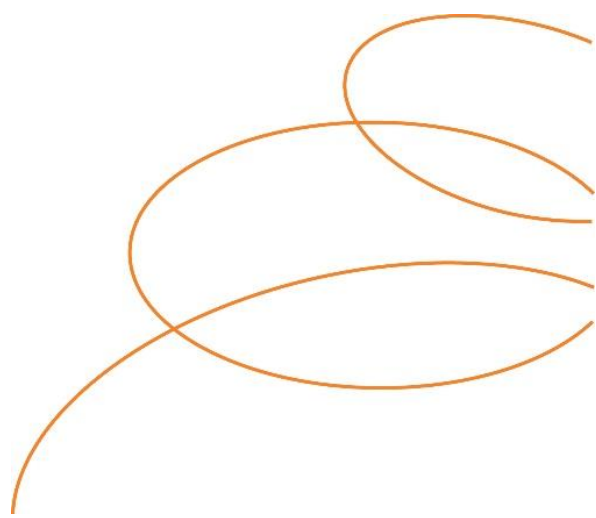




INTERIM REPORT Q2 2017
PROTECTOR FORSIKRING ASA

(UNAUDITED)
JULY 2017



Highlights Q2 2017

Profitable growth continues – despite Grenfell Tower fire

Protector delivers an operating profit before tax of NOK 169,5 million in the second quarter of 2017. Premium growth continues with gross written premiums up 23,4% compared to Q2 2016 and strengthening of the net combined ratio from 93,7% in Q2 2016 to 90,7% in Q2 2017 despite the tragic Grenfell Tower fire in UK.

Q2 2017 shows following development compared to Q2 2016:

- Gross premiums written NOK 890,5m, up 23,4% from NOK 721,8m
- Net combined ratio 90,7%, down from 93,7%
- Net financial income of NOK 116,1 (1,3%), compared to NOK 220,5 (3,0%)
- Operating profit before tax NOK 169,5, down from NOK 254,9m
- Gross expense ratio at 7,5% (5,1%)

Financial highlights and key ratios

[1.000.000 NOK]		Q2 2017	Q2 2016	H1 2017	H1 2016	FY 2016
Gross premiums written		890,5	721,8	2.977,9	2.634,0	3.439,0
Gross premiums earned		927,3	873,0	1.785,9	1.655,9	3.250,4
Gross claims incurred		(1.262,0)	(781,4)	(2.046,3)	(1.489,1)	(3.005,0)
Earned premiums, net of reinsurance		757,8	720,4	1.468,0	1.352,0	2.669,0
Claims incurred, net of reinsurance		(675,7)	(679,0)	(1.334,0)	(1.289,0)	(2.540,4)
Net commission income		33,2	34,3	119,8	119,6	118,5
Operating expenses		(44,9)	(30,7)	(91,2)	(63,9)	(167,0)
Other income/costs		(17,0)	(10,6)	(28,4)	(7,2)	(38,3)
Net financial income		116,1	220,5	142,6	188,6	499,3
Profit before tax		169,5	254,9	276,8	300,1	541,1
Claims ratio, net of ceded business	(1)	89,2 %	94,3 %	90,9 %	95,3 %	95,2 %
Expense ratio, net of ceded business	(2)	1,5 %	-0,5 %	-2,0 %	-4,1 %	1,8 %
Combined ratio, net of ceded business	(3)	90,7 %	93,7 %	88,9 %	91,2 %	97,0 %
Gross claims ratio	(4)	136,1 %	89,5 %	114,6 %	89,9 %	92,5 %
Gross expense ratio	(5)	7,5 %	5,1 %	7,4 %	5,6 %	6,8 %
Gross combined ratio	(6)	143,6 %	94,6 %	121,9 %	95,5 %	99,2 %
Retention rate	(7)	81,7 %	82,5 %	82,2 %	81,6 %	82,1 %
Earnings per share	(8)	1,46	2,60	2,27	2,79	5,25

(1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance

(2) Operating expenses in % of earned premiums, net of reinsurance

(3) Net claims ratio + net expense ratio

(4) Gross claims incurred in % of gross premiums earned

(5) Sales and administration costs in % of gross premiums earned

(6) Gross claims ratio + gross expense ratio

(7) Earned premiums, net of reinsurance in % of gross earned premiums

(8) Profit before other comprehensive income divided by weighted number of shares

Protector's operations

Protector Forsikring ASA is a Norwegian general insurance company (P&C) operating in the Nordic region with presence in the UK.

