before change in security provision etc	**162,4**	**143,0**	**430,3**
Change in security provision etc.	(28,5)	(40,9)	(54,8)
Profit after change in security provision etc.	**133,9**	**102,1**	**375,5**
Tax	(31,1)	(20,4)	(88,5)
Profit before comprehensive income	**102,8**	**81,8**	**287,0**
Comprehensive income inc. tax	(4,4)	2,5	5,7
Profit for the period	**98,4**	**84,3**	**292,6**
Gross claims ratio	88,9 %	87,4 %	79,9 %
Gross expense ratio	8,1 %	9,1 %	8,8 %
Gross combined ratio	**97,0 %**	**96,5 %**	**88,7 %**
Net claims ratio	85,2 %	85,0 %	82,5 %
Net expense ratio	-5,3 %	-7,6 %	4,1 %
Net combined ratio	**79,9 %**	**77,4 %**	**86,7 %**
Retention rate	76,0 %	75,1 %	75,7 %
Return on investment assets	1,9 %	2,2 %	7,0 %
Earnings per share	**1,50**	**1,35**	**3,96**

Note:

Retention rate = NPE in %of GPE

Earnings per share = (Profit before comp. income + Change in security provision - 27%tax on Change in security provision)/ (No. of outstanding shares - own shares)

- GWP up 34% (35%)
- Best ever quarterly profit
- No. 1 Nordic?

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Balance Sheet Q1 2014

NOKm	31.03.2014	31.03.2013	31.12.2013
Financial assets	4 674,0	3 780,7	3 999,8
Bank deposits	214,0	130,4	153,3
Other assets	909,5	733,2	590,9
Total assets	**5 797,5**	**4 644,2**	**4 744,1**
Total equity	875,5	667,9	777,2
Subordinated loan capital	148,1	148,1	148,1
Total reserves	4 225,5	3 441,9	3 368,8
Other liabilities	548,4	386,3	450,0
Total equity and liabilities	**5 797,5**	**4 644,2**	**4 744,1**
Solvency capital	1 462,2	1 212,1	1 335,3
Return on solvency capital, after tax	9 %	13 %	28 %
Solvency capital per share, end of period	17,7	14,7	16,2
Solvency ratio	159 %	185 %	93 %
Solvency margin	348 %	338 %	315 %
Capital adequacy ratio (risk weighted)	17 %	19 %	20 %
NAV	1 303,8	1 065,2	1 184,6
NAV per share, end of period	15,8	12,9	14,3

- 24% growth in investment portfolio
- Solvency margin 348 %, NOK 771 mill above the minimum requirement

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 pluss 73%of the total security provision etc.
No. of shares = total outstanding shares ex own shares

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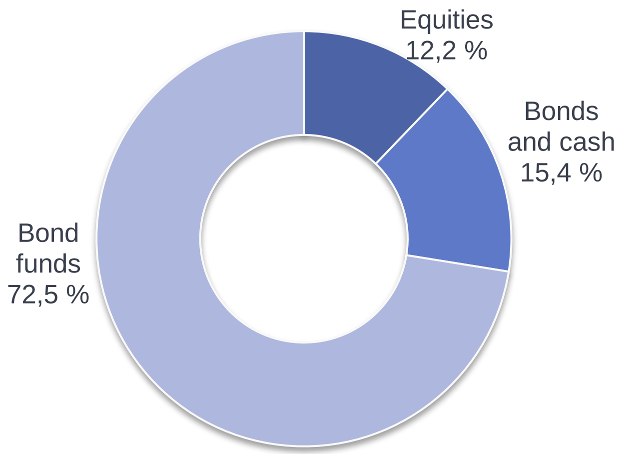
Asset allocation

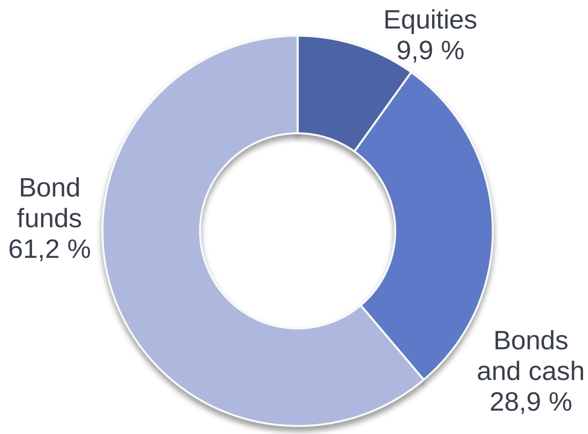
- End of Q1 2014; Bonds 88,3% of portfolio, Norwegian equities 11,7%
- Increased exposure in equities
  - DKK 50 mill invested in Danish equities in Q1
- Discretionary bond portfolio significantly reduced and re-allocated to funds
  - Improved risk adjusted return

