

Q1 2018 Interim Results

Investor presentation
Oslo, 27.04.2017





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



Highlights Q1 2018

17,9 % growth, poor claims quarter



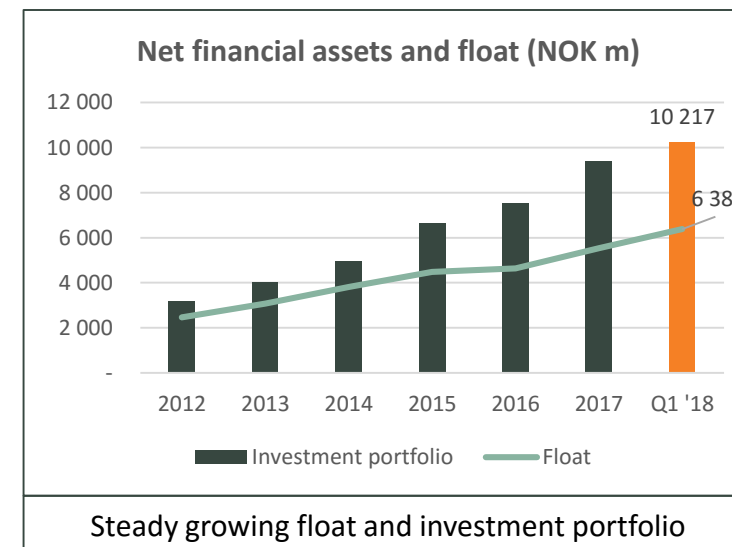
- Growth of 17,9% (15,2 % local currency)
- Gross cost ratio 8,3% up from 7,1%
 - Underlying cost ratio better
- Net Combined ratio 95,1% up from 87,0%
- Profit after tax of NOK 1,8m down from NOK 69,8m
 - Profit before tax NOK 24,6m
- Investment return 0,0 %, NOK 2,5m
- AUM NOK 10,2 bn, float NOK 6,4 bn.
- Solvency ratio of 194,7 %

New Guiding 2018

Net combined ratio **>94 %** (92-94 %)

Volume growth **20 %**

Cost ratio **≈7,5 %**

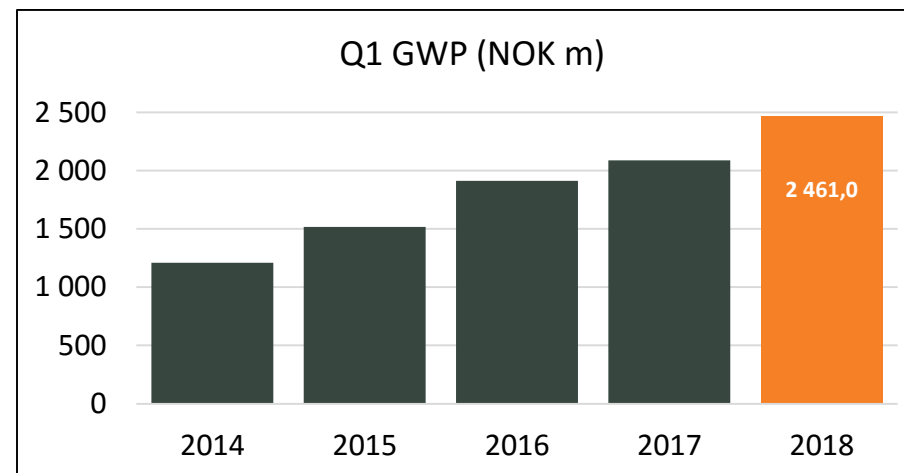


Gross written premiums Q1 2018

Strong growth of 17,9 %



- GWP total NOK 2461,0m up 17,9%
- Strong growth in Sweden, high hit rates
- Single digit Com. & Publ. Norway growth, COI in line with market
- Good growth in Finland
- Lower growth expected in Q2, picking up in Q3/Q4