Protector entered the Swedish insurance market in 2011, the Danish insurance market in 2012 and Finland and UK in 2016.

The company has three business segments: commercial lines of business, public lines of business and change of ownership insurance in Norway. Protector Forsikring ASA is listed on the Oslo Stock Exchange.

Premiums

Gross premiums written totalled NOK 890,5m, representing a 23,4% growth compared to Q2 2016. In Sweden GWP increased 36,1% to NOK 204,0m compared with Q2 2016. Excluding UK and Finland, Norway had a 1,9% decrease to NOK 517,0m and Denmark had a decrease of 25,9% to NOK 17,7m in what is a small quarter.

Gross premiums written year to date rose by NOK 344,0m, or 13,1% from NOK 2.634,0m to NOK 2.977,9m, of which UK had a total of NOK 157,1m and Finland a total of NOK 48,5m.

Gross premiums written within the commercial and public sector totalled NOK 739,0m in Q2 2017, up from NOK 549,1m in Q2 2016.

Gross premiums written within the change of ownership insurance totalled NOK 151,5m in Q2 2017, a 12,3% decrease compared to Q2 2016. The 2017 figures includes less days of revenue than 2016 due to early cut off.

Gross premiums earned increased by NOK 54,3m to a total of NOK 927,3m. The growth was 16,9% in Sweden. Excluding UK and Finland, Norway had a decrease of 3,2% while Denmark had a decrease of 1,2% compared to Q2 2016.

Year to date, the gross premiums earned increased by NOK 129,9m to NOK 1.785,9m, of which UK had a total of NOK 47,4m and Finland a total of NOK 23,7m.

Premiums earned for own account totalled NOK 757,8, an increase of 5,2% compared to Q2 2016, whilst premiums earned for own account year to date increased by 8,6% to NOK 1.468,0m.

Results

The operating profit before tax totalled NOK 169,5m, down from 254,9m in Q2 2016, whilst the technical result increased from NOK 41,8m to NOK 69,6m.

Year to date 2017 the operating profit before tax totalled NOK 276,8m, down 7,8% from the same period last year, whilst the technical result increased from NOK 121,5m to NOK 159,4m.

In Q2 the net profit was NOK 165,0m against a net profit of NOK 222,7m in Q2 2016. For H1 2017, the net profit totalled NOK 246,0m, compared to NOK 232,4m in H1 2016.

The net combined ratio was 90,7%, 3 percentage points lower than the 93,7% reported in Q2 2016. Net combined ratio for the quarter was 79,0% in Norway, 96,1% in Sweden and 132,2% in Denmark.

In H1, the net combined ratio was 88,9%, compared to 91,2% in H1 2016. Net combined ratio was in H1 86,7% (96,5%) in Norway, 84,4% (78,0%) in Sweden and 103,7% (88,5%) in Denmark.

In Q2 the company had run-off gains of 3,2%.

Gross claims ratio was 136,1%, up from 89,5% in Q2 2016 mainly driven by the Grenfell Tower fire in UK. Net claims ratio was 89,2%, down from 94,3% in Q2 2016.

The gross expense ratio was 7,5% up from 5,1% in Q2 2016, whilst the net expense ratio was 1,5%, up from -0,5%. The low net cost ratio comes from a high level of reinsurance commissions.

Investment return

Net investment portfolio amounted to a total of NOK 9.089m at 30 June 2017, up 22,0% compared to the portfolio end of Q2 2016.

Investment activities yielded a total return of NOK 116,1m, or 1,3% compared to a return of NOK 220,5m or 3,0% in Q2 2016. Equities accounted for a NOK 67,0m gain (4,0%) against a NOK 127,5m gain (8,9%) in Q2 2016. Return on the fixed income portfolio totalled NOK 49,1m or 0,7% against NOK 93,0m or 1,6% in Q2 2016.

In H1, the investment result was NOK 142,6m (1,7%) against NOK 188,9m (2,6%) in H1 2016. Equities accounted for a NOK 15,6m gain (0,9%) against NOK 72,4m gain (5,2%) in H1 2016. Return on the fixed income portfolio totalled NOK 127,1m or 1,9% against NOK 116,5m or 2,0% in H1 2016.

