

PROTECTOR forsikring

10.00-10:15: Coffee and snack

10.15-11.15: Company update and claims handling

11.15-11.45: Investments

11.45-12:00: Coffee and snack

12.00-12.30: IT and digitalization

12.30-13.00: UK

13.00-13.15: Summary and Q&A

Questions allowed through presentation

Management Strengthened

Continuity and fresh blood

Sverre Bjerkeli (57) – Chief Executive Officer



- CEO since 2006
- Protector since 2004
- Director consumer and commercial sector Storebrand/If.
- CEO Storebrand Bank
- CEO positions at Torinno and Ementor Norge

Hans Didring (37) - Country Manager Sweden / Responsible for Finland



- Employee since 2011.
- 6 years of experience from IF and Länsförsäkringar.
- Former Head of Broker Sales and Service at If
- Project Manager Finland

Vibeke Krane (46) - CFO



- CFO since August 1st 2016
- Employee since December 1st 2015
- State Authorized Public Accountant
- 20 years of experience within finance and accounting from KPMG, EY and Telenor

Thomas Boutrup (37) - Country Manager Denmark



- Started at Protector August 1st
- Senior underwriter and Partner RiskPoint
- Account executive IF
- Team Leader, Liabilities Major, Chartis
- Risk Manager AIG Europe

Henrik Høye (35) – Dir. Commercial & Public NO / Project Lead UK



- Employee since 2007
- Director Public sector
- Project Manager UK
- Project Manager 2012 Denmark
- Project Manager 2011 Sweden

Dag Marius Nereng (44) - Chief Investment Officer



- Employee since 2015
- 20 years of asset management experience
- 10 years as Senior Portfolio Manager in Handelsbanken
- 2 years as Senior Portfolio Manager in Bankenes sikringsfond
- 7 years as Portfolio Managager in Landkreditt

Merete Christensen Bernau (51) - Dir. Change of Ownership



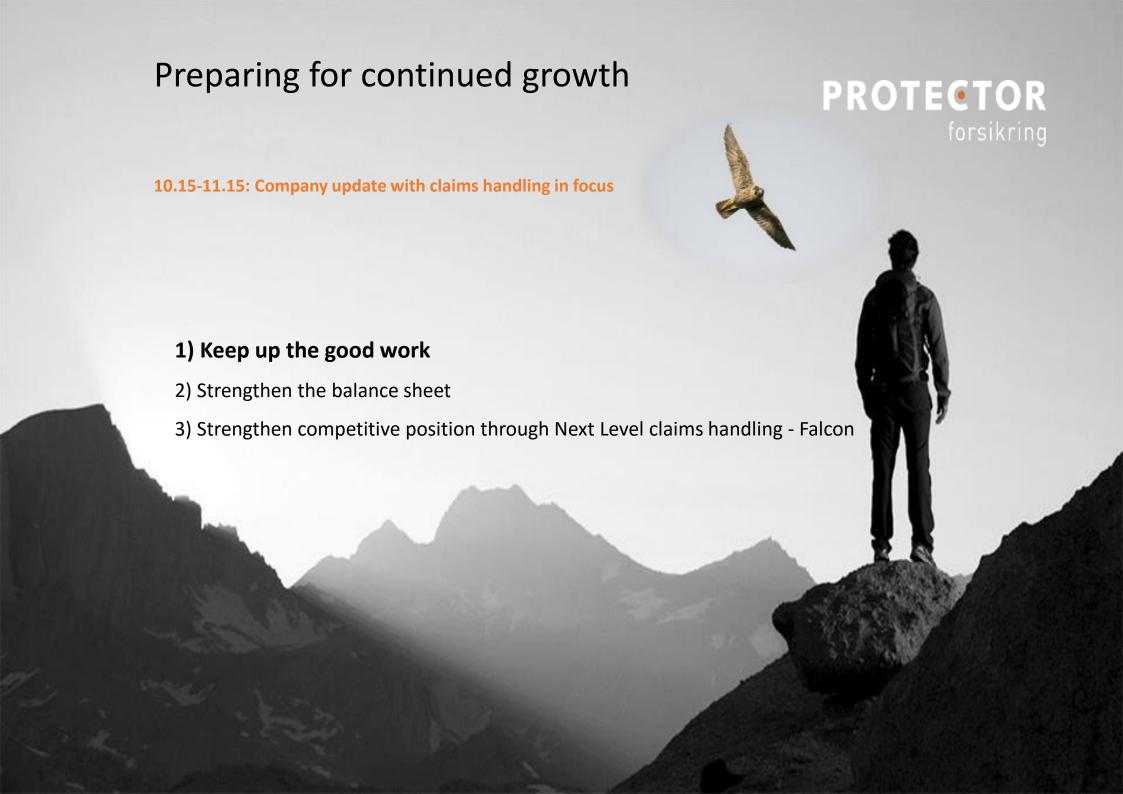
- Employee since 2005
- Director claims handling commercial Norway
- Director HR and Cultural development
- Experience from Storebrand/IF

Lars Ola Rambøl (50) - Director of Business Development



- Starting at Protector September 1st
- Multiple Director positions in Storebrand
- Professional IT background







Our DNA

Vision

The Challenger

Business Idea

This will happen through unique relationships. best in class decision-making and cost effective solutions

Main targets

Cost and quality leadership Profitable growth Top 3

Values

Credible
Open
Bold
Committed



Challenger Strategy 2020



Lets further develop our DNA – Next Level

- Don't change Strategy
- Investments are Core, manage Risk
- Strong balance sheet important
- Growth creates more value than CR
- Focus Claims Handling and top 8



Next Level Management training program,

NGL and talent developmer

Next Level





Strategy 2017-2020

Top 8 priorities





- 1. Claims Handling, great potential
 - Internal quality development (RR, Breitling, CleanDesk etc.)
 - 40 %/15% efficiency increase (Commercial/COI) ultimo 16 to ultimo 19
- 2. Profitable growth in Nordic
 - Protakst New technical solution COI
 - · New billion segment opened
- 3. Insurance and Investments are twins



- 4. UK
 - Manchester, London, other offices
 - Segment and product mix considerations
- 5. Comeback and new profitable growth in Denmark
 - Nr. 1 on quality again in 2018
- 6. Go Public Sector, New country

IT as Innovator and Accelerator

World class staff also adding value to business units and process development









Cost leader



Less than half the cost of competitors

Creating cost leadership

- Well defined and consistent strategy, understand value chains and competent people to implement
- "Culture eats strategy for breakfast"
- Cost advantage in the Nordics has increased the last 5 years
- Targeting 1/3 of competitors' cost ratio in UK
- Peers with comparable cost figures are industrial/corporate segment at If and Tryg

In-house IT services

- Cost ratio of 1.1% vs 3.2% for industry (Gartner Inc.)
 - No legacy, modern platform, competent people
- Developed all IT systems internally since 2003
- Insourced operation
- Well documented
- Time efficient implementation of new IT solutions

Gross expense ratio	2008	2009	2010	2011	2012	2013	2014	2015	2016
PRF	11.2 %	12.1 %	11.9 %	10.0 %	7.7 %	8.8 %	7.6 %	7.5 %	6.8 %
Gjensidige	17.0 %	17.7 %	16.5 %	16.4 %	15.5 %	15.3 %	15.0 %	15.1 %	14.2 %
Codan/Trygg-Hansa ¹	20.2 %	20.4 %	16.7 %	17.6 %	18.6 %	19.5 %	21.2 %	16.4 %	14.8 %
Tryg	17.1 %	17.2 %	17.0 %	16.6 %	16.4 %	15.6 %	14.6 %	15.3 %	15.7 %
Topdanmark	14.7 %	14.9 %	15.4 %	15.7 %	15.8 %	16.2 %	15.7 %	15.9 %	16.4 %
If	17.4 %	17.6 %	17.2 %	17.3 %	16.9 %	16.8 %	16.7 %	13.0 %	16.6 %
LF	21.0 %	22.0 %	22.0 %	21.0 %	21.0 %	19.0 %	19.0 %	19.0 %	19.0 %
KLP	26.7 %	29.1 %	30.4 %	26.5 %	26.4 %	26.2 %	23.1 %	21.1 %	22.8 %
Avg. ex. PRF	19.2 %	19.8 %	19.3 %	18.7 %	18.7 %	18.4 %	17.9 %	16.5 %	17.1 %

¹Numbers for Codan only before merger with Trygg-Hansa in 2015 and RSA Group Scandinavian segment in 2015



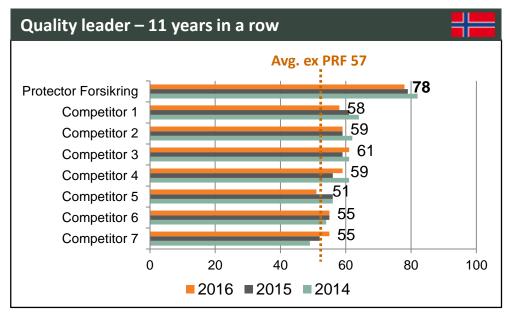
Quality leader in the Nordic market

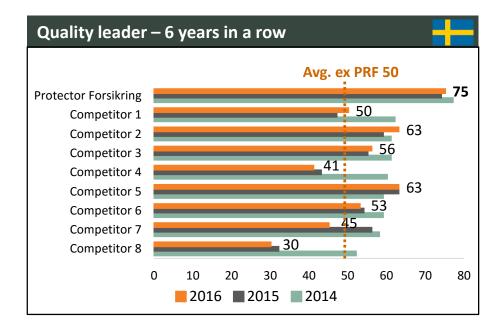


Broker Satisfaction Surveys

- Consistently on top when brokers rank satisfaction with service and offerings. True for Norway and Sweden
- Quality leader in Denmark three years in a row. Quality setback in Denmark in 2016. Still top three on quality
- Voted Best trading partner in Finland (FIBA) in 2016 and Norway in 2017
- Targeting being far ahead of #2 in UK
- Easy to do business with, commercially attractive, trustworthy (USP)







Source: TNS Gallup surveys



Volume growth

Strong and prudent



Sustainable growth

- Profitability comes first volume growth second, but...
- Low capex entering new markets
 - Reduced risk appetite in Denmark in 2017 single-digit growth expected
- Growth potential 2017 mainly in Sweden and UK further strengthening geographic diversification
- Increased 2017 growth to 22% (24% in local currency)

Revenue growth (GWP)	2008	2009	2010	2011	2012	2013	2014	2015	2016	Avg. 08-16
PRF	9.6 %	19.5 %	16.1 %	19.0 %	26.1 %	22.7 %	27.6 %	19.7 %	21.0 %	20.1 %
KLP	3.4 %	4.7 %	5.0 %	3.0 %	15.4 %	10.9 %	10.7 %	20.8 %	13.8 %	9.8 %
Gjensidige	-1.8 %	0.2 %	24.0 %	5.7 %	2.1 %	7.7 %	7.9 %	7.4 %	5.7 %	6.5 %
LF	4.2 %	2.3 %	2.2 %	3.3 %	3.2 %	3.5 %	7.4 %	5.4 %	6.0 %	4.2 %
Codan/Trygg-Hansa ¹	12.8 %	1.7 %	0.3 %	-0.3 %	7.2 %	-1.0 %	-0.8 %	3.5 %	7.2 %	3.4 %
Tryg	4.4 %	5.2 %	9.1 %	2.4 %	1.8 %	-4.0 %	-4.4 %	- 2.7 %	-1.7 %	1.1 %
If	-0.7 %	-4.2 %	7.7 %	5.4 %	6.4 %	1.5 %	-2.8 %	-1.6 %	-2.2 %	1.1 %
Topdanmark	0.8 %	-3.1 %	-1.4 %	1.4 %	1.0 %	1.5 %	2.6 %	-2.6 %	-1.6 %	-0.2 %
Avg. ex. PRF	3.3 %	1.0 %	6.7 %	3.0 %	5.3 %	2.9 %	2.9 %	4.3 %	3.9 %	3.7 %

¹Numbers for Codan only before merger with Trygg-Hansa in 2015 and RSA Group Scandinavian segment in 2015