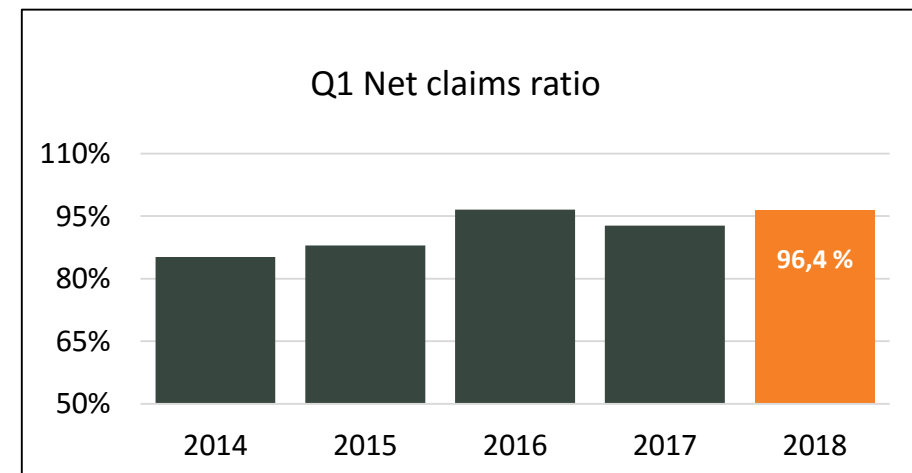
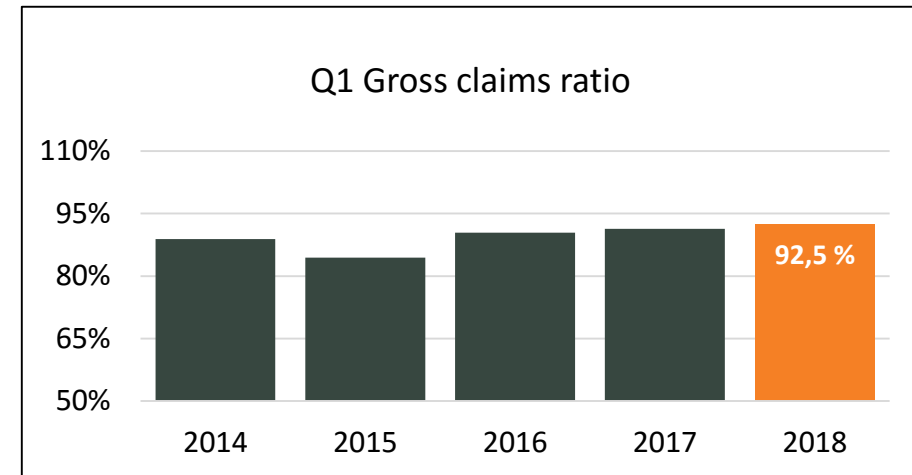
Business unit	Q1 18 NOK m	Q1 17 NOK m	NOK % growth	LCY % growth
Norway Commercial & Public sector	766,0	730,3	4,9 %	4,9 %
Change of Ownership (COI)	116,4	124,4	-6,4 %	-6,4 %
Sweden	702,9	569,6	23,4 %	23,2 %
Denmark	694,0	609,3	13,9 %	7,3 %
UK	60,1	16,3	268,4 %	249,3 %
Finland	121,6	37,6	223,5 %	194,9 %
Group	2461,0	2087,4	17,9 %	15,2 %

Claims development Q1 2018

Poor claims quarter – driven by a poor P&C result mainly in Norway



- Gross claims ratio 92,5%, up from 91,4 %
 - Slightly influenced by weather claims
 - Seasonality gradually changes towards a less favourable Q1
 - Relative share of motor business increases
 - Net commission in Q1 moves downwards
- Net claims ratio 96,4%, up from 92,7 %
- Run-off losses f.o.a amounted to NOK 21,6m or 2,8%
 - Change of Ownership Norway
- Poor Claims ratio in Norway
 - Motor, Liability, Health and Loss of License
 - To early to say how much is underlying reality or just a poor quarter
- Good Claims quarter in Sweden (all lines), and poor claims ratio Denmark (property, WC)
- UK and Finland too early to say



How do we improve our poor claims ratio in Q1

Keep up the good work – cost and quality leadership is maintained



Actions already taken

- **Rolls Royce**
 - Culture of thoroughly searching for cost Reductions and Recourses in every single claim
 - Well established – good results
- Individual and general price increases
- Improved UW-methodology
- Lost 10 biggest quotations 1st Feb.-1st Apr. in Norway
 - Non-prudent unsustainable rates
- Non-renewal of biggest Norwegian client ever 1st Apr.
 - Unsustainable rates
- Increased usage of automatic price increasing clauses
 - Contractually stated that if loss ratio > threshold, the renewal increases with x%

Further actions to take

- Stronger UW discipline in some markets and/or product and segments
 - Continued UW discipline might lead to reduced volume (negative volume development in Norway expected in Q2)
- Capital allocation per product will be more closely monitored since margins are under pressure and interest free rate is historically low
- Higher renewal prices in certain segments
 - Will take time since main renewal date is 1st Jan.
- Internal project called Falcon will gradually reduce claims handling expenses

Cost ratio Q1 2018

World Cost leadership maintained



- Gross cost ratio 8,3%, up from 7,1%
 - Driven by some technical changes and minor one-offs
- Net cost ratio -1,2%, up from -5,7%
 - Lower reinsurance commissions and higher commission to brokers
- Underlying trend stable