End of Q2 2017, 17,9% of Protector's financial assets were invested in equities, down from 22,1% at the end of 2016.

Capital and shareholder matters

The AGM on 20 April 2017 approved the payment of a dividend of NOK 2,25 per share. This pay-out reduced the equity by NOK 193,8m in this quarter.

The company is well capitalized under the Solvency II regime. Solvency capital requirement (SCR) ratio using standard formula was 177% as of 30.06.2017.

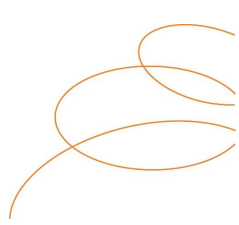
Prospects

The Board is satisfied with the overall premium growth and the financial results and expects continued strong growth in 2017, despite strong competition in all markets.

The Grenfell Tower catastrophe clearly demonstrated the inherent volatility in our core business. Proper reinsurance arrangements have limited the direct net effect on the company. However, uncertainty in claims development, and the inherent volatility of capital markets, are continued to be the most important risk factors that could affect the company's profit in 2017.

Oslo, 6th July 2017

The Board of Directors of Protector Forsikring ASA



Income statement

[1.000.000 NOK]	Q2 2017	Q2 2016	H1 2017	H1 2016	FY 2016
Premium income					
Gross premiums earned	927,3	873,0	1.785,9	1.655,9	3.250,4
Reinsurers' share of earned premiums	(169,5)	(152,6)	(317,9)	(303,9)	(581,3)
Earned premiums, net of reinsurance	757,8	720,4	1.468,0	1.352,0	2.669,0
Other insurance-related income	0,8	0,8	2,0	10,9	15,4
Claims incurred					
Gross claims incurred	(1.262,0)	(781,4)	(2.046,3)	(1.489,1)	(3.005,0)
Reinsurers' share of claims incurred	586,3	102,4	712,3	200,2	464,7
Claims incurred, net of reinsurance	(675,7)	(679,0)	(1.334,0)	(1.289,0)	(2.540,4)
Operating expenses					
Sales costs	(25,1)	(13,7)	(40,2)	(28,1)	(53,8)
Administration costs	(44,9)	(30,7)	(91,2)	(63,9)	(167,0)
Commission from reinsurers	58,3	48,1	159,9	147,7	172,3
Total operating expenses, net of reinsurance	(11,7)	3,6	28,6	55,6	(48,6)
Other insurance-related expenses	(1,6)	(4,0)	(5,2)	(8,1)	(25,8)
Technical result	69,6	41,8	159,4	121,5	69,7
Net income from financial assets	116,1	220,5	142,6	188,6	499,3
Other income	-	0,1	0,1	0,2	0,4
Other expenses	(16,2)	(7,4)	(25,3)	(10,2)	(28,2)
Non-technical result	99,9	213,1	117,5	178,6	471,4
Profit before tax	169,5	254,9	276,8	300,1	541,1
Tax	(22,9)	(31,1)	(60,5)	(59,7)	(88,4)
Profit before components of comprehensive income	146,6	223,8	216,4	240,4	452,7
Actuarial gain and loss from defined benefit pension plans	-	-	-	-	(1,2)
Currency changes from foreign enterprise	24,5	(1,5)	39,5	(10,7)	(3,3)
Taxes on components of comprehensive income	(6,1)	0,4	(9,9)	2,7	1,1
Profit for the period	165,0	222,7	246,0	232,4	449,3
Earnings per share	1,70	2,60	2,51	2,79	5,25
Earnings per share, diluted	1,70	2,60	2,51	2,79	5,25