Money-weighted allocation of investments 31.13.2014



Total financial assets end of Q1 2014; NOK 4.674m

Money-weighted allocation of investments 31.12.2013



Total financial assets end year; NOK 3.999m

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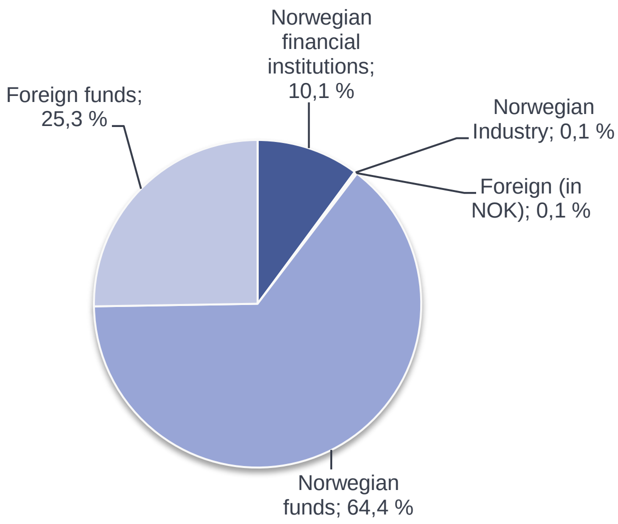
Portfolio structure and quality bond portfolio

- No currency risk
- Duration 0,76 years (0,86), average maturity is 3,45 years (3,23 years)

Bond portfolio 31 March 2014



Quality bond portfolio 31 March 2014

Split of fixed income portfolio	**NOK mill**	**%**
Bonds	424	10 %
Bond funds	3 700	90 %
Bank deposits	5	0 %
Total	4 129	100 %
Rating including internal rating by Norwegian financial institutions		
Investmentgrade	2 789	68 %
BB	25	1 %
B	-	0 %
Non rated (funds)	1 314	32 %
Total	4 129	100 %

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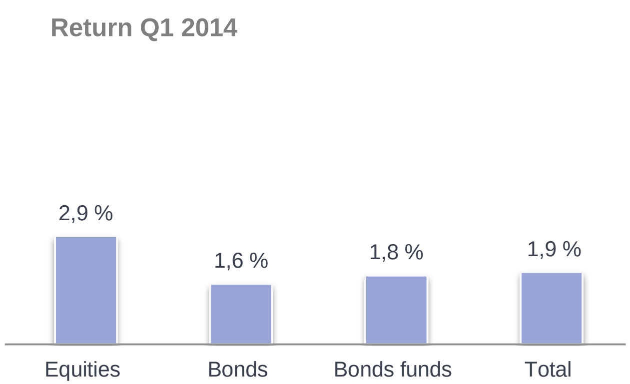
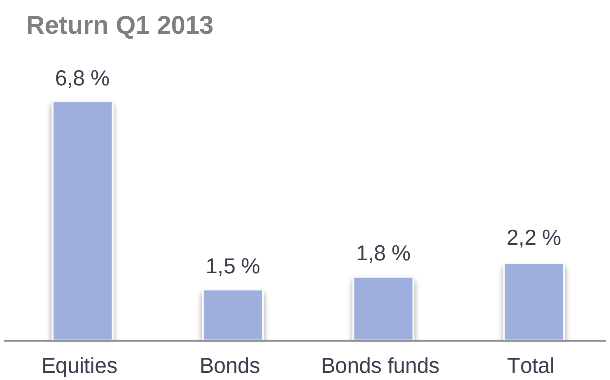
Investment performance Q1 2014

1,9% return on the investment portfolio

- Net investment result of NOK 83.8m, 1.9% return (NOK 77.9m, 2.2%)
- Equities, return of 2.9% (6.8%), OSEBX 2.4%, OSEFX 1.8%
- Bond portfolio, return of 1.8% (1.7%)
  - Yield end of Q1; 4,8 %
- Investment portfolio of NOK 4,674 m (NOK 3,781m), 24% growth