Business unit update Q1 2018

GDPR Compliant per 25.05.2018



Public & Commercial sector

- Volume up 4,9 %, high hit ratios in SME/affinity
- Poor claims quarter
- Mostly strong KPIs in Claims Handling
- 69 full time employees

Sweden

- Volume up 23,4 %, very good hit ratios
- Profitable growth continues
- Good claims efficiency KPIs – 12 % increase, in line with 2020 ambition
- 80 full time employees

Finland

- Volume up 223,5 %, driven by WC
- Profitability too early to say
- Very good claims service with CleanDesk 96 %
- 18 full time employees

Change of Ownership Insurance

- Volume down -6,4 % - in line with market
- Increased focus on Margin Management
- Claims handling KPIs mostly good
- 62 full time employees

Denmark

- Volume up 13,9 %, motor up 45 %, portfolio clean up still in progress
- Poor claims quarter for property (3 large claims) and WC
Several profitability projects launched during 2017
- 35 full time employees

UK

- Volume up 268,4 %, few but good renewals
- Profitability too early to say
- Implementing CleanDesk and Rolls-Royce KPIs in Q2
- 31 full time employees

Equity portfolio statistics

18,4 % of total investment portfolio

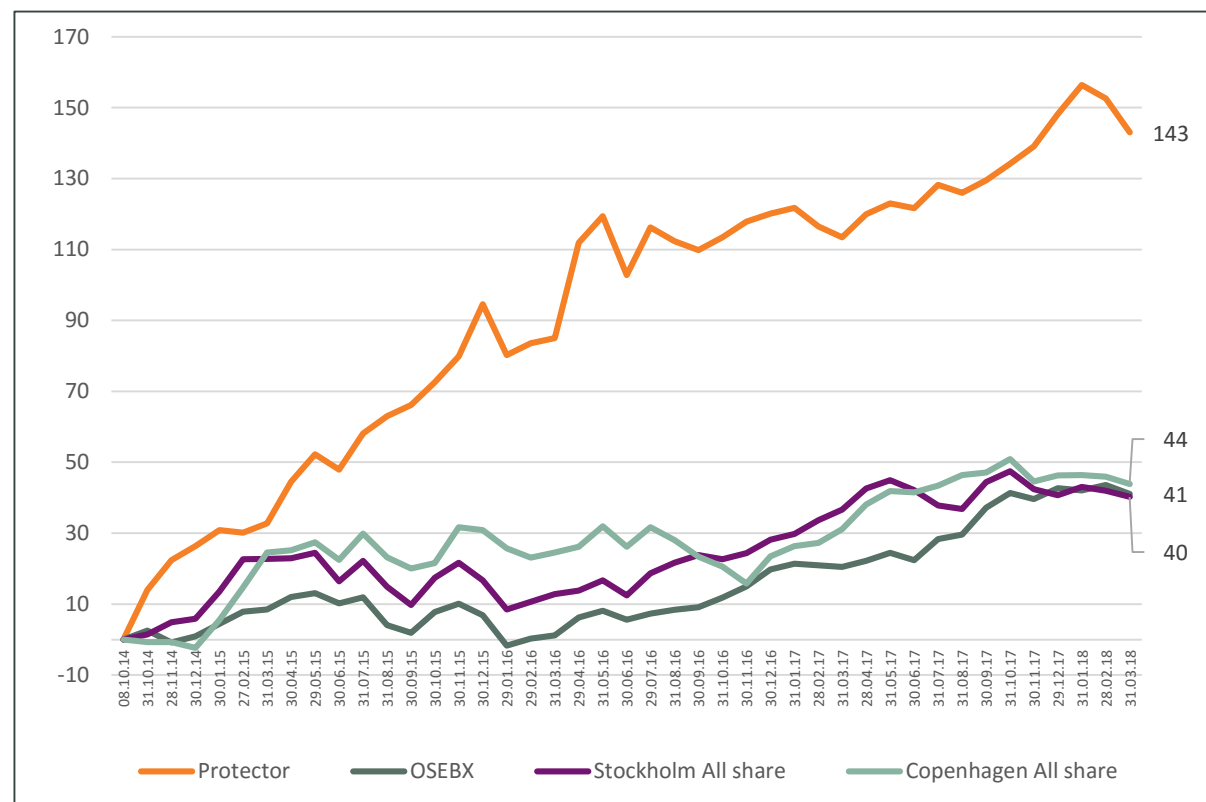


Key Figures	In-house Managed Portfolio	OSEBX
Performance	143,0%	41,1%
Dividend yield	2,3%	3,3%
P/E NTM*	18,9	15,6
3 yr sales CAGR	21,4%	3%
3 yr EPS CAGR	23,3%	0%