Balance Sheet

[1.000.000 NOK]	30.06.2017	30.06.2016	31.12.2016
Assets			
Intangible fixed assets			
Other intangible fixed assets	16,1	15,6	15,8
Total intangible fixed assets	16,1	15,6	15,8
Buildings and other real estates			
Owner-occupied property	13,7	13,6	13,7
Total buildings and other real estates	13,7	13,6	13,7
Financial assets			
Shares	1.628,5	1.604,2	1.670,2
Securities, bonds etc	7.350,0	5.461,3	5.225,0
Financial derivatives	2.188,8	661,5	990,7
Other financial assets	231,0	534,5	651,8
Total financial assets	11.398,3	8.261,5	8.537,6
Reinsurers share of gross technical provisions			
Reinsurers share of gross premium provisions	326,6	247,0	66,0
Reinsurers share of gross claims provisions	1.120,3	557,7	638,2
Total reinsurers share of gross technical provisions	1.446,9	804,7	704,1
Receivables			
Policyholders	245,2	187,3	83,8
Intermediaries	133,2	135,2	76,4
Other receivables	18,8	8,0	16,3
Total receivables	397,2	330,4	176,4
Other assets			
Tangible fixed assets	17,2	13,1	12,4
Cash and bank deposits	285,5	45,9	204,3
Total other assets	302,8	59,1	216,7
Total prepaid expenses	296,3	208,3	182,9
Total assets	13.871,4	9.693,1	9.847,4

Balance Sheet

[1.000.000 NOK]	30.06.2017	30.06.2016	31.12.2016
Equity and liabilities			
Shareholders' equity			
Share capital [86.155.605 shares]	86,2	86,2	86,2
Own shares	(3,6)	-	-
Other paid-in equity	267,7	267,7	267,7
Total paid-in equity	350,2	353,7	353,8
Earned equity			
Natural perils fund	23,8	(2,8)	8,3
Guarantee scheme	90,8	80,7	83,3
Other equity	1.852,4	1.619,5	1.822,7
Total earned equity	1.967,0	1.697,6	1.914,4
Total equity	2.317,2	2.051,3	2.268,2
Subordinated loan capital	1.241,4	648,1	645,9
Technical provisions			
Provisions for unearned premiums	1.795,7	1.403,7	590,7
Provisions for claims	5.486,9	4.147,7	4.557,2
Total technical provisions	7.282,6	5.551,4	5.148,0
Provisions for other risks and liabilities			
Pension liabilities	10,9	10,9	10,9
Current tax liability	(4,4)	(5,9)	8,9
Deferred tax liability	154,0	147,3	156,9
Total provisions for other risks and liabilities	160,5	152,2	176,8
Liabilities			
Liabilities in connection with insurance	7,4	25,2	7,3
Liabilities in connection with reinsurance	273,2	308,1	196,8
Financial derivatives	2.186,4	653,7	992,3
Other liabilities	209,0	198,2	78,4
Total liabilities	2.676,1	1.185,3	1.274,8
Incurred expenses and prepaid income			
Other incurred expenses and prepaid income	193,5	104,9	333,7
Total incurred expenses and prepaid income	193,5	104,9	333,7
Total equity and liabilities	13.871,4	9.693,1	9.847,4

Cash flow statement

[1.000.000 NOK]	Q2 2017	Q2 2016	H1 2017	H1 2016
<u>Cash flow from operations</u>				
Paid in premiums	796,0	649,1	2.470,5	2.163,6
Paid claims	(525,6)	(604,6)	(1.209,6)	(1.170,2)
Paid reinsurance	(187,5)	(149,8)	(106,3)	(116,3)
Paid operating expenses including commissions	96,3	(58,1)	(33,7)	(140,6)
Interest / dividend income	64,9	77,3	111,9	100,7
Net payments from financial instruments	(195,5)	222,7	(1.904,7)	(716,6)
Payable tax	(25,5)	(61,1)	(25,5)	(122,5)
Net cash flow from operations	23,2	75,5	(697,2)	(2,0)
<u>Cash flow from investment activities</u>				
Net investments in equities	(0,0)	-	(3,6)	-
Invested in own or occupied property	-	-	(0,3)	(0,4)
Invested in fixed assets	(0,5)	(1,3)	(8,3)	(2,7)
Invested in intangible assets	(2,8)	(2,1)	(5,0)	(4,1)
Net cash flow from investment activities	(3,2)	(3,4)	(17,2)	(7,2)
<u>Cash flow from financial activities</u>				
Dividend paid	(193,8)	(193,9)	(193,8)	(193,9)
Proceeds from subordinated loan	(154,5)	500,0	595,5	500,0
Interest payments on subordinated loan	(17,9)	(5,0)	(26,8)	(7,7)
Net cash flow from financial activities	(366,2)	301,1	374,9	298,4
Net cash flow for the period	(346,3)	373,2	(339,5)	289,2
Net change in cash and cash equivalents	(346,3)	373,2	(339,5)	289,2
Cash and cash equivalents opening balance	862,8	207,1	856,1	291,1
Cash and cash equivalents closing balance	516,6	580,4	516,6	580,4