Shareholder matters 30 April 2014

Shareholder	No. shares	Percent
ODIN NORDEN	6 611 211	7,67 %
STENSHAGEN INVEST AS	4 610 180	5,35 %
PROTECTOR FORSIKRING ASA	3 570 661	4,14 %
OJADA AS	3 563 116	4,14 %
HANSARD EUROPE LTD	3 475 930	4,03 %
MSF-MUTUAL FINANCIAL SERVI FD	3 261 596	3,79 %
TJONGSFJORD INVEST AS [1]	2 811 809	3,26 %
MP PENSJON PK	2 375 706	2,76 %
AVANZA BANK AB	2 347 538	2,72 %
VERDIPAPIRFONDET HANDELSBANKEN	2 284 453	2,65 %
HANDELSBANKENS NORDISKA SMABOLAGSF	1 900 000	2,21 %
ARTEL HOLDING A/S	1 873 451	2,17 %
GABLER RÅDGIVNING AS [2]	1 702 751	1,98 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 689 791	1,96 %
FROGNES AS	1 649 916	1,92 %
VARMA MUTUAL PENSION INSURANCE	1 642 329	1,91 %
VPF NORDEA NORGE VERDI	1 638 468	1,90 %
VERDIPAPIRFONDET ALFRED BERG NORGE	1 451 944	1,69 %
JOHAN VINJE AS	1 437 841	1,67 %
PETROSERVICE AS	1 343 815	1,56 %
TOTAL 20 LARGEST	51 242 506	59,48 %
OTHERS	34 913 099	40,52 %
TOTAL SHARES	**86 155 605**	**100,00 %**

No. Shareholders 2.690

[1] *CEO Sverre Bjerkeli*

[2] *Chairman of the Board, Jostein Sørvoll*

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 9,9m shares or 11,5% of current outstanding shares
- 33 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

Notifications of trade in Q1

- Chairman of the Board Jostein Sørvoll has 20 March. through his company Gabler Rådgivning sold 800.000 shares in Protector at a price of NOK 29,00 per share
- Merete C Bernau, Dir. Change of Ownership Insurance, has 25 March sold 10,000 shares in Protector at a price of NOK 29,00 per share
- Jørgen Stang Heffermehl (member of the Board of Directors until 30 April) and his family have 26-27 March sold 238,818 shares in Protector at an average price of NOK 28,6317 per share

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Outlook 2014

Guiding 26 February 2014	Guiding 9 May 2014
• GWP up 16% – Status per Q1, ahead of schedule	GWP up 20%
• Combined ratio 90% – Status per Q1, ahead of schedule – Gross claims ratio slightly behind schedule	Combined ratio 88 %
• Gross cost ratio < 8 %, on schedule	Gross cost ratio < 8 %
• Operating profit NOK 330m – Status per Q1, ahead of schedule	Operating profit NOK 430m
• Return on solvency capital 20% – Status per Q1, ahead of schedule	Return on solvency 24%

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Outlook 2014, increased

	Res 2013	Old 2014e	New 2014e
Premium growth in NOK (%)	23	16	20
Investment Income (NOKm)	257	190	250
Operating profit (NOKm)	430	330	430
Gross cost ratio (%)	8.8	< 8	< 8
Net combined ratio (%)	86.7	90	88
Change in Security prov. (NOKm)	54.8	N/A	58
Return on solvency capital (%)	28	20	24
Earnings per share (NOK)	3,96	N/A	4

Return assumptions 2014[1]:

Equity allocation approx. 12% (10%)

Return equities: 8% p.a. (8% p.a.)

Return bonds: 5,4% p.a. (4,0% p.a.)

Average inv. capital: NOK 4.400m (4.300'')

[1]Figures in brackets; Guiding 26 February 2014

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CEO Summary, Risk outlook 2014

- Slightly reduced risk relatively to the risk outlook 26 Feb.

	26 Feb. Risk	9 May Risk
+ Volume up in commercial & public sector Norway	Low	No
+ Sweden and Denmark support double digit growth	No	No
+ Balance sheet growing leads to increased financial income	No	No
+ Cost ratio Gross & Net going down	Low	Low
0 Unchanged volume in Change of Ownership sector	Medium	Low
- Price inflation lower than claims inflation in Change of Ownership	High	Medium
- Rate pressure driving claims ratio upwards	Medium	Medium
- One or two negative surprises will occur	Medium	Medium
- Sweden and/or Denmark develops worse than guided	Low	Low

Summary Q1 2014

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