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

- Strong portfolio company development
- Comfortable with periods of underperformance as long as underlying performance is good
- Goal to beat market over time

Performance – In-house managed equity portfolio vs. benchmarks(08.10.2014 – 31.03.2018)



Investment performance evaluated over the long term

In-House bond portfolio statistics

81,6 % of total investment portfolio

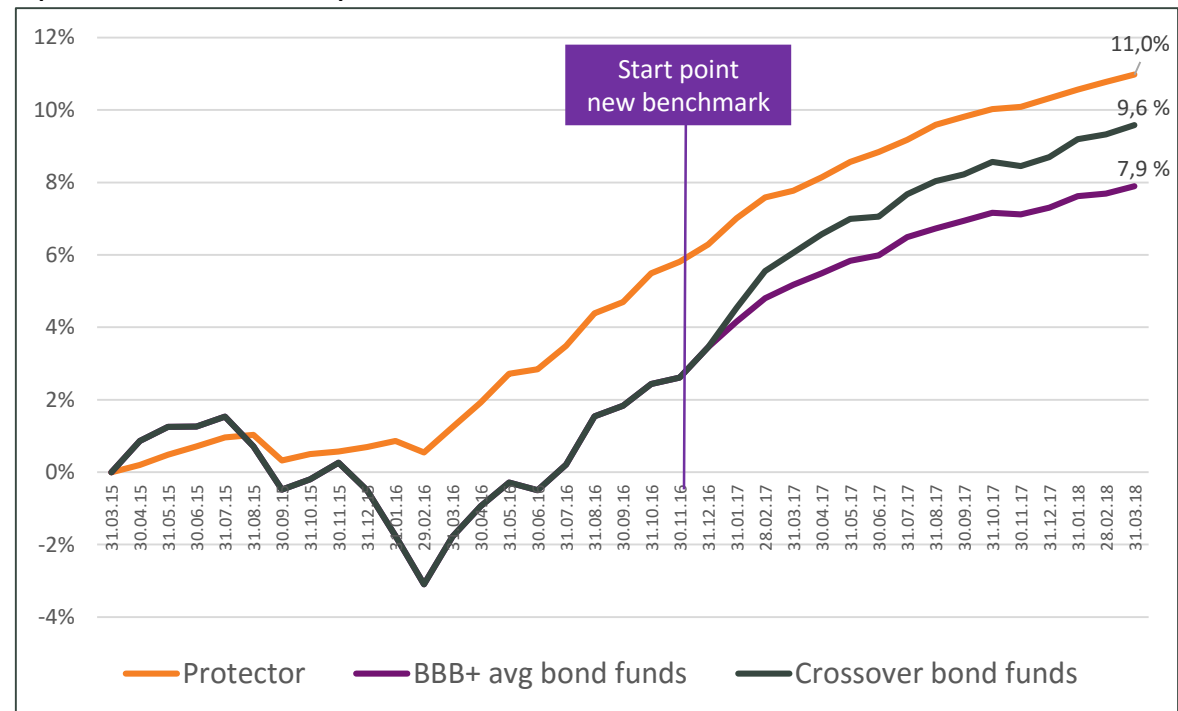


Portfolio data 31.03.2017	
Size NOK m	8 380
Yield	1,8%
Duration	0,3
Credit duration	2,5
Average rating	A+

¹ Average based on official rating (>65%) and Protector rating (<35%)

- Navigating in a low yielding market
- Not expecting further yield reduction or risk reduction going forward
- Goal to beat benchmark over time

Performance – In-house managed bond portfolio vs. benchmarks
(31.03.2015 – 31.03.2018)^{1,2,3}



¹ Crossover fund benchmark consist of: Storebrand Rente +, Arctic Return Class I, Carnegie Corp. Bond, Handelsbanken Høyrente, Holberg Kreditt, Pareto Høyrente, Alfred Berg Income, Eika Kreditt, Landkreditt Høyrente

² BBB+ rating benchmark consist of: Storebrand Rente +, Arctic Return Class I, Carnegie Corp. Bond, Handelsbanken Høyrente, Pareto Høyrente, Alfred Berg Income, Nordea OMF likviditet