Statement of changes in equity

	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
Equity at 31.12.2015	86,2	-	267,7	0,2	77,7	1.580,9	2.012,7
Profit for the period	-	-	-	(8,8)	1,3	17,2	9,7
Equity at 31.03.2016	86,2	-	267,7	(8,6)	79,1	1.598,1	2.022,4
Dividend pay out						(193,9)	(193,9)
Profit for the period	-	-	-	5,8	1,7	215,3	222,7
Equity at 30.06.2016	86,2	-	267,7	(2,8)	80,7	1.619,5	2.051,3
Profit for the period	-	-	-	4,8	1,2	127,6	133,6
Equity at 30.09.2016	86,2	-	267,7	2,0	82,0	1.747,1	2.184,9
Profit for the period	-	-	-	6,3	1,3	75,6	83,3
Equity at 31.12.2016	86,2	-	267,7	8,3	83,3	1.822,7	2.268,2
Profit for the period	-	-	-	8,5	1,4	71,1	81,0
Own shares		(3,6)					(3,6)
Equity at 31.03.2017	86,2	(3,6)	267,7	16,9	84,7	1.893,8	2.345,6
Profit for the period	-	0,0	-	6,9	6,1	152,0	165,0
Dividend pay out						(193,8)	(193,8)
Equity at 30.06.2017	86,2	(3,6)	267,7	23,8	90,8	1.852,4	2.317,2

Accounting principles

These interim accounts have been prepared in accordance with IAS 34 and in line with the accounting principles described in the annual report for 2016. The company's financial statements are prepared in accordance with the Norwegian Accounting Act, financial statement regulations for insurance companies and generally accepted accounting principles. For further information, please see the 2016 annual report.

The financial statement regulation for insurance companies has been revised effective as of January 1, 2016. These revisions led to a change in the accounting policies regarding the security provision, which is no longer required by the regulations. As of December 31, 2015, the provision, which was included in the balance sheet with NOK 584,4m, was restated with 75% as other (earned) equity and 25% as deferred tax liability. The comparative amounts for prior periods have been restated accordingly.

Furthermore, allocated return on investments are no longer transferred from non-technical to technical account due to the changes in the regulation. All comparative amounts for prior periods have been restated.

Segment information

	Norway			Sweden			Denmark		
[1,000,000 NOK]	Q2 2017	Q2 2016	FY 2016	Q2 2017	Q2 2016	FY 2016	Q2 2017	Q2 2016	FY 2016
Gross premiums written	668,7	548,0	1.968,5	204,0	149,9	815,4	17,7	23,9	655,1
Gross premiums earned	551,7	526,5	1.920,1	214,6	183,5	670,2	161,0	162,9	660,1
Gross claims incurred	(906,4)	(532,6)	(1.871,9)	(180,8)	(104,6)	(462,9)	(174,8)	(144,2)	(670,2)
Earned premiums, net of reinsurance	481,5	461,6	1.666,7	161,8	135,8	511,1	114,5	122,9	491,3
Other income	0,8	0,7	15,1	0,0	-	(0,0)	0,0	0,1	0,4
Claims incurred, net of reinsurance	(380,7)	(445,0)	(1.602,8)	(142,8)	(103,6)	(386,1)	(152,2)	(130,3)	(551,5)
Sales costs	(5,3)	(0,3)	(1,7)	(19,8)	(13,4)	(52,1)	-	-	-
Administration costs	(17,6)	1,6	(64,5)	(14,7)	(15,0)	(51,9)	(12,6)	(17,3)	(50,7)
Commission from reinsurers	23,1	25,4	86,4	21,8	13,9	39,8	13,5	8,8	46,1
Other expenses	(1,6)	(4,0)	(25,4)	(0,1)	(0,0)	(0,3)	(0,0)	(0,0)	(0,1)
Net financial income	101,3	203,4	437,0	3,1	8,2	29,6	11,7	8,9	32,7
Other income/costs	(16,1)	(7,3)	(27,7)	(0,0)	0,0	(0,1)	(0,0)	(0,0)	(0,1)
Operating profit before tax	185,4	236,1	483,0	9,4	25,8	90,1	(25,2)	(7,1)	(32,0)
Claims ratio, net of ceded business	79,1 %	96,4 %	96,2 %	88,3 %	76,3 %	75,5 %	133,0 %	106,0 %	112,3 %
Expense ratio, net of ceded business	0,0 %	-5,8 %	-1,2 %	7,8 %	10,6 %	12,6 %	-0,7 %	7,0 %	0,9 %
Combined ratio, net of ceded business	79,0 %	90,6 %	95,0 %	96,1 %	87,0 %	88,1 %	132,2 %	113,0 %	113,2 %
Gross claims ratio	164,3 %	101,2 %	97,5 %	84,3 %	57,0 %	69,1 %	108,5 %	88,5 %	101,5 %
Gross expense ratio	4,2 %	-0,2 %	3,4 %	16,0 %	15,5 %	15,5 %	7,8 %	10,6 %	7,7 %
Gross combined ratio	168,5 %	100,9 %	100,9 %	100,3 %	72,5 %	84,6 %	116,4 %	99,1 %	109,2 %