Profitability



Back on track 2017 – Avg. CR 2005-2016: 88.3%

Key comments

- Combined ratio in 2016 of 97.0% was not satisfactory and was due to profitability issues in Denmark and cleanup in COI
- · Prudent and disciplined underwriting
- Reinsurance used to reduce risk and reduce volatility
- H1 2017: 88,9%, guided 92% full year
 - Despite Grenfell Tower

Combined ratio	2008	2009	2010	2011	2012	2013	2014	2015	2016	H1'17	Avg. 08-16
Topdanmark	82.4 %	91.1 %	93.3 %	90.3 %	88.0 %	91.5 %	86.0 %	87.3 %	85.1 %	81.8 %	88.3 %
Gjensidige	94.4 %	94.8 %	95.3 %	91.9 %	85.3 %	89.2 %	86.0 %	83.7 %	83.4 %	85.0 %	89.3 %
If	91.8 %	92.1 %	92.8 %	92.0 %	89.3 %	88.1 %	87.7 %	85.4 %	84.4 %	86.5 %	89.3 %
Tryg	88.2 %	92.2 %	98.8 %	93.2 %	88.2 %	87.7 %	84.2 %	86.8 %	86.7 %	84.4 %	89.6 %
PRF	95.8 %	97.8 %	94.2 %	85.3 %	86.2 %	86.7 %	84.5 %	88.7 %	97.0 %	88.9 %	90.7 %
Codan/Trygg-Hansa ¹	98.5 %	100.4 %	101.8 %	102.4 %	94.3 %	95.3 %	90.4 %	94.0 %	86.2 %	81.9 %	95.1 %
LF	93.0 %	96.0 %	102.0 %	100.0 %	98.0 %	97.0 %	93.0 %	91.0 %	95.0 %	93.0 %	96.1 %
KLP	97.3 %	95.5 %	121.9 %	118.1 %	107.8 %	103.7 %	91.9 %	98.8 %	98.7 %	n/a	103.7 %
Avg. ex. PRF	92.2 %	94.6 %	100.8 %	98.3 %	92.8 %	92.3 %	88.5 %	89.6 %	88.5 %	85.4 %*	93.1 %

¹Numbers for Codan only before merger with Trygg-Hansa in 2015 and RSA Group Scandinavian segment in 2015. Numbers updated through Q2 2016



^{*} Average excl. KLP

Strong investment result over the business cycle



Better than peers

Overview

- Risk management through; Operational routines, mandate given by board, FSA stress test quarterly, internal stress test
- Investment portfolios in Norway, incl. Protector's, have enjoyed avg. NIBOR rates of roughly 1% above STIBOR and CIBOR in the period 2010-2016
- · Better investment return than peer average for eight out of nine last years
- Slightly higher market risk than peer average in early years

Return on investments	2008	2009	2010	2011	2012	2013	2014	2015	2016	H1'17	Avg. 08-16
PRF	-2.1 %	16.1 %	9.7 %	-2.3 %	8.9 %	7.0 %	5.3 %	5.3 %	7.0 %	1.7 %	6.1 %
KLP skadeforsikring	0.4 %	8.3 %	7.2 %	4.5 %	6.5 %	6.5 %	6.5 %	4.4 %	6.1 %	n/a	5.6 %
If	-3.1 %	12.4 %	7.4 %	1.8 %	6.1 %	5.0 %	4.1 %	1.5 %	2.9 %	2.4 %	4.2 %
Tryg	3.5 %	6.6 %	4.3 %	4.8 %	5.1 %	2.5 %	4.3 %	0.7 %	3.7 %	2.7 %	3.9 %
Gjensidige	-0.6 %	5.5 %	5.2 %	4.4 %	5.4 %	4.3 %	4.3 %	2.6 %	3.9 %	2.0 %	3.9 %
Codan/Trygg-Hansa ¹	5.6 %	5.9 %	3.5 %	3.0 %	3.9 %	-0.4 %	3.9 %	3.2 %	2.8 %	1.1 %	3.5 %
Topdanmark	-6.9 %	7.3 %	4.8 %	3.1 %	6.9 %	4.1 %	3.4 %	1.0 %	4.4 %	0.9 %	3.1 %
LF	-14.0 %	10.0 %	6.0 %	-2.0 %	5.0 %	6.1 %	6.5 %	4.5 %	5.6 %	2.5 %	3.1 %
Avg. ex. PRF	-2.2 %	8.0 %	5.5 %	2.8 %	5.6 %	4.0 %	4.7 %	2.6 %	4.2 %	1.9 %	3.9 %

Numbers for Codan only before merger with Trygg-Hansa in 2015 and RSA Group Scandinavian segment in 2015



Commercial Lines of Business



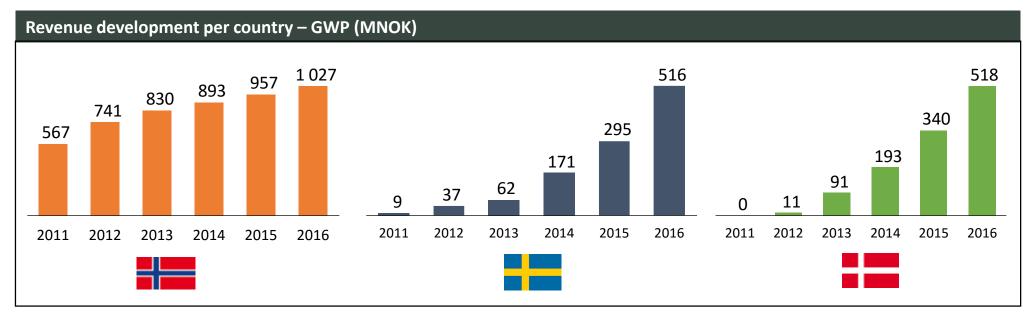
61% of revenues

Summary

- Corporate clients minimum size NOK 0.2m
- Standardized products; Workers Compensation, Group Life, Other Insurance, Accident, Health (2016), Property, Motor, Liability & Cargo
- Similar underwriting process in all countries; securing efficiency and quality in decision-making
- Underwriters, risk-engineers, Key Account Managers and management present in underwriting meetings

Market drivers

- Cost and quality leadership
- Protector's market appetite in Nordics is > NOK 15bn
- Current market share of about 14% (Jan 1st 2017)
- Market dominated by four large players in each market with approximately 75% of the market





Public lines of business

24% of revenues

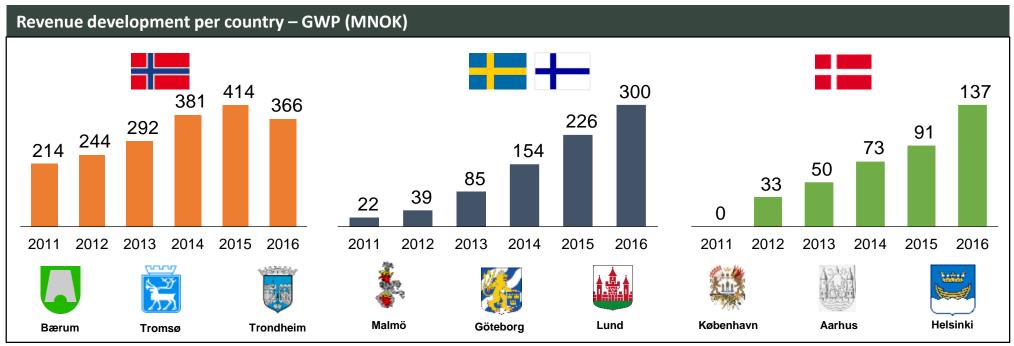


Summary

- Protector is the market leader in the Nordics
- Insuring more than 600 municipalities
 - 280 Norwegian, 240 Swedish and 80 Danish clients
- Protector quotes all tenders and all product lines
- Underwriting in the Nordics centralized from Oslo
- Service and claims handling locally

Market drivers

- Few players and tough market conditions
- Tender processes are governed by public procurement regulation
- Avg. tender evaluation criteria 30% quality and 70% price
- Nordic market appetite is more than NOK 2bn





Change of ownership insurance (COI)

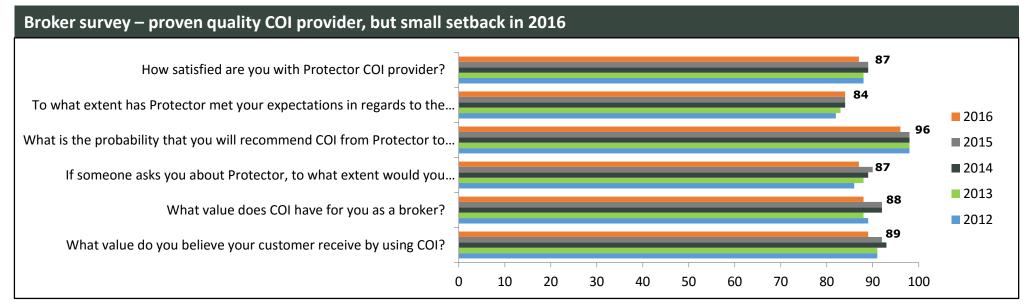
15% of revenues

The product

- Insurance linked to the property
 - Covers substantial hidden defects for 5 years
 - Houses, apartments and vacation homes
- No underwriting requirements
- Maximum claim is limited to NOK 10m
- Premium based on the property's sale price
- Unprofitable in 2016 (but profitable history to date)
- Profitability back on track 2017

Key market drivers

- Market situation; few players & with critical mass
- High entry barriers; Reputation, distribution access and claims handling
- Increased hit-ratio from 70% in 2008 to more than 80% in 2016
- Technical report used in 71% of house sales
- Protector receives almost 4 500 claims per year





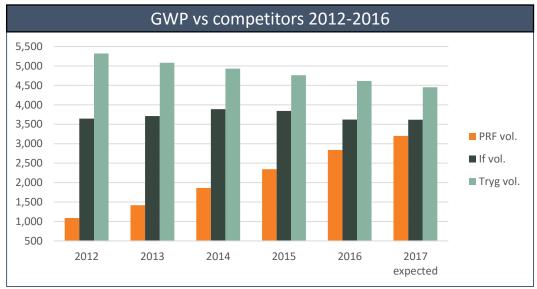
Protector vs IF Industrial and Tryg Corporate

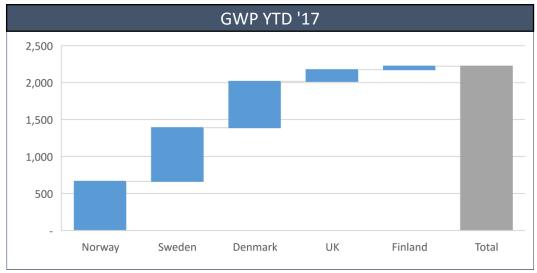


Closing the gap

Protector is gaining volume on the expense of our competitors – growing through:

- 1) Cost and quality leadership
- 2) Diversified product mix
- 3) Now Nr. 3 in the Nordic brokered market
- 4) 70 % of volume outside Norway*
- 5) Being market leader in several segments
 - Public sector Sweden and Denmark
 - Bus segment Sweden and Norway
 - Many other sub segments
- > Still room for *continued growth* in the Nordics
 - Soon we are passing both If and Tryg







^{*} GWP YTD '17 ex COI

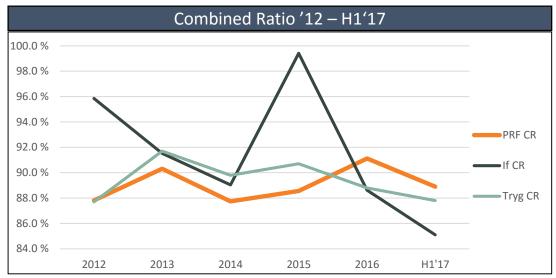
Protector vs IF Industrial and Tryg Corporate

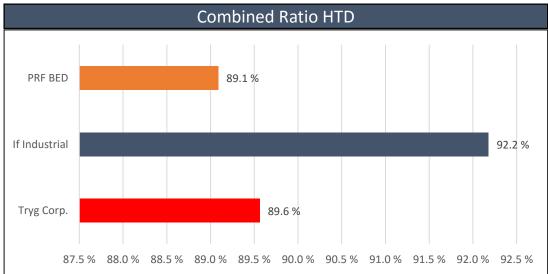


Protector with best Combined Ratio

- Beating our competitors at a level playing field
 - Same product mix
 - Same broker based sales channel
 - Same commission structure
 - Same average size of clients
- Profitable Nordic market
 - But continuously pressure on rates
 - > Brokers taking care of their customers
- Protector with lowest CR
 - Despite growing fast
 - Our cost advantage makes this possible









