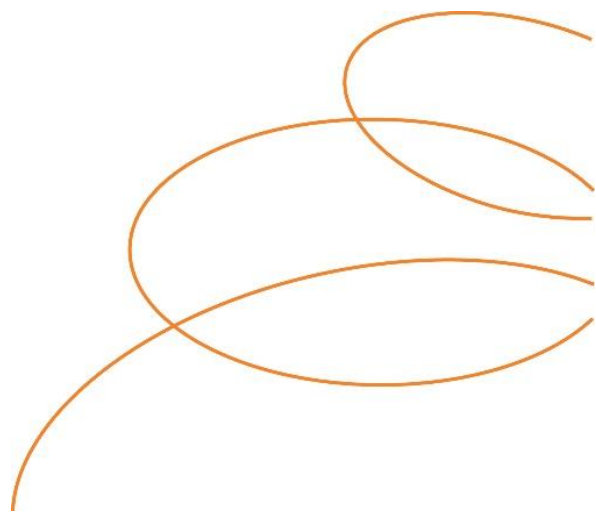




INTERIM REPORT Q4 2018

PROTECTOR FORSIKRING ASA

JANUARY 31st 2019



Highlights 2018 – Growth 15%, CR 106,9%

Business going forward - 19% growth and CR 98,6%

The loss for the year 2018 was NOK – 309.8m against a profit of NOK 516.5m in 2017. The 2018 result is driven by significant reserve losses within Change of ownership insurance (COI) and by weak financial results in Q4 due to weak financial markets in November and December.

Protector has decided to exit the COI market due to the product's recent years weak technical performance, and due to the significant uncertainty related to the product's future premium development and profitability. COI is the only product in the company that directly represents the consumer market, and accounts today for less than 10% of the company's total business.

Following the decision to exit the COI market, COI is in the P&L defined as «discontinued operations». The net result of COI is presented on a separate line as discontinued operations. In the key figures table below are the figures also given as if COI was continued business to ease the comparison with earlier reported figures.

2018 shows following development compared to 2017:

- Gross written premiums NOK 4,286.1m, up 19% from NOK 3,612.7m
 - Gross written premiums (incl. COI) NOK 4,799.7m, up 15% from NOK 4,163.2m
- Net combined ratio was 98.6%, up from 93.6%
 - The net combined ratio (incl. COI) was 106.9%, up from 93.1%
- Net financial income of NOK - 19.8m (-0.3%), compared to a profit of NOK 337.8m (4.6%)
 - Net financial income incl. COI NOK - 56.2m (-0.6%), compared to NOK 419.5m (4.8%)
- Profit before tax NOK - 23.9m, down from a profit of NOK 441.0m.
 - Profit before tax (incl. COI) NOK - 340.6m, down from a profit of NOK 562.2m
- Gross expense ratio 8.4%, up from 8.0%
 - Gross expense ratio (incl. COI) 8.1%, up from 7.4%.

Q4 2018 shows following development compared to Q4 2017:

- Gross written premiums NOK 475.1m, up 12% from NOK 424.5m
 - Gross written premiums incl. COI NOK 566.6m, up 5% from NOK 540.2m
- Net combined ratio 105.9%, up from 102.6%
 - Net combined ratio incl. COI 115.0%, up from 101.5%
- Net financial income of NOK - 141.9m (-1.8%), down from a profit of NOK 124.9m (1.6%)
 - Net financial loss incl. COI 217.5m (-2.2%), down from a profit of NOK 161.9m (1.7%)
- Profit before tax NOK - 189.1m, down from a profit of NOK 96.7m
 - Profit before tax incl. COI of NOK - 349.8m, down for a profit of NOK 136.2m
- Gross expense ratio increased to 8.5% (7.5%)
 - Gross expense ratio (incl. COI) increased to 9.5% (7.5%)