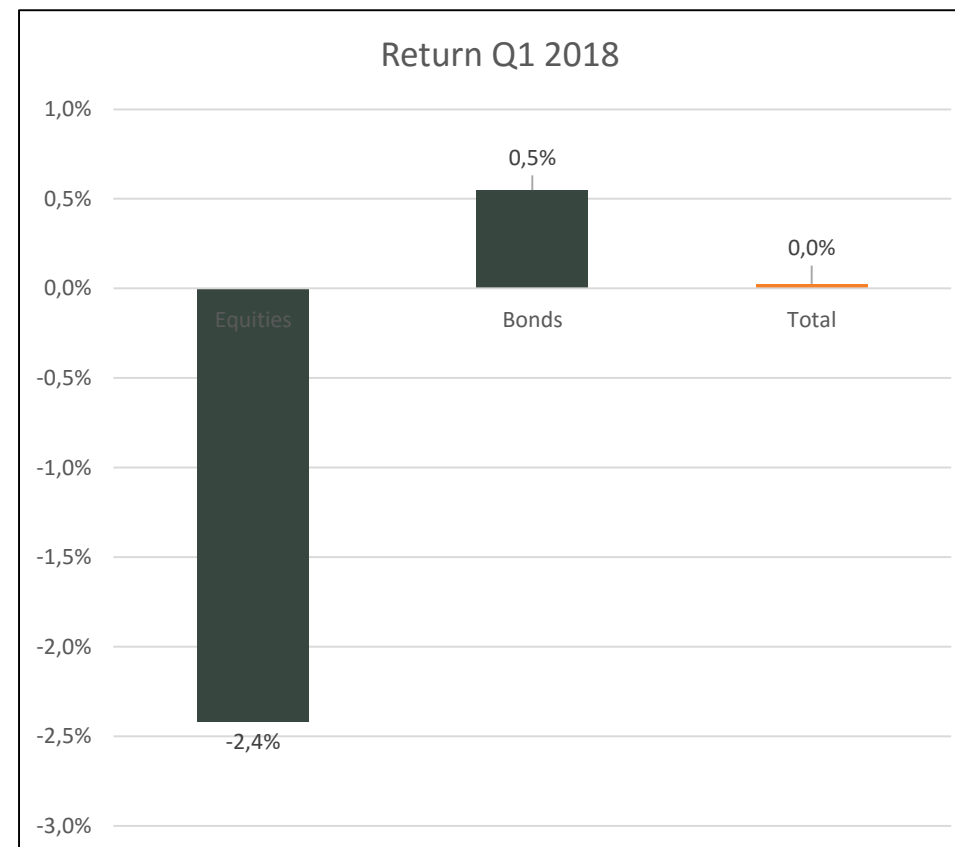
³ Protector graph adjusted for the difference between NIBOR, STIBOR and CIBOR from February and March '17 when portfolios were created in Sweden and Denmark, respectively

Investment performance Q1 2018

Stable spread levels, NIBOR picking up



- 0,0% return on investment portfolio, net investment result of NOK 2,5m
- Equities; return of -2,4%
 - Oslo Stock Exchange -1,1 %
 - Portfolio consist of 17 companies
- Bond portfolio; return of 0,5%
 - Overall relatively stable spread levels in our main markets
 - Status now: some benefit from +36bp Q1 jump in NIBOR going forward



Profit & loss Q1 2018

17,9 % growth, poor bottom line



[1.000.000 NOK]	Q1 2018	Q1 2017	FY 2017	
Gross premiums written	2 461,0	2 087,4	4 163,2	Growth 17,9 % (15,2 % LCY)
Gross premiums earned	1 070,9	858,6	3 805,5	
Gross claims incurred	(990,6)	(784,4)	(4 054,2)	
Earned premiums, net of reinsurance	770,7	710,2	2 925,9	
Claims incurred, net of reinsurance	(742,7)	(658,3)	(2 647,5)	
Net commission income	67,9	86,6	116,9	
Operating expenses	(35,8)	(29,5)	(122,5)	
Other income/costs	(15,3)	(11,4)	(59,2)	
Net financial income	2,5	26,6	419,5	
Profit before tax	24,6	107,3	562,2	Poor result
Tax	(22,8)	(37,5)	(85,5)	
Profit before components of comprehensive income	1,8	69,8	476,7	
Comprehensive income incl. tax	(4,2)	11,2	39,8	
Profit for the period	(2,4)	81,0	516,5	
Claims ratio, net of ceded business	(1) 96,4%	92,7 %	90,5 %	Poor claims ratio
Expense ratio, net of ceded business	(2) -1,2%	-5,7 %	2,6 %	
Combined ratio, net of ceded business	(3) 95,1%	87,0 %	93,1 %	
Gross claims ratio	(4) 92,5%	91,4 %	106,5 %	
Gross expense ratio	(5) 8,3%	7,1 %	7,4 %	
Gross combined ratio	(6) 100,8%	98,5 %	113,9 %	
Retention rate	(7) 72,0%	82,7 %	76,9 %	
Earnings per share	(8) 0,02	0,81	5,53	