Nordic Champion

Attacking UK







Keep up the good work

Profitable growth + Investments = Good results

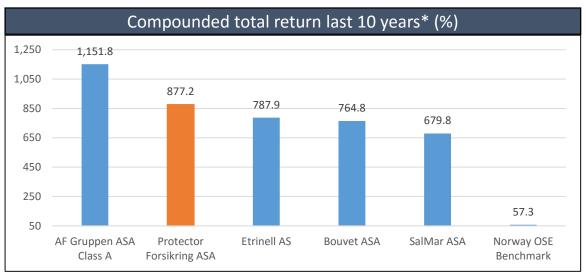


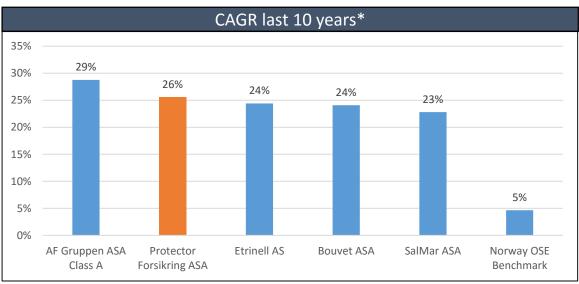
 The last 10 years only AF Gruppen has performed better than Protector in the Norwegian stock market

 Long term investors have earned a total return of 877% over the period

 CAGR of 26% - more than 5x what you would have gotten from index investing

«Preparing for continued growth»

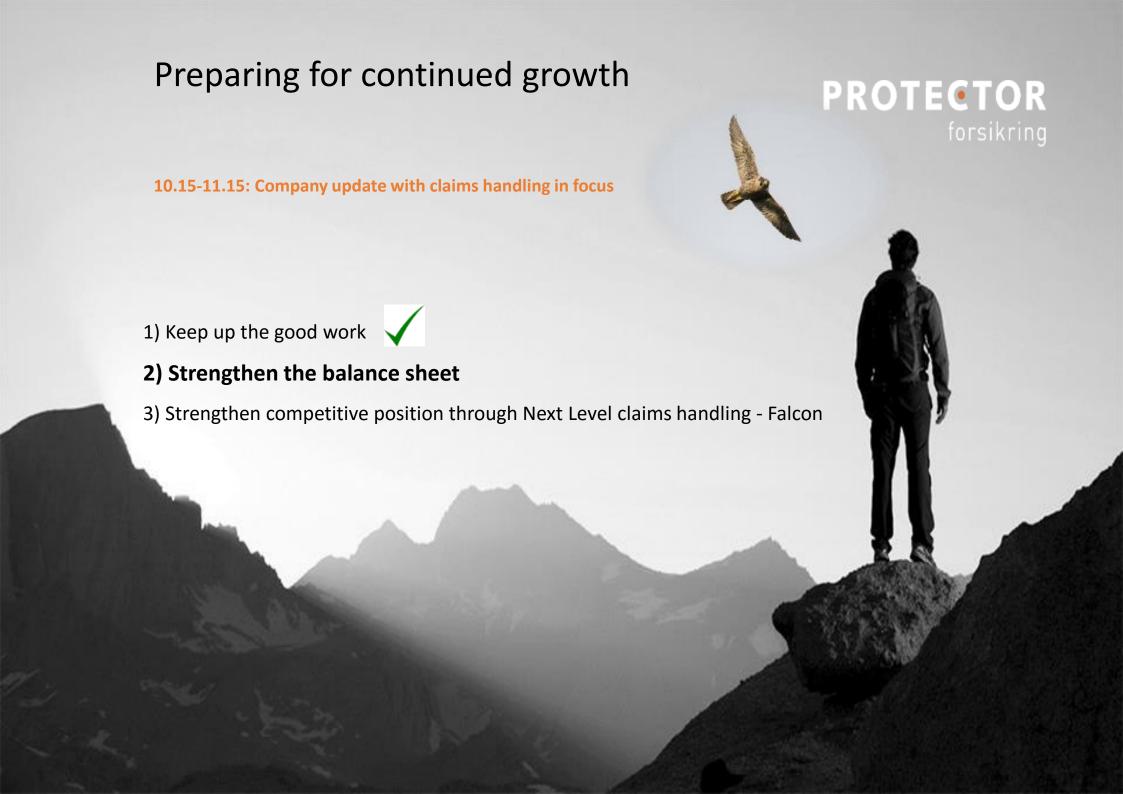




*Per august 9th 2018

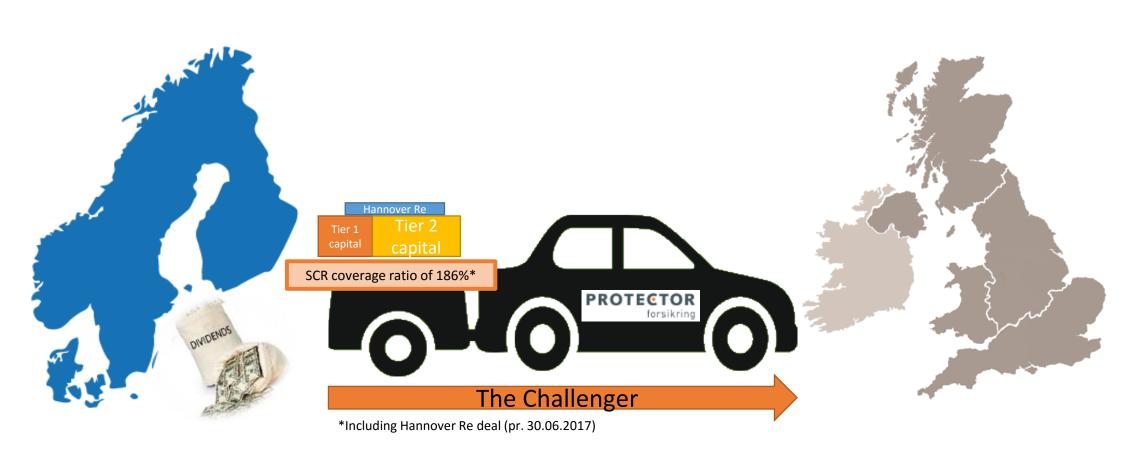






Finished building capital

Ready to challenge



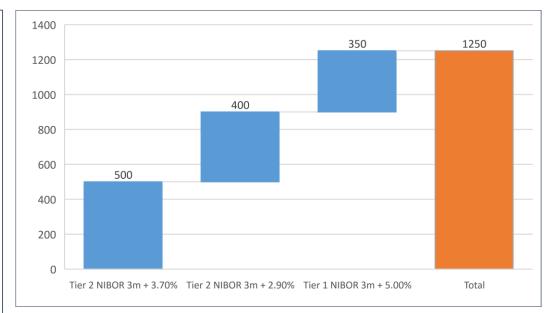


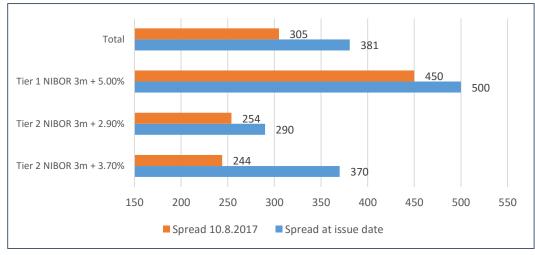
Raising capital

Tier 1 and Tier 2 successfully placed



- Debt totalling NOK 1250m has been raised since end of April '16
 - NOK 500m May '16
 - NOK 750m March '17
- In less than 1 year, the price Protector had to pay for Tier 2 dropped from 370 bps to 290 bps
- On the back of strong financials, high expected growth and favourable capital markets additional debt was raised end of March '17
- All of Protector's debt trade significantly above par
 - A spread of 305 bps today vs 380 bps when issued (weighted average)







Protector vs RSA

Better bond terms than RSA

Transaction background

Both RSA Insurance Group and Protector Forsikring issued
 Tier 1 capital ultimo March '17 in open market transactions

RSA: 2 500m SEKProtector: 350m NOK

- Both are perpetual with a call option in 2022
- RSA rated A by S&P, Protector not rated

Pricing implications

 Both of the securities were set with the following floating rates

RSA: STIBOR 3 month + 5,25%

Protector: NIBOR 3 month + 5,00%

- Price as of 15th August
 - PRF ~450 spread
 - RSA ~440 spread
- The market judges Protector similar as an A rated (official) company

Simple comparison RSA vs Protector

Full year 2016	PRF	RSA
Cost ratio	6.8 %	15.2 %
Combined ratio ('08-'16)	90.7 %	96.2 %
Geographic diversification	43%	48%
Percentage subordinate loan of adj solvency capital	53%	20%
Solvency Capital end Q1 '17	185%	166%
Solvency Capital 2016	163%	158%
Return On Equity (2007-2016)	24.35%	6.88%

^{*} FactSet Numbers

Price development since transaction





Balance sheet Q2 2017

Strong & growing fast

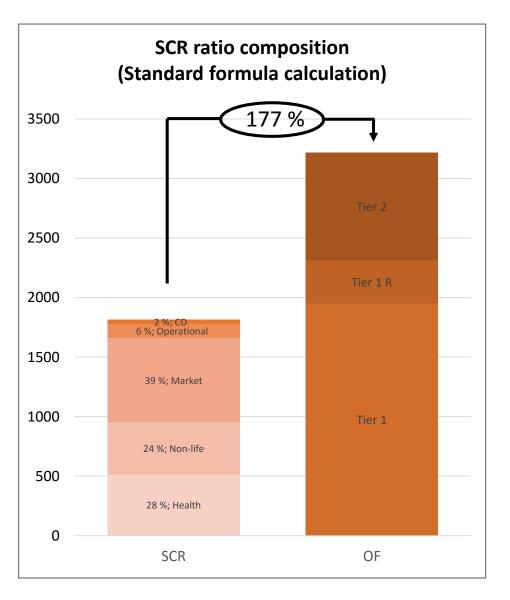


[1.000.000 NOK]	30.06.2017	30.06.2016	31.12.2016
Owner-occupied property	13,7	13,6	13,7
Financial assets*	11 398,3	8 261,5	8 537,6
Bank deposits	285,5	45,9	204,3
Other assets	2 173,8	1 372,1	1 091,7
Total assets	13 871,4	9 693,1	9 847,4
Total equity	2 317,2	2 051,3	2 268,2
Subordinated loan capital	1 241,4	648,1	645,9
Total reserves	7 282,6	5 551,4	5 148,0
Other liabilities*	3 030,1	1 442,3	1 785,3
Total equity and liabilities	13 871,4	9 693,1	9 847,4
* Einancial derivatives has for informations	l nurnocos boon nottod in		

^{*} Financial derivatives has for informational purposes been netted in this balance sheet.