Financial highlights and key ratios

[1.000.000 NOK] Excluding COI		Q4 2018	Q4 2017	FY 2018	FY 2017
Gross premiums written		475,1	424,5	4 286,1	3 612,7
Gross premiums earned		1 123,2	881,7	4 139,6	3 255,0
Gross claims incurred		(1 161,7)	(799,6)	(3 859,3)	(3 573,9)
Earned premiums, net of reinsurance		759,0	604,1	2 817,8	2 402,8
Claims incurred, net of reinsurance		(739,3)	(575,9)	(2 658,3)	(2 193,8)
Net commission income		(0,1)	(58,1)	103,1	117,4
Internal sales cost		(18,2)	(16,8)	(79,6)	(64,5)
Operating expenses		(46,1)	31,0	(143,1)	(108,8)
Other insurance-related income/expenses		9,9	(0,5)	5,3	(3,1)
Technical result		(34,8)	(16,2)	45,3	150,0
Other income/costs		(12,3)	(12,0)	(49,4)	(46,9)
Net financial income		(141,9)	124,9	(19,8)	337,8
Profit before tax		(189,1)	96,7	(23,9)	441,0
Claims ratio, net of ceded business	(1)	97,4 %	95,3 %	94,3 %	91,3 %
Expense ratio, net of ceded business	(2)	8,5 %	7,3 %	4,2 %	2,3 %
Combined ratio, net of ceded business	(3)	105,9 %	102,6 %	98,6 %	93,6 %
Gross claims ratio	(4)	103,4 %	90,7 %	93,2 %	109,8 %
Gross expense ratio	(5)	8,5 %	7,5 %	8,4 %	8,0 %
Gross combined ratio	(6)	111,9 %	98,2 %	101,7 %	117,8 %
Retention rate	(7)	67,6 %	68,5 %	68,1 %	73,8 %
Earnings per share	(8)	(3,86)	1,56	(3,69)	5,53

[1.000.000 NOK] As if COI was continued operations		Q4 2018	Q4 2017	FY 2018	FY 2017
Gross premiums written		566,6	540,2	4 799,7	4 163,2
Gross premiums earned		1 214,8	997,5	4 653,2	3 805,5
Gross claims incurred		(1 296,3)	(901,2)	(4 608,8)	(4 054,2)
Earned premiums, net of reinsurance		841,4	708,3	3 280,1	2 925,9
Claims incurred, net of reinsurance		(860,3)	(667,5)	(3 332,9)	(2 647,5)
Net commission income		(23,7)	(57,6)	76,8	117,0
Internal sales cost		(19,6)	(18,4)	(85,3)	(71,0)
Operating expenses		(64,4)	24,4	(166,4)	(122,5)
Other insurance-related income/expenses		9,9	(0,5)	5,3	(3,3)
Technical result		(116,7)	(11,4)	(222,3)	198,6
Other income/costs		(15,6)	(14,4)	(62,2)	(55,9)
Net financial income		(217,5)	161,9	(56,2)	419,5
Profit before tax		(349,8)	136,2	(340,6)	562,2
Claims ratio, net of ceded business	(1)	102,2 %	94,2 %	101,6 %	90,5 %
Expense ratio, net of ceded business	(2)	12,8 %	7,3 %	5,3 %	2,6 %
Combined ratio, net of ceded business	(3)	115,0 %	101,5 %	106,9 %	93,1 %
Gross claims ratio	(4)	106,7 %	90,4 %	99,0 %	106,5 %
Gross expense ratio	(5)	9,5 %	7,5 %	8,1 %	7,4 %
Gross combined ratio	(6)	116,2 %	97,8 %	107,2 %	113,9 %
Retention rate	(7)	69,3 %	71,0 %	70,5 %	76,9 %
Earnings per share	(8)	(3,9)	1,6	(3,7)	5,5

(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 and 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 after exiting the COI market, two business segments: commercial lines of business and public lines of business.

Protector Forsikring ASA is listed on the Oslo Stock Exchange.

Premiums

FY:

Gross written premiums within the commercial and public lines rose by NOK 673.4m, or 19%, from NOK 3,612.7m in 2017 to NOK 4,286.1m in 2018.