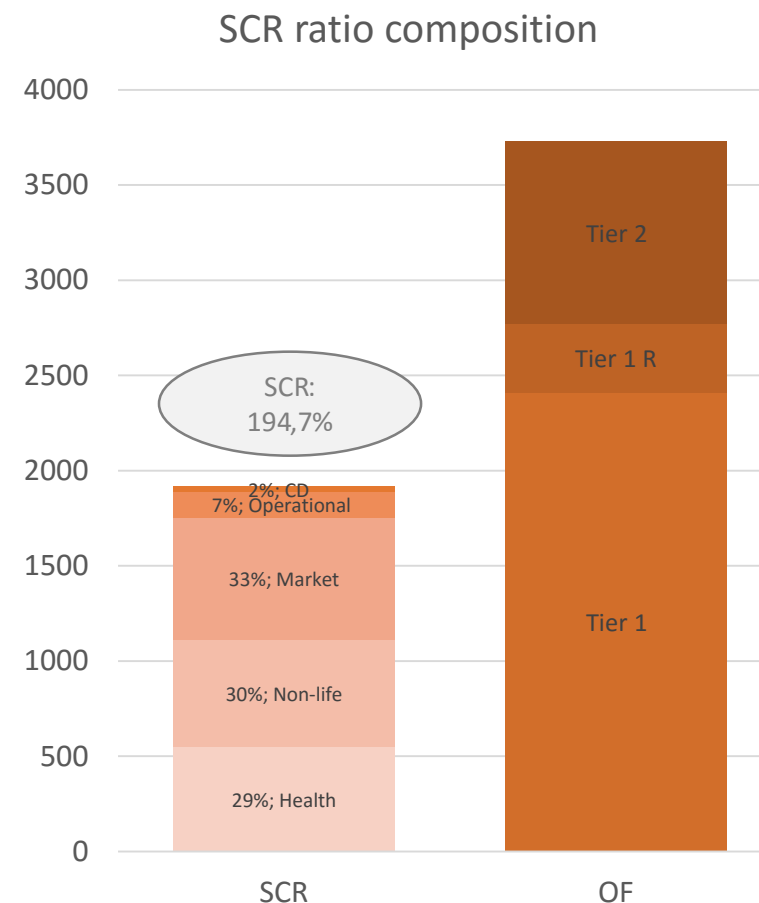
Balance sheet Q1 2018

SCR 194,7 % based on standard formula



[1.000.000 NOK]	31.03.2018	31.12.2017
Owner-occupied property	13,8	13,5
Financial assets	10.208,7	9.379,4
Derivatives	22,0	2,5
Bank deposits	246,0	327,5
Other assets	3.500,7	2.549,3
Total assets	13.991,2	12.272,1
Total equity	2.573,3	2.591,3
Subordinated loan capital	1.243,3	1.243,3
Total reserves	8.540,7	7.049,4
Derivatives	14,0	9,2
Other liabilities	1.620,0	1.379,0
Total equity and liabilities	13.991,2	12.272,1

- SCR coverage ratio 194,7% pr. 31.03
- SCR fully covered by Tier 1 capital only
- Full Tier 2 utilization; some Tier 1 restricted capacity
- No dividends paid out decided at the AGM due to strong growth expectations the coming years



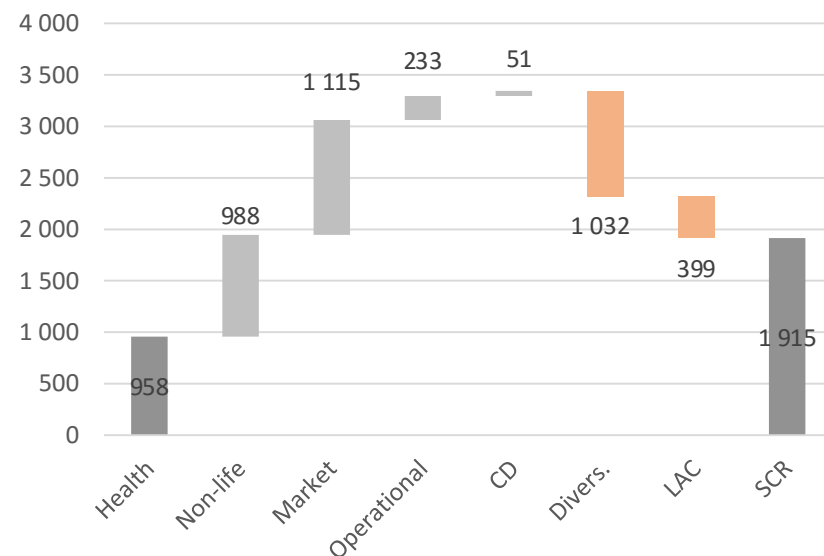
Solvency II



Composition of SCR:

- Net insurance risk 58%
- Net market risk 33%
- Other risks 9%

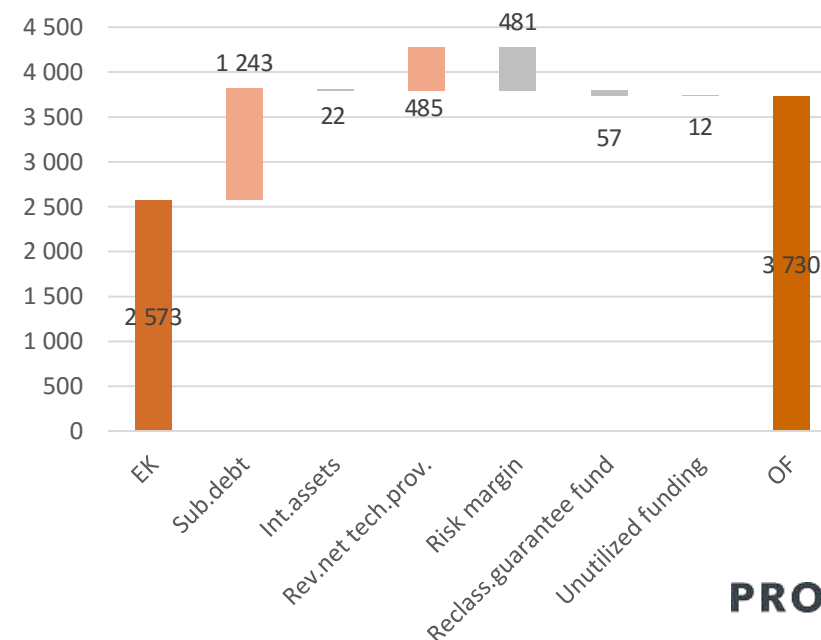
SCR composition



Eligible SII capital:

- Assumed no dividend
- Guarantee provision subtracted from own funds

Eligible SII capital



Shareholder's matters

Per 31.03.2018

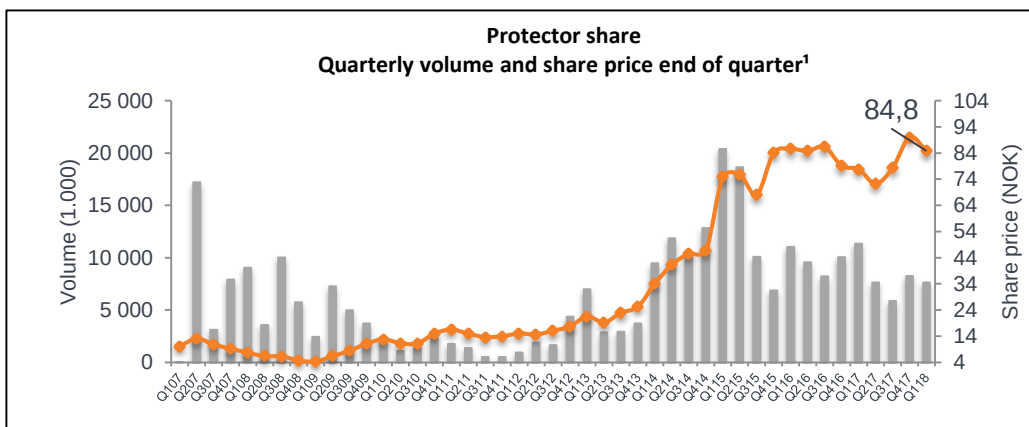


Shareholder	# shares	Percent
STENSHAGEN INVEST AS	6 550 000	7,60 %
ODIN NORDEN	4 485 857	5,21 %
SWEDBANK ROBUR SMABOLAGSFOND	3 963 756	4,60 %
OJADA AS	3 563 116	4,14 %
HVALER INVEST AS*	3 186 809	3,70 %
CITIBANK, N.A.	2 481 341	2,88 %
STATE STREET BANK AND TRUST COMP	1 867 833	2,17 %
AWILHELSEN CAPITAL HOLDINGS AS	1 824 461	2,12 %
ARTEL AS	1 802 293	2,09 %
MP PENSJON PK	1 720 379	2,00 %
VERDIPAPIRFONDET DNB NORGE (IV)	1 650 000	1,92 %
STATE STREET BANK AND TRUST COMP	1 499 916	1,74 %
FROGNES AS	1 484 268	1,72 %
GENERALI PANEUROPE LTD -GP11940006	1 450 000	1,68 %
NORDNET BANK AB	1 413 350	1,64 %
GLOBAL PORTFOLIO INVESTMENTS, S.L.	1 400 000	1,62 %
SKANDINAVISKA ENSKILDA BANKEN AB	1 378 171	1,60 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 187 841	1,38 %
SWEDBANK ROBUR NORDENFON	1 182 567	1,37 %
JOHAN VINJE AS	1 182 535	1,37 %
20 LARGEST	44 855 965	52,06 %
OTHERS	41 299 640	47,94 %
TOTAL SHARES	86 155 605	100,00 %