Strong capital position:

- SCR coverage ratio 177 % pr. 30.06
- SCR fully covered by Tier 1 capital only
 - NOK 194m dividend paid
- Full Tier 2 utilization; some Tier 1 restricted capacity





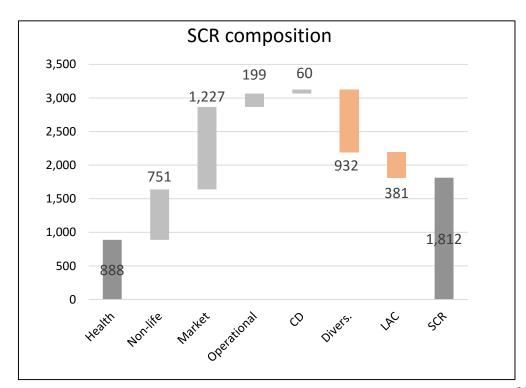
Solvency II

SCR & Capital



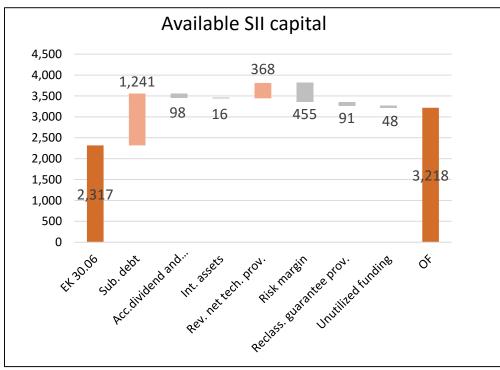
Composition of SCR:

- Net insurance risk 52 %
- Net market risk 39 %
- Other risks 9 %



Available SII capital:

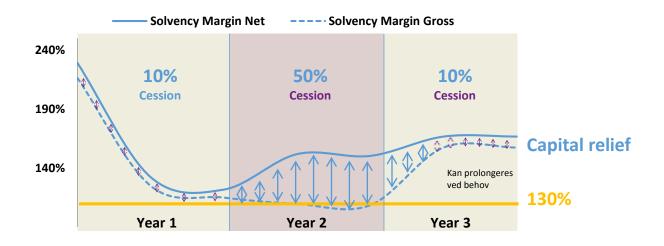
- Assumed dividend of 40 % on YTD17 result
- Guarantee provision subtracted from own funds





Hannover Re solvency based reinsurance solution

Cushion against negative solvency changes – effective from July 1st



Shock Absorber

Protection in case of unexpected events such as a financial crisis 2.0

Low up-front cost

Option based solution with price slightly above subordinated debt

Capital relief

If the SCR ratio falls below 130% Protector can pull the trigger, bringing up capital position to robust levels

- Covers all lines of businesses across all jurisdictions
- Signed by both parties and started to run July 1st
- Intention of minimum 3 year duration, with annual renewals
- Minimum cession 10% maximum cession 50%. Protector decides
- Will secure Protector against sudden and unforeseen negative changes to the solvency ratio
- Price slightly above subordinated debt

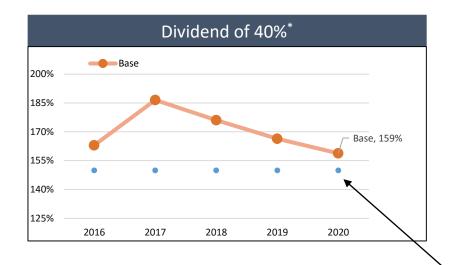


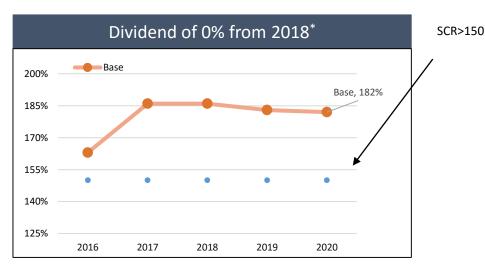
Dividends on hold

No payments from 2018 suggested

- As the Board is of the opinion that the company's core markets provide good opportunities for strong profitable growth in the coming years, it believes that the company and the shareholders will benefit from reinvesting the full earnings in the company during this growth period
- Consequently, the Board will most likely not propose distribution of dividend for the fiscal year 2017 to the General Meeting in 2018.
- A strong balance sheet opens up for:
 - 1. Continued strong growth (20% ROE) in UK and the Nordic market the next 3-5 years
 - 2. Increase retention to a more normalized level compared to peers
 - 3. Continued appetite for long tailed business
 - 4. Increased investment risk when attractive
- ROE 20% still our target
 - Supported by improved capital structure
 - Negatively affected by lower fixed income yield







*Base scenario indicates higher growth rate than guided



Balance sheet summary

Prepared for continuous growth



Building blocks	Capital consumption
No dividends	
Tier 1 capital	Continued strong growth
Tier 2 capital	Increased retention (NOK 100m)
Hannover Re	Increased investment risk when attractive
SCR coverage ratio of 186%*	Next Level Sustainable high ROE going forward



Long-term financial objectives

Higher SCR target (>150)



Long term financial objectives

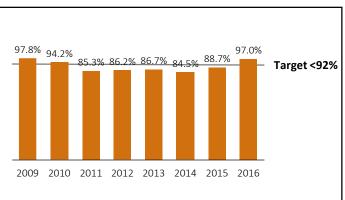
• Net combined ratio: 92%

Solvency II capital ratio: >150 (New)

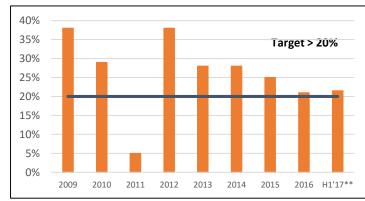
• Return on Equity: >20%

GWP growth rate 2017-2019: 15%

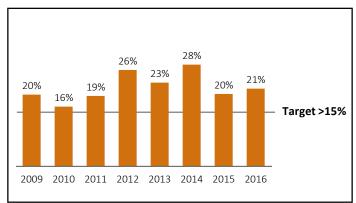
Net Combined Ratio



Return on Equity*



GWP Growth



^{*}Return on Solvency Capital until 2016 when reflecting changes in accounting principles from Jan. 1st 2016 where Shareholder's Equity includes security provisions



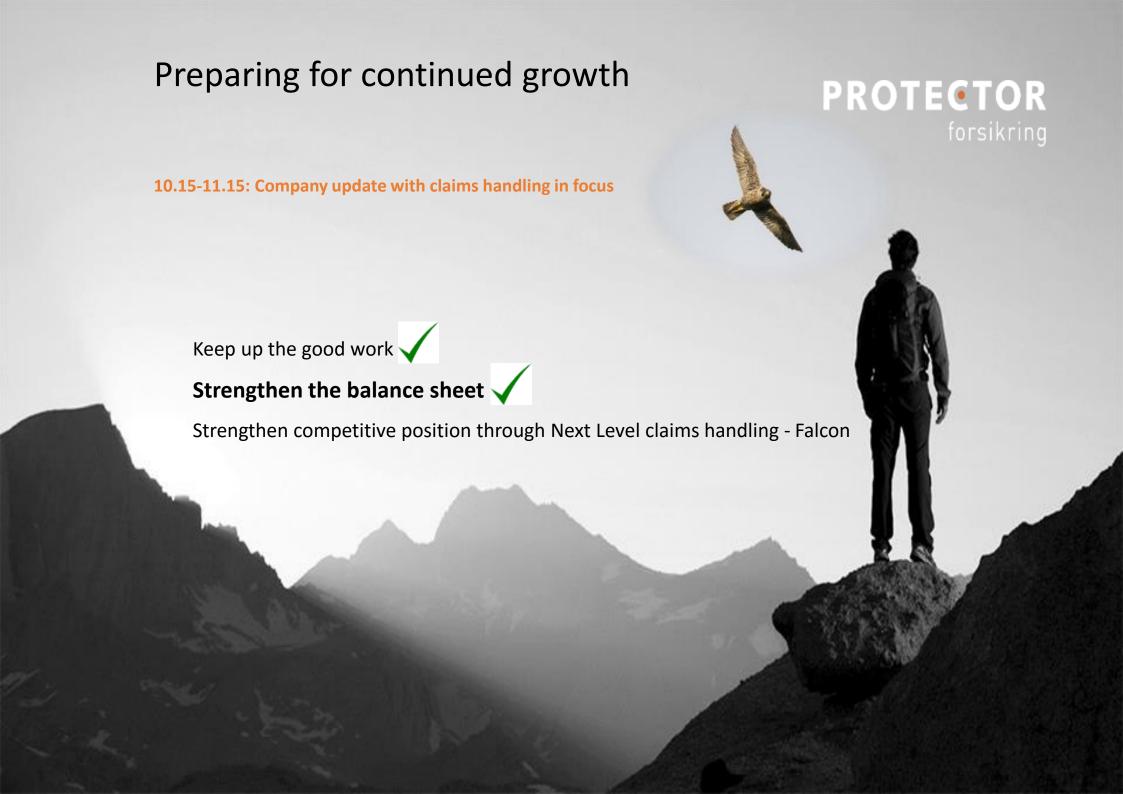
^{**}Annualized

Profitable growth + Investment return

= Success









PROTECTOR

10.13 11.13. Company apaate with claims handing in locas

Keep up the good work

Strengthen the balance sheet





- Do things right
- Do right things
- Prepare in due TIME





Ambition - World Leading Claims Handling

Table of Contents

- Customer quality
- Rolls-Royce
- F17
- Clean Desk
- Instant Feedback
- Claims handling cost
- Falcon 2020











Quality leadership

All criteria defined and measured in every claim

- 95 claims handlers in Protector handled approx.
 80 000 claims in 2016.
- Large surveys show that five criteria are most important to customers in a claim:
 - TIME
 - Tone-of-voice
 - Professional substance
 - Correct
 - Overall judgement
- To ensure quality leadership all criteria has to be defined and measured in <u>every</u> claim

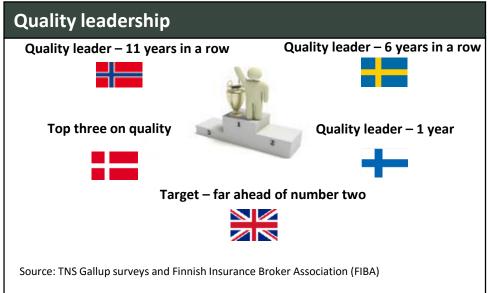


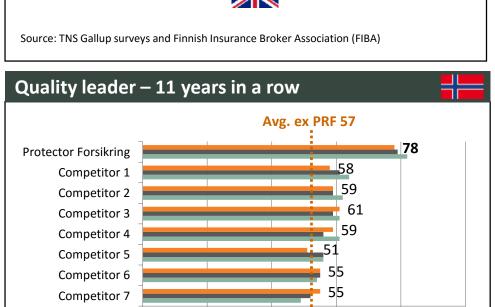




Customer Quality leadership

Also in claims handling





2015

60

2014

80

20

2016

Broker Satisfaction Surveys

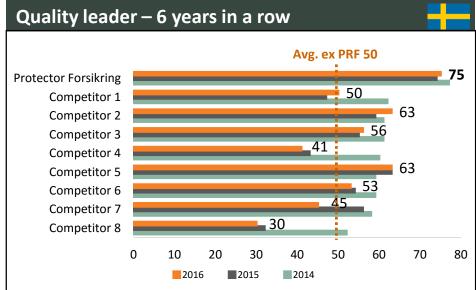
Consistently on top when brokers rank satisfaction with service and offerings. True for Norway and Sweden

Quality leader in Denmark three years in a row. Quality setback in Denmark in 2016. Still top three on quality

Voted Best trading partner in Finland (FIBA) in 2016 and Norway in 2017

Targeting being far ahead of #2 in UK

Easy to do business with, commercially attractive, trustworthy (USP)



100

What is Rolls-Royce?

Reducing leakage and Recourse

Definition

Reducing leakage and Recourse

Goal

- Not picking up bills others should pay
- Creating win-win situations Client/Protector
- Target number of savings and volume

Why?