	Norway			Sweden			Denmark		
[1,000,000 NOK]	YTD 2017	YTD 2016	FY 2016	YTD 2017	YTD 2016	FY 2016	YTD 2017	YTD 2016	FY 2016
Gross premiums written	1.577,3	1.412,0	1.968,5	773,6	632,4	815,4	627,0	589,5	655,1
Gross premiums earned	1.045,5	959,4	1.920,1	410,5	360,2	670,2	329,8	336,3	660,1
Gross claims incurred	(1.370,0)	(985,3)	(1.871,9)	(354,7)	(223,4)	(462,9)	(321,5)	(280,4)	(670,2)
Earned premiums, net of reinsurance	917,4	820,2	1.666,7	316,3	276,6	511,1	234,3	255,3	491,3
Other income	1,9	10,7	15,1	0,0	0,0	(0,0)	0,0	0,2	0,4
Claims incurred, net of reinsurance	(798,8)	(847,0)	(1.602,8)	(261,4)	(201,6)	(386,1)	(273,8)	(240,4)	(551,5)
Sales costs	(6,5)	(0,5)	(1,7)	(33,7)	(27,6)	(52,1)	-	-	-
Administration costs	(43,7)	(14,2)	(64,5)	(24,2)	(23,9)	(51,9)	(23,2)	(25,8)	(50,7)
Commission from reinsurers	53,6	70,0	86,4	52,2	37,3	39,8	54,1	40,4	46,1
Other expenses	(5,1)	(6,7)	(25,4)	(0,1)	(0,1)	(0,3)	(0,0)	(1,3)	(0,1)
Net financial income	114,0	174,6	437,0	11,2	6,3	29,6	17,5	7,7	32,7
Other income/costs	(24,8)	(10,0)	(27,7)	(0,2)	0,0	(0,1)	(0,1)	(0,0)	(0,1)
Operating profit before tax	208,0	197,2	483,0	60,1	66,9	90,1	8,7	36,0	(32,0)
Claims ratio, net of ceded business	87,1 %	103,3 %	96,2 %	82,6 %	72,9 %	75,5 %	116,9 %	94,2 %	112,3 %
Expense ratio, net of ceded business	-0,4 %	-6,7 %	-1,2 %	1,8 %	5,1 %	12,6 %	-13,2 %	-5,7 %	0,9 %
Combined ratio, net of ceded business	86,7 %	96,5 %	95,0 %	84,4 %	78,0 %	88,1 %	103,7 %	88,5 %	113,2 %
Gross claims ratio	131,0 %	102,7 %	97,5 %	86,4 %	62,0 %	69,1 %	97,5 %	83,4 %	101,5 %
Gross expense ratio	4,8 %	1,5 %	3,4 %	14,1 %	14,3 %	15,5 %	7,0 %	7,7 %	7,7 %
Gross combined ratio	135,8 %	104,2 %	100,9 %	100,5 %	76,3 %	84,6 %	104,5 %	91,1 %	109,2 %

Financial assets, fair value estimation

Financial assets through profit or loss [1000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	1491	137	-	1628
Bonds and other fixed income securities	NOK	6.246	1104	-	7.350
Cash and cash equivalents	NOK	231	-	-	231
Foreign currency contracts	NOK	-	2.189	-	2.189
Total assets Q2 2017	NOK	7.968	3.430	-	11.398
Total assets Q2 2016	NOK	5.083	3.178	-	8.261

Financial liabilities at fair value through profit or loss [1000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK	-	-2.186	-	-2.186
Liabilities to credit institutions	NOK	-123	-	-	-123
Total financial liabilities Q2 2017		-123	-2.186	-	-2.309
Total financial liabilities Q2 2016		-160	-654	-	-813

Fair value of financial assets traded in active markets are based on market value on the accounting day. A market is considered active if the market rates are easily and regularly available from a stock exchange, distributor, broker, industrial classification, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The market price applied to financial assets is the existing bid price. These instruments are included in level 1.