*CEO Sverre Bjerkeli

Related parties shareholding

- Management's direct and indirect shareholding totals 3,5m shares or 4,0% of current outstanding shares
- Board members directly own a total of 11,1m shares or 12,9% of current outstanding shares
- Director Commercial Norway, Lars Ola Rambøl, acquires 2000 shares
- Protector owns a total of 9651 own shares
- As of 13th April Indumenta Pueri, S.L. reached a qualifying holding of 5 %



¹ Share price adjusted for dividends, no reinvestment of dividends
Data pr. 31.03.2017



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

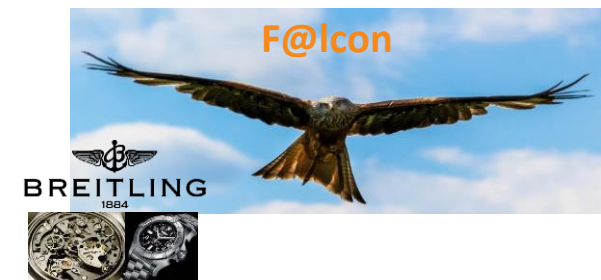
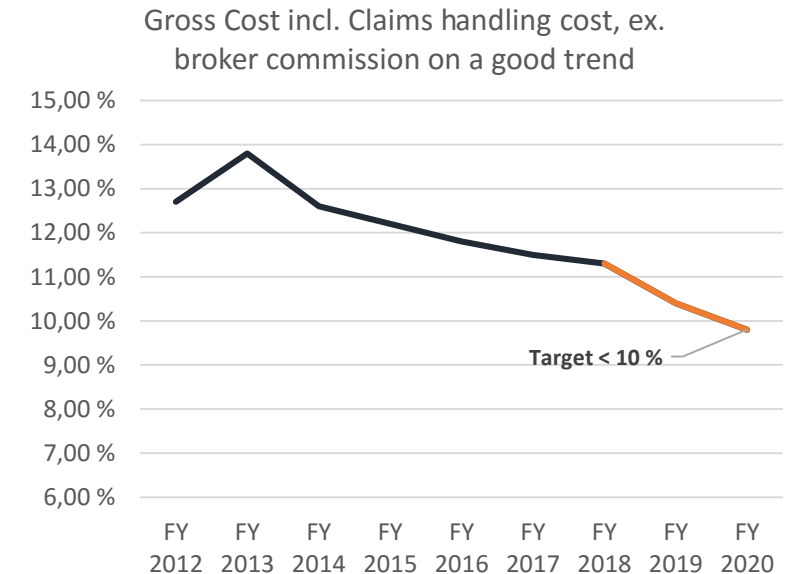
Committed



World leader on cost

Stable development at the moment, will improve towards 2020

- Gross cost incl. claims handling ex. Commission steadily decreased the last couple of years
- Cost scalability is strengthening the coming years
 - UK and Finland volumes materializing
- Improved value chains (Breitling)
- Increasing IT development capacity leads to improved innovation (efficiency and quality)
- Efficiency increases in claims handling (Falcon) and reduced overhead expenses
- Remember; commission cost will increase, but they are neutral seen from a competitive and earnings point of view

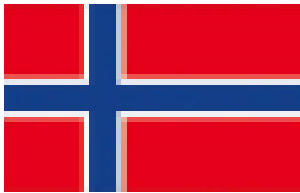


Protector - quality leader in all markets

Humble and proud



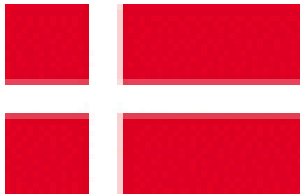
12 years in a row



6 years in a row



Back on top 2018



Far ahead of number two



Straight to the top



We are very good at quality – but we will be better

Q&A

Preliminary 2017 Results

Key ratio description



Ratio

- (1) Claims ratio, net of ceded business
- (2) Expense ratio, net of ceded business
- (3) Combined ratio, net of ceded business
- (4) Gross claims ratio
- (5) Gross expense ratio
- (6) Gross combined ratio
- (7) Retention rate
- (8) Earnings per share

Ratio calculation

- (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