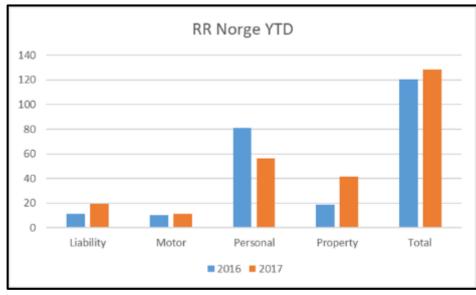
- Happy customers
- Better insurance don't suffer because of others
- Building strong culture in claims handling
- Improved profitability and competitive position



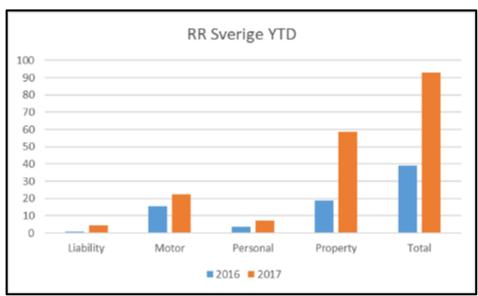
Rolls-Royce

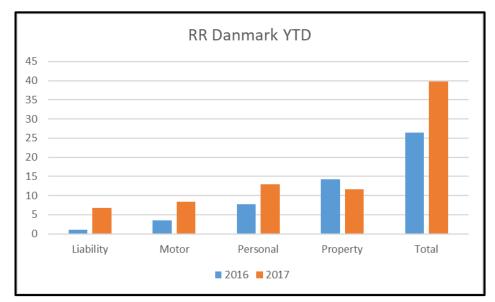
On track to NOK 400m





- Goal of NOK 400m of savings in 2017
- NOK 260m saved YTD on track
- All countries with increased RR in 2017 13 250 RR's in 2017 (!)
- Norway on top
- Sweden moving faster
- Denmark also going strong







Formel 1 2017 (F17)

Motor claims handling Sweden

- Vision to "handle twice the amount of claims per FTE with increased quality"
- Started 2014
- Top-down vision based on top performers and external benchmarking
- Bottom-up process involving all claims handlers
- Individual efficiency performance target for all claims handlers
 - Monthly follow-up for all individuals throughout the period
- F17 project to structure and follow-up process-improvements
 - Activities to find improvements involving all claims handlers





F17 on track

Efficiency doubled in 3 years



Formel 1 2017 - made in 2014

Vision: We handle twice as many claims/FTE with increased quality in 2017

The vision will be reached through small innovative steps regarding organization, responsibilities, processes and IT. We will do this by creating an environment where everyone contribute continuously.

KPI's Motor	2012	2013	Mái 2014	FC 2014	Mål 2015	Mål 2016	Mái 2017
Vehicles #	20 042	44 942	75 350	75 350	100 000	130 000	160 000
Motor claims #	3 554	8 893	16 700	16 700	21 000	27 300	35 000
Motor claims #/FTE	1 350	1 100	1 200	1 550	1 850	2 125	2 400
Change Y/Y		-19%	9%	41%	19%	15%	13%
Cost ratio per claim	1 050	910	876	699	603	541	493
Claims cost ratio %	11,70%	10,10%	9,70%	7,7%	6,7%	6,0%	5,5%

- Efficiency on target doubled in three years
- Internal quality before target, large improvements



Clean Desk-project

No delays in Claims Handling – without compromising on quality

Company project, started in 2016

Clean Desk-standards defined on every Claims Handling-team. All Claims...

- Answered within ...
- Handled within ...
- Settled within ...

Never compromise on quality

- Right first time, on time, every time
- Data quality

Monitored daily, reported monthly

Internal competitions part of Clean Desk-project

• E.g. "Clean Green Summer" (Summer 2017, ice cream to teams with 100 % score that week)







CleanDesk Scorecard July 2017





Clean Desk 2017

Moving towards 100 % Clean Desk



	Jan	Feb	Mar	Apr	May	Jun	Jul
Eierskifte	96 %	95 %	99 %	99 %	98 %	98 %	97 %
Skadeoppgjør	91 %	98 %	97 %	98 %	97 %	98 %	99 %
Prosess	100 %	92 %	100 %	100 %	98 %	98 %	94 %

Bedrift Norge	93 %	73 %	66 %	80 %	91%	95 %	99 %
Person	90 %	78 %	71 %	94 %	97 %	94 %	98 %
Auto	82 %	100 %	100 %	100 %	100 %	100 %	100 %
Ting	100 %	94 %	91 %	82 %	93 %	100 %	100 %
Ansvar	100 %	20 %	0%	44 %	72 %	88 %	97 %

Bedrift Sverige	100 %	98 %	98 %	94 %	96 %	98 %	99 %
1. linje	100 %	100 %	99 %	100 %	99 %	100 %	100 %
Person	100 %	100 %	97 %	96 %	100 %	95 %	100 %
Auto	100 %	100 %	99 %	99 %	97 %	99 %	95 %
Ting	100 %	98 %	97 %	98 %	99 %	100 %	98 %
Ansvar	100 %	90 %	100 %	78 %	85 %	97 %	100 %

Bedrift Danmark	100 %	100 %	92 %	97 %	95 %	97 %	99 %
Person	100 %	100 %	94 %	100 %	100 %	100 %	100 %
Auto, 1. linje	100 %	100 %	91 %	97 %	100 %	95 %	100 %
Auto	100 %	100 %	90 %	96 %	81 %	90 %	100 %
Ting	100 %	100 %	91%	92 %	95 %	100 %	100 %
Ansvar	100 %	100 %	91 %	100 %	100 %	100 %	95 %
Totalt	98 %	92 %	88 %	92 %	95 %	97 %	98 %

 Total score of 98 % in July '17 – best month so far, no reds

Competitions, rewards and social gatherings motivates





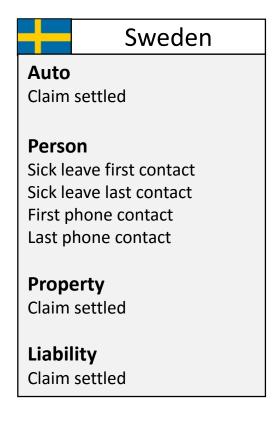


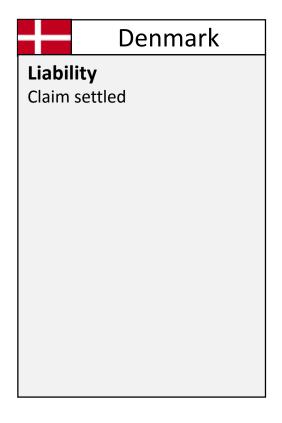


Instant Feedback implementations

Enhancing customer experience









Protector is world leading on cost

However, behind peers in claims handling

Gross cost ratio

	2011	2012	2013	2014	2015	2016
If P&C	17,3%	16,9%	16,8%	16,7%	13,0%*	16,6%
RSA scandinavia	17,6%	18,6%	19,5%	21,2%	16,4%	14,8%
Länsförsäkringar	21,0%	21,0%	19,0%	19,0%	19,0%	19,0%
Protector	10,0%	7,7%	8,8%	7,6%	7,5%	6,8%

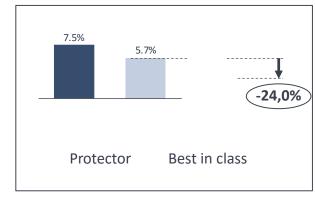
Protector is clearly ahead on gross cost ratio....

Claims handling cost ratio (ex. ESF)

	2011	2012	2013	2014	2015	2016
If P&C	6,2%	6,10%	6,0%	5,8%	5,8%	5,7%
RSA scandinavia	8,0%	7,6%	7,6%	6,9%	7,0%	7,0%
Länsförsäkringar estimate	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%
Protector				6,9%	6,5%	7,5%*

^{* 8,1%} incl. COI

Very poor claims handling ratio



Remember – Claims handling cost in Protector have lower overhead costs allocated than competitors (IT and Admin)

^{*}Pension funds cost decrease



World leading claims handling 2017-2020

World Leading Claims Handling

Peregrine Falcon (Vandrefalk)



- The Peregrine falcon can reach 320 km/h, which makes it the fastest animal in the world
- The bird uses its velocity and body weight to kill its prey by smashing into it
- Under ideal conditions the Peregrine falcon can distinguish a mid-size bird from up to 8 km
- The Peregrine falcon is present on all continents except for Antarctica







Falcon 2020

Project plan

Objectives

Efficiency:

flow



Purpose, scope & delimitations

• Increase usability, optimize work

Improve process support and

Automate all processes where

Best practice and education

External quality / customer satisfaction

Tone of voice: clear and friendly

Documented process control

TIME: shorten lead time

Substance: templates

Clear communication in the right channel (internet/e-mail/phone)

humans don't add value

integrate into Claims

- · World leading claims handling
- 40% efficiency increase, halved lead time, increased customer satisfaction and improved claims cost control
- Coordination with Clean Desk, Rolls Royce, Veritas, Breitling and Ch@mpion

Main deliverables

- Vision 2020
- Structure for target, activities & follow-up
- Benchmarking
- Requirements on projects, participants and line management

- Best practice processes
- Templates
- Education

Priority and focus

Main Risks

- Matrix leadership
- Analytical capacity

Critical success factors

Discipline as a culture

Employee buy-in

Follow-up

KPI's

- # claims per product/FTE
- Broker satisfaction index
- Customer satisfaction
- Rolls Royce

Project organisation

- Lead Hans Didring
- PL Lars-Ola Rambøl
- DK Thomas F. Marie NB
- NO Mads SA, Alexander A
- COI Alexander A
- SE Mikael H, Fredrik L

Business unit deliverables

Time line

2017-2020

Internal quality Steer volume to partners

- IT-requirements
- **Partners**

All in all: the world's fastest

Correctness: quality control

Falcon 2020 summary

Strengthen competitive position



- Cost and quality leadership → Profitable growth → Top 3 in all our segments
- To ensure cost leadership claims handling is crucial
- Good basis for new ambitions
 - Rolls-Royce ✓
 - Clean Desk
 - F17



→ Falcon 2020: Strengthening our competitive position through efficiency improvements and further quality improvement

Falcon objective	KPI	Effect of Falcon	Competitive position increased by
Efficiency	Claims handling cost-%	Increase efficiency 25-35%	1,5-2%
Quality improvements	Claims cost and renewal rate		1,5-2%
Total			3-4%



Challenger Strategy 2020



Lets further develop our DNA – Next Level

- Don't change Strategy
- Investments are Core, manage Risk
- Strong balance sheet important
- Growth creates more value than CR
- Focus Claims Handling and top 8



Next Level Management training program,

NGL and talent development → Next Level





Strategy 2017-2020

Top 8 priorities





- 1. Claims Handling, great potential
 - Internal quality development (RR, Breitling, CleanDesk etc.)
 - 40 %/15% efficiency increase (Commercial/COI) ultimo 16 to ultimo 19
- 2. Profitable growth in Nordic
 - Protakst New technical solution COI
 - · New billion segment opened
- 3. Insurance and Investments are twins



- 4. UK
 - Manchester, London, other offices
 - Segment and product mix considerations
- 5. Comeback and new profitable growth in Denmark
 - Nr. 1 on quality again in 2018
- 6. Go Public Sector, New country

IT as Innovator and Accelerator

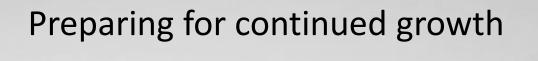
World class staff also adding value to business units and process development











10.15-11.15: Company update with claims handling in focus

Keep up the good work

Strengthen the balance sheet

Strengthen competitive position through Next Level claims handling - Falcon

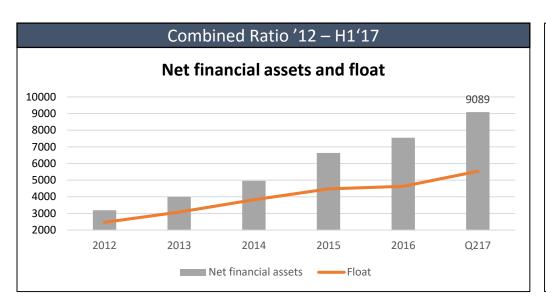
PROTECTOR forsikring





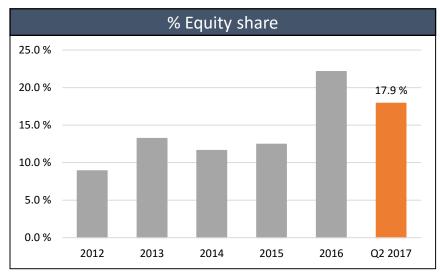
Investments

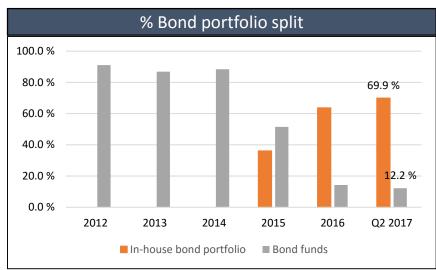
Beautiful "float" growing rapidly



"Insurers receive premiums upfront and pay claims later. ... This collectnow, pay-later model leaves us holding large sums — money we call "float" — that will eventually go to others. Meanwhile, we get to invest this float for our benefit. ..."