Fair value of financial instruments not traded in an active market is determined by using valuation methods. These valuation methods maximise the use of observable data where available, and are based as little as possible on own estimates. The instrument is included in level 2 if all essential data are based on observable market data.

The instrument is included in level 3 if one or more essential data are not based on observable market data.

Quarterly outline

[1.000.000 NOK]	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Gross premiums written	890,5	2.087,4	392,3	412,8	721,8	1.912,2	325,3	366,5	635,8
Gross premiums earned	927,3	858,6	768,6	825,9	873,0	782,9	698,7	719,9	706,1
Gross claims incurred	(1.262,0)	(784,4)	(740,3)	(775,5)	(781,4)	(707,7)	(617,0)	(585,2)	(518,7)
Earned premiums, net of reinsurance	757,8	710,2	624,7	692,3	720,4	631,6	535,1	562,4	560,5
Other income	0,8	1,1	2,4	2,1	0,8	10,1	0,9	1,1	0,8
Claims incurred, net of reinsurance	(675,7)	(658,3)	(632,6)	(618,8)	(679,0)	(610,0)	(475,7)	(461,5)	(467,9)
Sales costs	(25,1)	(15,1)	(12,2)	(13,5)	(13,7)	(14,4)	(9,9)	(8,0)	(7,2)
Administration costs	(44,9)	(46,3)	(41,1)	(62,0)	(30,7)	(33,2)	(56,9)	(37,8)	(40,4)
Commission from reinsurers	58,3	101,6	2,5	22,0	48,1	99,6	25,5	8,7	27,7
Other expenses	(1,6)	(3,6)	(14,3)	(3,5)	(4,0)	(4,1)	(2,5)	(1,4)	(0,9)
Net financial income	116,1	26,6	149,9	160,7	220,5	(31,9)	152,8	(19,9)	48,7
Other income/costs	(16,2)	(9,0)	(9,0)	(8,9)	(7,4)	(2,6)	(2,8)	(2,8)	(2,8)
Profit before tax	169,5	107,3	70,5	170,5	254,9	45,2	166,5	40,7	118,4
Tax	(43,5)	(37,5)	(1,4)	(27,3)	(31,1)	(28,6)	(16,4)	6,7	(19,5)
Profit before components of comprehensive income	126,1	69,8	69,1	143,2	223,8	16,6	150,1	47,4	98,9
Components of comprehensive income	24,5	15,0	19,2	(13,0)	(1,5)	(9,2)	2,8	15,1	13,8
Taxes on components of comprehensive income	(6,1)	(3,7)	(4,9)	3,4	0,4	2,3	0,9	(5,7)	(1,6)
Profit for the period	144,4	81,0	83,3	133,6	222,7	9,7	153,8	56,8	111,1

Key ratios

Claims ratio, net of ceded business	89,2 %	92,7 %	101,3 %	89,4 %	94,3 %	96,6 %	88,9 %	82,1 %	83,5 %
Expense ratio, net of ceded business	1,5 %	-5,7 %	8,1 %	7,7 %	-0,5 %	-8,2 %	7,7 %	6,6 %	3,5 %
Combined ratio, net of ceded business	90,7 %	87,0 %	109,4 %	97,1 %	93,7 %	88,3 %	96,6 %	88,7 %	87,0 %
Gross claims ratio	136,1 %	91,4 %	96,3 %	93,9 %	89,5 %	90,4 %	88,3 %	81,3 %	73,5 %
Gross expense ratio	7,5 %	7,1 %	6,9 %	9,1 %	5,1 %	6,1 %	9,6 %	6,4 %	6,7 %
Gross combined ratio	143,6 %	98,5 %	103,3 %	103,0 %	94,6 %	96,5 %	97,9 %	87,6 %	80,2 %