HTD 2/3 of Protector's net income has come from investments







The Investment Challenger

Investment Strategy Equities



Philosophy

- Long term oriented (5 years to forever)
- Patience willing to wait for great opportunities
- Concentrated portfolio (10-20 holdings)
- Focus on continuous improvement of process

Type of investments

- Great companies
- Strong management
- Price with an implied margin of safety
- Profitable growth

Main Risks

- No indexing returns can diverge from index
- Key people considerations



Sales development

The story continues



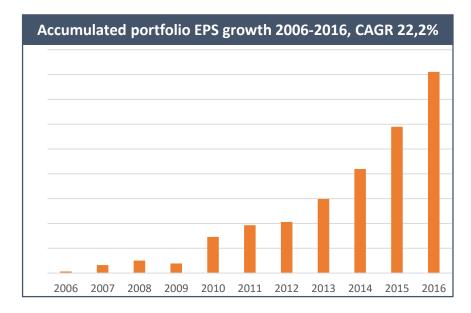


Historical sales and EPS growth development

Portfolio of great companies







Bought	Sold
Schibsted (sold Dec '15) Zooplus	B2 Holding (Target reached) AF Gruppen (Target reached) Norwegian (Other causes) Intrum (Terrible merger)



Portfolio statistics

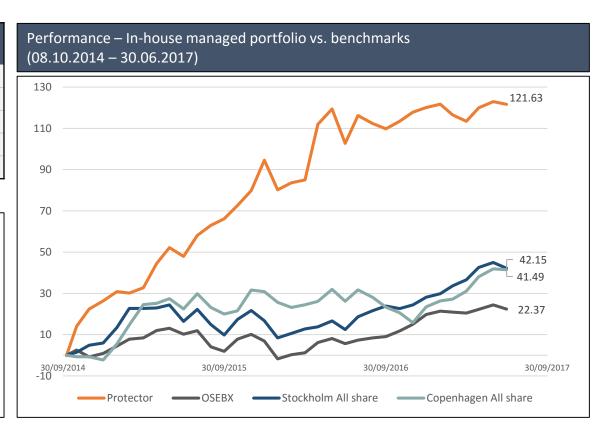


Equity portfolio vs. OSEBX end of June 2017

Key Figures	Equity Portfolio	OSEBX
Performance	121,6%	13,3%
Dividend yield	2,3%	4,1%
P/E Next 12m*	13,9	14,8
3 yr sales CAGR	27%	-2%
3 yr EPS CAGR	27,9%	-7,6%

*Factset estimates except for one company not listed where own estimates are used

- Extreme outperformance in period
- Cannot, and will not expect similar outperformance in the future
- Comfortable with periods of underperformance as long as underlying performance is good
- Goal to beat market over time



Investment performance evaluated over the long term



EPS growth and performance

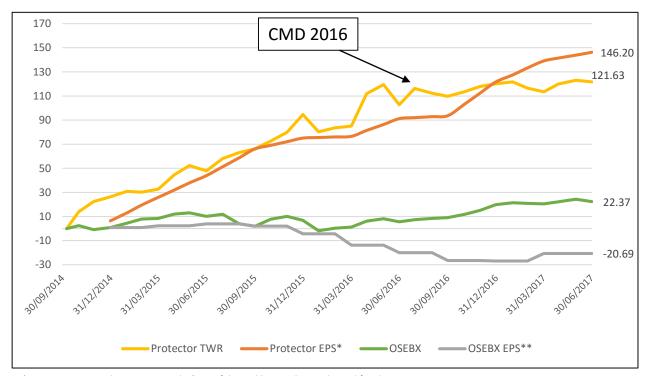
Go hand in hand



Key comments

- Strong historic relationship between EPS growth and share performance
- Share performance has been lagging EPS development for 4 quarters
 - Cheaper portfolio of great companies
- Opposite for OSEBX performing significantly better than its underlying reality
 - More expensive

Protector Equity Portfolio vs OSEBX (TWR and EPS growth) from Q4'14 to H1'17



^{*} Protector EPS graph represents today's portfolio and has not been adjusted for changes in composition



^{**}ABGSC numbers (ajd. EPS)

The Investment Challenger



Investment strategy Fixed Income

Philosophy

- Well diversified investment grade portfolio
- No currency risk
- Strive toward low turnover and volatility
- Search for pricing and rating inefficiencies in the market

Type of investments

- Sound companies
- Trustworthy management
- Price/spread with an implied margin of safety

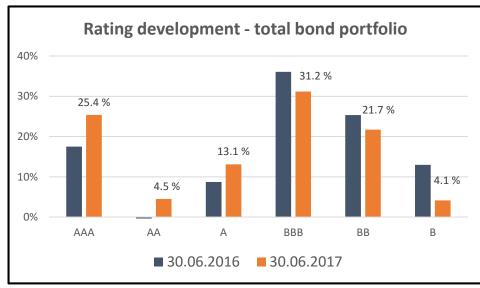




Fixed income portfolio data

Reduced risk, A- vs BBB+ last CMD – no reaching for yield

Factor	30.06.2017
Market value (NOK m)	7 461
Yield (%)	2,3
Spread (bp)	163
Average rating	A-
Duration (yrs)	0,4
Credit duration (yrs)	3,0
Internally managed % share	85 %



^{*}Rating is a mix of official rating and own rating

Total bond portfolio comments

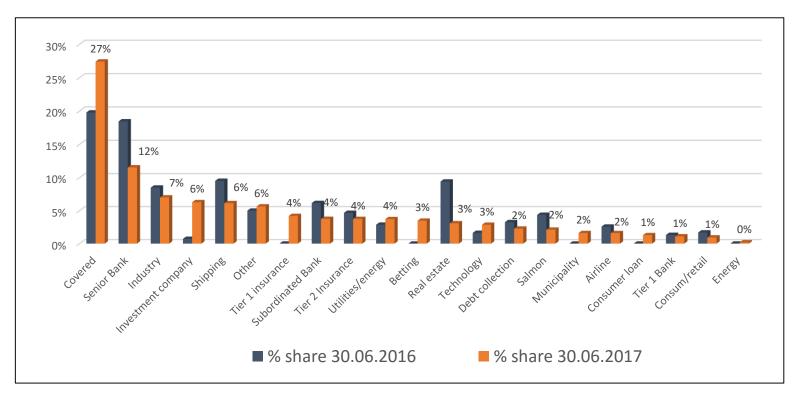
- Significant spread tightening
- Reduced risk in bond portfolio
- Bargain opportunities not plentiful in current market in our opinion
- Absolute minimum hurdle rate used when deciding on new high yield investments
- Currently well positioned with ample liquid investments for new investments if meeting our hurdle rate

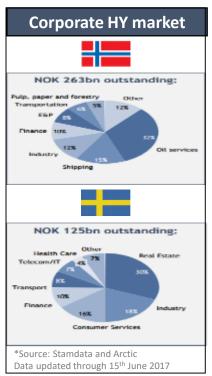


Internally managed Fixed Income portfolio



Sector distribution development





Sector distribution comments - internally managed bond portfolio

- Well diversified portfolio
- Move towards higher rated bonds
- No exposure to oil services sector which deviates from 32% of outstanding high yield volume in Norway
- Low exposure to real estate high yield sector which deviates from 30% of outstanding high yield volume in Sweden

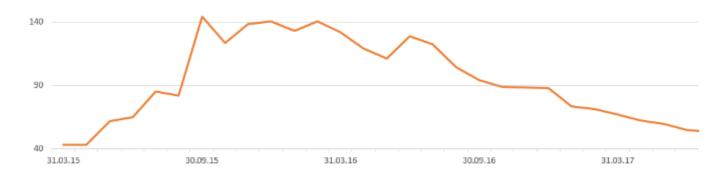


Mrs. Bucket

Portfolio surveillance

Count	NOK m	% of bond portfolio	Credit dur.	Duration	Protector rating	Market rating
29	778	12 %	1,3	0,3	BBB+	BBB+

Spread - Senior Bank Bonds



Yield	Spread	Spread dev. 3M	Spread dev. 12M	Capital consumption
1,3	54	-33 %	-70 %	3,0 %

Mrs. Bucket

Portfolio surveillance





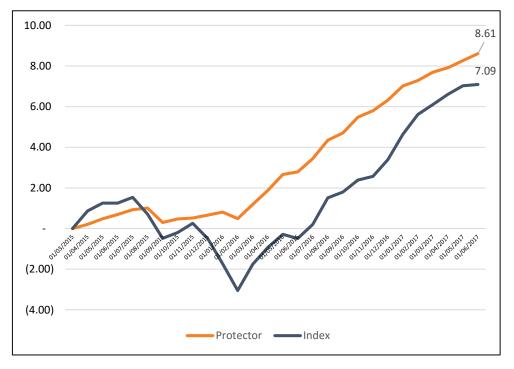


Internally managed portfolio vs. benchmark end of June 2017

Internally managed portfolio data 30.06.2017			
Size NOK m	6 209		
Yield	2,5%		
Duration	0,4		
Credit duration	3,2		
Average rating	BBB+1		

- Navigating in a very hot market
- · Significant outperformance in the period
- Cannot, and will not expect similar outperformance in the future
- Goal to beat benchmark over time

Performance – Internally managed portfolio² vs. benchmark³ (31.03.2015 – 30.06.2017)



Investment performance evaluated over the long term



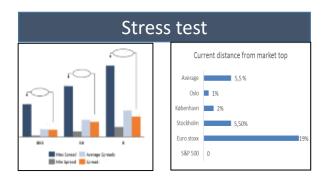
Protector's financial underwriting process

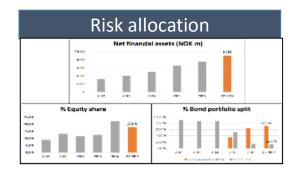
Continuous process improvements

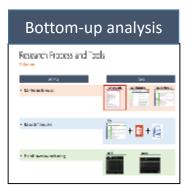


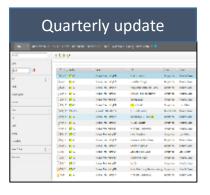
Protector's analysis process

- Stress test to survive volatility experienced in financial crisis
- Portfolio allocation based on risk/reward considerations
- Thorough bottom-up analysis the cornerstone of our investment approach
- Dashboards and surveillance as background











Macro dashboard









Compusoft

One of our favorites









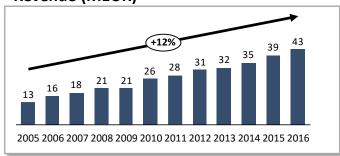




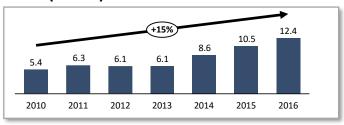
High level review – Compusoft

One of our top picks

Revenue (MEUR)



EBIT (MEUR)



Other

- Private company, based in Norway
- Protector owns 5,8%

Note 1: Computer Aided Design Note 2: Ex. cash

Investment Highlights

- Compusoft provides design and sales tool (CAD¹) for multibrand kitchen and bathroom retailers. 80% of revenue is subscription based.
- Strong record as a capital light compounder (ROIC = ~100%²),
 with moat and performance runway likely intact.
- Strong owner operator management and a highly customer focused organization aligned with shareholders (40%+ of employees own shares)
- Fair price for a wonderful company





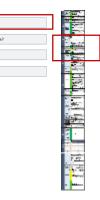
Financial Underwriting Summary - Compusoft

Checklist approach to support investment evaluation

1	Moat and durability
2	Revenue and margin drivers – intact for the future?
3	Management and organization
4	Expected return and margin of safety

Moat and durability

Isn't a CAD¹ program a pure commodity?



Barriers to entry

- Integrating all different manufacturers product catalogues (CAD drawing, price and spec.) into system is a key competitive barrier
 - High investment requirements 120 employees in Compusoft maintaining product catalogues (1000 catalogues, 11 languages)
 - Shortest lead time for updating system with latest product catalogues
 - Agreements to get product catalogues from manufacturers before publishing
- Limited market size deter entry (high investment need) and limits viability of e.g. open source alternative

Support intensive

 An established and well trained support organization – very high customer satisfaction



Signs of existing moat

- Pricing power able to raise prices ahead of inflation every year
- Minimal churn to competitors
 - Last 5 years annual churn to competitors have averaged ~0,4% of customer base
 - 80-90% of new customers are won from competitors
 - "All" due to (1) better product catalogue quality / maintenance or (2) better support



What have driven historical performance and are those drivers intact for the future?

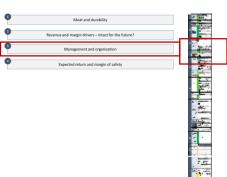
Growth

- Historical growth mainly by European market share gains within kitchen solutions, which constitute 70% of sales.
 - Compusoft is the leading player with ~30% market share in Europe. Still untapped runway in market share gains, with many small and weak competitors bleeding customers (~50%-60% MS over time)
 - · Roughly flat overall addressable market historically
- Bathroom solution another future growth driver
 - Compusoft have acquired a competitor within bathroom solutions and invested heavily in integrating product catalogues during the last couple of years
 - Have the most comprehensive product catalogue and are rolling out bathroom solution across Europe, leveraging existing sales and support network

Margins

- Historical margin expansion driven mainly by opex leverage
 - EBIT margin have increased from 21% in 2010 to 29% today
- Future margin expansion due to continued opex scalability likely leveraging already established European platform
 - Management targets EBIT margin expansion to 36% in 2020

Strong founding management and an organization aligned with shareholders



Balance sheet and capital allocation

- Limited booked tangible and intangible assets.
- Net cash of ~1-1,5x EBIT— no change expected, but significant untapped debt capacity is a plus
- ~All earnings distributed as dividend

Management and Organization

- All stakeholder interest aligned
 - Strong long term oriented owner operator management.
 - 40% of employees owns shares in the company
 - Low employee turnover, 3% of revenue spent on employee training
 - Organization with laser focus on customer service and satisfaction shown willingness to sacrifice short term growth to not risk service quality

Other FUW / Check List Items

- In what way does accounting figures differ from underlying performance? What important things do we not know?

 - Cyclicality (and where are we in the cycle)?
- What are the relevant base rates for this investment?
- List all possible behavioral and decision making biases we could face.

- Why is the other side selling? Why is it cheap?
- Regulatory risk?
- Do we really understand it? Why not in the too hard basket?
- Macro risk factors (Housing bubble, Economic recession, higher interest rate, commodity prices etc.)
- Perform a pre-mortem

Probabilistic approach to forecasting

Stock Return = [Earnings Growth] + [Dividend / Share Buyback] + [Multiple Expansion / Contraction]

5 year expected returns (SMURF)

Expected Returns	17,0 %	Sales Per Share	Margin	Utbytte	Reprising ¹	Forventet	Comment
Scenario 1 - Management meets internal budget (2020). Continued MS gains kitchen + price + successful penetration for bath	60%	13%	5%	5%	0,0 %	23%	Ending LTM P/E of 20
Scenario 2 - Bath solution fails to take off in new countries. Slower but continued MS gains in kitchen + price increases.	30%	7%	3%	5%	-5,6 %	9%	Ending LTM P/E 15
Scenario 3 - Distruptive competitive shift, limited new business and high churn.	10%	-5%	-4%	3%	-12,9 %	-19%	Ending LTM P/E 10. Loss of around 65%
Sum	100%	9,4 %	3,5 %	4,8 %	-3,0 %	17,0 %	

Key Risks and Investment points

Margin of safety and key investment points

- Margin of safety, low downside risk and high expected return
 - Downside probability limited by sticky recurring revenues and strong competitive position in a small niche
 - High probability of continued value accretive growth (kitchen + bath) yielding high overall expected return
- Strong owner operator management and organization aligned with shareholders

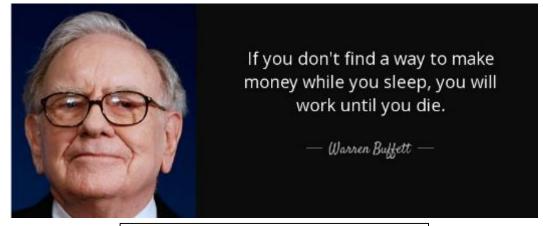
Key Risks

- Any change diluting importance of product catalogue database and maintenance.
- Short product life cycle increases threat of disruption.
- Loss of key management or personnel
- Consolidation and increasing bargaining power of customers.

Summary: Investments is core business

Better than peers, prepared for future

- HTD ROI better than peers
 - Also risk adjusted
- Insourcing Q4 2014 first phase delivered
- 7 people on board
 - 2 Portfolio Managers
 - 5 Analysts
- Financial Underwriting further developed
- Strengthened balance sheet
 - Opportunity and safety net







Preparing for continued growth



11.45-12.00: Coffee and snack





Protector has a different IT strategy



Internal
Days or weeks
> 1600 in 2016
500 a year
1%
Insourced

Development
Time to market
Innovations
Releases
Cost ratio
Operations

External

Months or years
??

Monthly?
3,5%

Outsourced

A changing world

- Algorithm
- Digitalization
- Artificial intelligence
- Automation
- Robotics

The world is changing So are we...

"Our intuition about the future is linear. But the reality of information technology is exponential, and that makes a profound difference. If I take 30 steps linearly, I get to 30. If I take 30 steps exponentially, I get to a billion." The biggest risk is not taking any risk... In a world that changing really quickly, the only strategy that is guaranteed to fail is not taking risks.

- Mark Zuckerberg

- Ray Kurzweil

Innovation is moving at a scarily fast pace

- Bill Gates







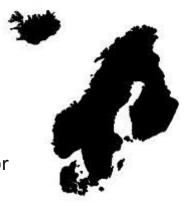


Protector

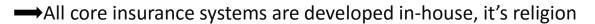
Back to 2003







Protector's «founding fathers», the Chairman, the CEO and the IT director all has extensive background from the IT/Insurance industry



Protector Insurance Application (PIA)

Claims application (CLAIMS)









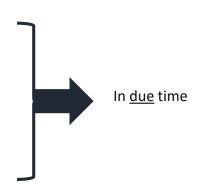
The first five years

Good enough, not robust but first robot made in 2004

- · Silo based development
- Highly skilled IT-professionals devolped systems idiosyncratically
- First UW robot made 2004



- First five years characterized by: «Waiting for Critical mass»
- IT operations outsourced
- Policies were made
- Claims were managed
- Development was fast and agile
 - Albeit not robust



- IT solution consumer market (all products) developed
- Low IT cost





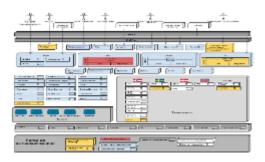






The next five years
Gradually moving towards robustness, but...

- Gradually developing an unified architecture
- New people on board
 - New impulses and ways of thinking
- Insourcing of IT operations in 2013, improved quality and cost
- IT cost moving downwards, despite "no budget restrictions"
- User satisfaction and Time To Market new functionality improving from a good level
- Multiple systems and features launched
 - Sweden two employees, three months
 - Denmark one employee, three months
 - New specialized claims handling system for COI
- Architectural "war" started and ended, change of IT management
- Gradually understanding how «incompetent» users normally are about IT
 - «How can an IT person develop a solution if you cannot describe it precisely»





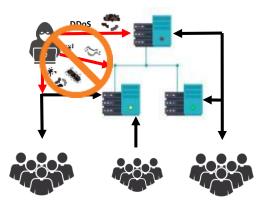






The "last" five years Stabilisation and standardisation

- Architecturally stabilisation
 - Transformation process
- Operational and security improvements
 - Cyber attacks increases
- Stable systems, SLA 99,5 % or higher
- Standardized platform (tools, comm. platform, data models and databases)
- Continuous delivery process implemented
 - 500-800 releases each year «World class»
- Moving towards automatic test procedures
- Cost continues to decline







Today's situation

IT as an accelerator

- IT + Insurance =
- V
- Business competency more aligned with the business
- More holistic involvement in projects
- Sound, prudent and scalable IT architecture
- Launched multiple new systems and solutions, with the use of mature technology
- More system changes done last 3 years than all previous years
- · Quality, Time to market and user satisfaction improves further
- Significant potential for further digitalization

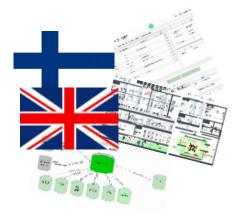


«There is no such thing as IT problems, the only challenge we have is the potential lack of skills to describe what we need»



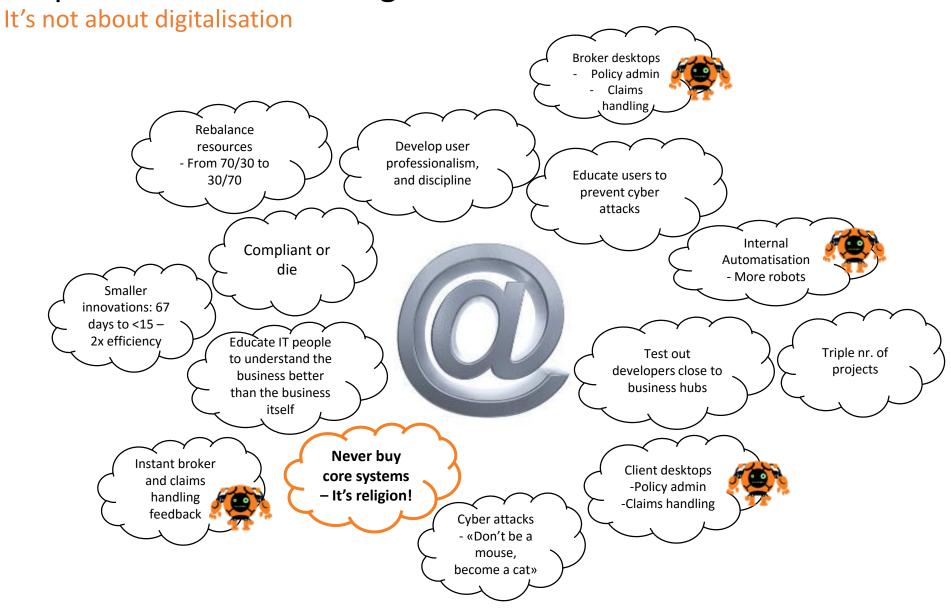








Prepared for continuous growth







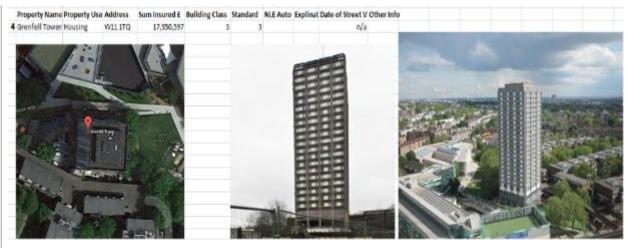
Grenfell Tower

Unprecedented accident – but financial impact limited





- Financial impact: Very limited due to reinsurance
- Estimated loss from own account is GBP 2,5m
- Kensington one of the most affluent areas in UK - lower frequency of fire and criminal damage
- No UW mistakes made same procedure as normal cases, but extended due to size







Risk Management

Post Grenfell Tower Tragedy







A stronger focus than ever is on Fire & Safety in UK

Thousands of people are now discussing and implementing improvements



New regulations and laws will gradually appear

Many risks will improve - but how much

Protector Risk Management post Grenfell Tower Strategy started



















Internal Risk Management and Underwriting improvement

Post Grenfell

Subproject & Milestones	Deadline	Status
Technical education of UW's -Training stage 1 -Training stage 2	6.7.17 Autumn	✓
UW, current Tower Block exposure and portfolio analyses -Internal UW review -Tower Exposure (high priority locations inspected) -Tower Exposure (medium and low priority locations inspected) -First hand inspections and inspections planning -One to one meetings with customers	13.7.17 20.7.17 21.7.17 11.7.17	∀ ∀ ∀
Underwriting procedures and portfolio analysis -Update guidelines and questionnaires -Implementation -RM library	21.7.17 2.8.17 2.8.17	V V
Inspections; background and updated routine -Updated guidelines and evaluations -Implementation	2.8.17 6.8.17	∀ ∀

- The first initial training sessions and reviews are all completed
- Identification of Tower Block exposure completed
- First hand inspection of high importance locations completed, medium and low priority ongoing
- One-to-one meetings with clients being conducted this week (08/08/2017 10/08/2011)
- Plan will be updated going forward

Grenfell Tower Summary



- Grenfell Tower is an unprecedented accident and human tragedy - with at least 80 people dead
- We are there to help: Projects are running, experts nominated and first pay-out decision taken
- The financial impact will be limited estimated loss of GBP 2,5m
- Protector stand firmly behind our UK operation –
 targeting a top 3 position in the broker based market
- Copying a winning formula we will be:
 - Easy to do business with
 - Commercially attractive
 - Trustworthy







Studies of 11 Countries over 1 year and > 1 000 pages

The basis for deciding entry in UK

Public

	Ranking	Total score
1	UK	4,45
2	Netherlands	4,18
3	Norway	4,00
4	Belgium	3,78
5	Denmark	3,63
6	Sweden	3,60
7	Finland	3,35
8	Germany	3,13
9	Switzerland	3,08
10	Poland	3,05
11	Austria	1,85

High scores given to:

- Markets with high cost ratios
- Markets where broker penetration is high
- Markets with little competition or in a oligopoly situation
- Markets where quality of service are assumed to be poor (difficult to measure from the outside)

The Nordics are ranked somewhat high (Protector's opinion)

Discussed with Board of directors during the process

The UK public sector, Holland and part of Belgium were assessed as strong starting points

→UK public sector entry 2015/16

SME

	Ranking	Total score
1	Netherlands	3,90
2	Belgium	3,88
3	Germany	3,79
4	UK	3,60
5	Denmark	3,58
6	Norway	3,48
7	Sweden	3,38
8	Poland	3,15
9	Finland	3,12
10	Switzerland	2,99
11	Austria	2,10

		Austria		Belgium		Germany		Netherlands		Poland		Switzerland		United Kingdom	
Criteria		Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score
1	Product Mix	2	0.40	3	0.67	3	0.67	4	0.80	4	0.73	3	0.60	5	0.93
2	Cost ratios	3	1.07	4	1.47	3	1.20	4	1.60	4	1.60	3	1.20	4	1.60
3.0	Market combined ratios	2	0.20	4	0.35	2	0.23	3	0.28	3	0.30	3	0.30	4	0.35
4.0	Brokers' position	1	0.25	4	0.92	2	0.58	4	1.00	2	0.42	3	0.67	4	1.08
5.0	Cultural challenges	1	0.05	3	0.13	4	0.18	5	0.23	2	0.10	3	0.13	4	0.20
Total		1	.97	3	.53	2.	.85	3.	90	3.	.15	2	89	4.	17





Copying a Winning Formula entering new Markets

In-depth analysis through 2015

Cost leadership

Fact: 1/2 of competitors Target UK: 1/3 of competitors

- Competitors higher than Scandinavia
- Larger average clients than Scandinavia

People and culture

Quality leadership

Fact: # 1 in Scandinavia Target UK: Far ahead of # 2

- Indications of low service-level
- More resources on board from start
- Claims handling biggest challenge

People and culture

Top 3

Fact: Need to believe before entering

UK: Many niche-segment

opportunities

- Required to be cost-efficient and gain expertise
- UK Public Sector will happen soon
- Big markets allows for niche picking

People and culture

Commercial sector; biggest potential, Public sector; entry point





Source illustration: Fondsfinans Research

UK database increasing rapidly



Already large database, best quality of all markets

- · Significant dataset purchased from market leading broker before market entry
- Additional data collected through tender processes
- Currently approximately 1/4 of the UK market, with 10 years ground up claims history, still growing rapidly

		Prope	erty	C	У	Fleet			
Market	Sums Insured	Claim years	# Claims £ losses	Exposure	Claim years	# Claims £ losses	Exposure	Claim years	# Claims £ losses
UK	£100bn	10	25k claims£180m losses	£13bn wages2m empl.	10	 350k claims £950m losses*	260k vehicle years	6	70k claims£90m losses
Norway	£50bn	8	5.5k claims£170m losses	£23bn turnover2.,6m empl.	7.5	2,7k claims£26m losses	186k vehicle years	7	22k claims£44m losses
Sweden	£90bn	6.5	7.5k claims£260m losses	• £11bn turnover	8	5,6k claims£21m losses	250k vehicle years	4	40k claims£30m losses
Denmark	£65bn	5.5	45k claims£290m losses	• £6bn wages	5	 6k claims £11m losses	100k Vehicle years	4.5	2,3k claims£3,5m losses

^{*}Ground up basis

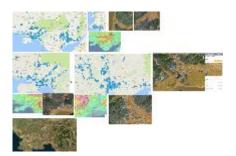


Housing Associations



Risk evaluation based on Public Sector methodology – adjusted for key factors

- Large database collected (historical performance and publicly available statistics)
- > 100 risk factors systemized and benchmarked
- Structured approach to flood and fire risks







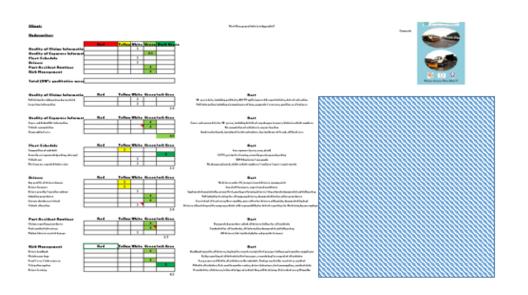
Motor Fleet UW Public Sector

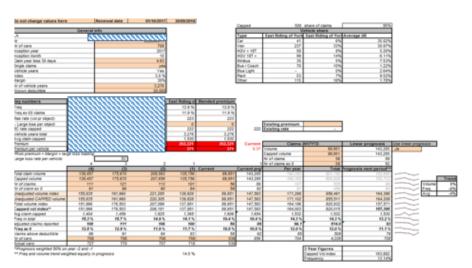


Cost advantage is key, avoid the wrong (red) risks

- Statistical exercise, get the facts right
- Extensive risk management information evaluated
- Cost leadership leads to increased market share

Frequency	Avg. Claim Capped	Claims	Frequency	Avg. Claim Capped	Claims	Frequency	Avg. Claim Capped	Claims	Frequency	Avg. Claim Capped
Prg next period *	Prg next period *	Prg next period ~	Prg next period *	Prg next period ~	Prg next period *	Prg next period ~	Prg next period ~			
17.5%	1,676	144	17.5%	1,332	116	14.1%	1,662	66	8.0%	3,379
41.4%	933	90	41.4%	449	16	7.5%	2,603	10	4.5%	4,077
15.9%	1,500	48	15.9%	1,305	46	15.2%	1,366	28	9.2%	2,242
42.1%	1,414	20	42.1%	630	5	10.4%	2,369	3	6.5%	3,418
28.0%	1,047	200	28.2%	771	99	13.2%	1,402	79	10.4%	1,869
24.4%	1,096	88	24.4%	487	32	8.8%	1,360	16	4.5%	2,667



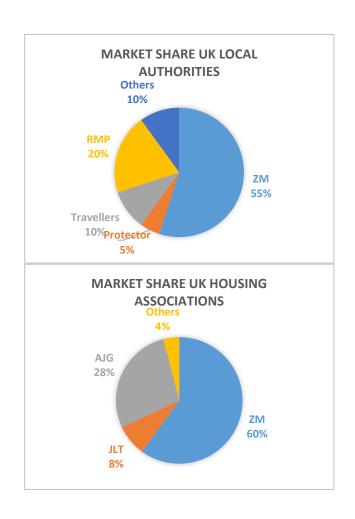


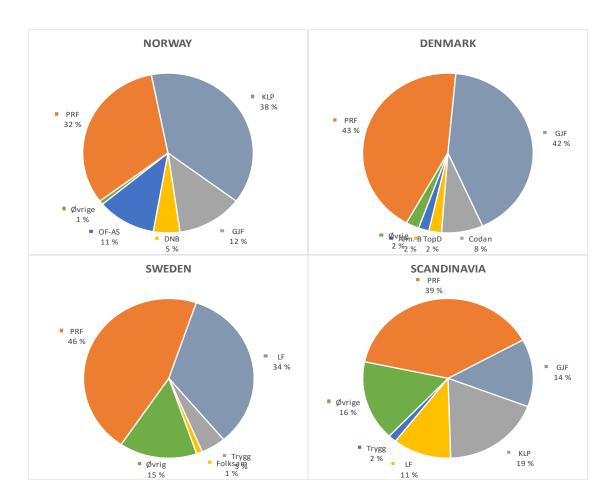


Market situation in UK is similar to Nordics



Estimated figures per Q2 2017

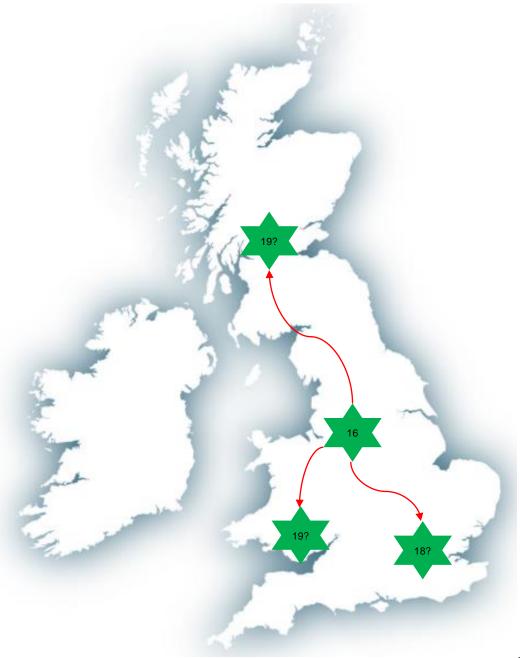






The challenger's location in UK

Close to the brokers



- UK (non-life) insurance market is big:
 - Commercial: ~ £6bn
 - Public incl Housing: £600m
- Manchester; a good hub
 - High density of brokers
 - 2nd largest insurance hub in the UK
 - Access to skilled workforce lower cost than London
- Cheaper office space
- Manchester cannot serve all of UK
 - London
 - Scotland
 - Potentially south ex London
 - Timing is important
 - Key personell capacity to open a new office
 - Proximity to brokers with the best business



UK – Operational development

Controlled growth in a market with many opportunities



- >20 people on board
 - A good mix of experience and quickly developing talents
 - New recruitment phase started April 2017 double in 18 months
- Very good growth £17m on board, 3 segments delivering
 - Public sector: ~£9m
 - Commercial sector: ~£5m
 - Housing Associations: ~£3m
- Main focus in H2
 - Insourcing of claims handling
 - High market activity commercial sector (JLT, Marsh, Aon)
 - Housing Associations Continued Profitable Growth and improved value chain
 - Ogden Discount rate change learn, take advantage of opportunities
 - Organizational development
 - Position Protector as # 1 in quality survey







Volume estimates UK



Volume full year 2016

Estimate 2017

Preliminary estimate 2018

Volume 25 MNOK

150 - 200 MNOK 400 – 500 MNOK Ahead of schedule







UK summary

- Prepared for 2 years (2014 and 2015)
- Tested the market (2016)
- 16 people on board volume arriving 2017
- Grenfell Tower Freak accident
 - Will not change our strategy
 - o Protector brand already well known
 - Brokers
 - Public sector
- Strong potential in housing and public sector very strong in commercial sector long term
- Will hire 20 people the next 18 months







Our DNA

Vision

The Challenger

Business Idea

This will happen through unique relationships. best in class decision-making and cost effective solutions

Main targets

Cost and quality leadership Profitable growth Top 3

Values

Credible
Open
Bold
Committed



Summary and Q&A

Preparing for continued growth

- Keep up the good work
- Balance sheet strengthened improved structure
- Volume guiding increased
- SCR target increased and dividend policy changed
- Strategy 2020 and top 8



- Claims handling is number 1 Falcon
- Investments is core business
- It's not about digitalisation
 - People, processes and digitalisation
- UK ahead of Schedule
- People, culture and management development is everything