The growth by country was:

Gross premiums written	FY 2018	FY 2017	Growth FY	
Norway ex. COI	1508,7	1517,4	-8,7	-1 %
Sweden	1350,3	1078,3	272,0	25 %
Denmark	792,5	703,6	88,9	13 %
UK	504,6	252,9	251,7	99 %
Finland	129,9	60,3	69,6	115 %
Total	4286,1	3612,7	673,4	19 %

Gross premiums earned increased by 27% from NOK 3,255.0 in 2017 to a total of NOK 4,139.6m in 2018. The growth per country was:

Gross premiums earned	FY 2018	FY 2017	Growth FY	
Norway ex. COI	1520,8	1418,3	102,5	7 %
Sweden	1277,0	915,8	361,2	39 %
Denmark	785,0	700,0	85,0	12 %
UK	380,4	154,7	225,7	146 %
Finland	176,4	66,3	110,1	166 %
Total	4139,6	3255,0	884,6	27 %

Premiums earned for own account increased by 17% to NOK 2,817.8m.

Net premiums earned	FY 2018	FY 2017	Growth FY	
Norway ex. COI	1161,8	1144,8	17,0	1 %
Sweden	820,3	663,9	156,4	24 %
Denmark	513,0	467,4	45,6	10 %
UK	184,7	74,6	110,0	147 %
Finland	138,0	52,0	86,0	165 %
Total	2817,8	2402,8	415,1	17 %

Q4:

Gross written premiums totalled NOK 475.1m, representing a 12% growth.

The growth by country was:

Gross premiums written	Q4 2018	Q4 2017	Growth in quarter	
Norway ex. COI	153,5	189,0	-35,4	-19 %
Sweden	191,9	139,1	52,8	38 %
Denmark	52,1	35,6	16,5	46 %
UK	67,9	54,6	13,3	24 %
Finland	9,6	6,2	3,4	54 %
Total	475,1	424,5	50,6	12 %

Gross premiums earned increased by 27% from NOK 881.7m to a total of NOK 1,123.2m.

The growth by country was:

Gross premiums earned	Q4 2018	Q4 2017	Growth in quarter	
Norway ex. COI	400,3	363,6	36,7	10 %
Sweden	351,4	254,2	97,1	38 %
Denmark	201,4	181,7	19,8	11 %
UK	106,2	56,2	50,0	89 %
Finland	64,0	26,1	37,8	145 %
Total	1123,2	881,7	241,5	27 %

The premiums earned for own account totalled to NOK 759.0m, an increase of 26% compared to Q4 2017.

The premiums earned for own account by country was:

Net premiums earned	Q4 2018	Q4 2017	Growth in quarter	
Norway ex. COI	305,1	275,1	30,0	11 %
Sweden	203,1	176,5	26,6	15 %
Denmark	127,8	110,1	17,7	16 %
UK	71,3	22,0	49,3	225 %
Finland	51,7	20,5	31,2	152 %
Total	759,0	604,1	154,8	26 %

Results

FY:

The profit before tax totalled NOK -23.9m, down from NOK 441.0m in 2017, driven by a weak investment income and a weaker technical result. Inclusive change of ownership insurance the profit before tax totalled NOK – 340,6m.

The profit for the year totalled NOK - 309,8m, compared to NOK 516,5m in 2018. The weak result is mainly driven by a weak financial result and significantly reserve losses within change of ownership insurance (discontinued operations).

In 2018, the net combined ratio was 98.6%, compared to 93.8% in 2017, 4.8 percentage points higher than the reported in 2017.

The net combined ratio by country was:

Net combined ratio	FY 2018	FY 2017
Norway (ex. COI)	96,5 %	87,7 %
Sweden	95,4 %	87,0 %
Denmark	97,8 %	108,9 %
UK	115,6 %	143,4 %
Finland	115,6 %	100,8 %
Total	98,6 %	93,6 %

The net claims ratio was 94.3%, up from 91.3% in 2017, while the net expense ratio was 4.2% up from 2.3%.

In 2018 the company had net run-off gains of 2.1% (ex. COI).

The gross combined ratio was 101.7 %, down from 117.8 % in 2017. The gross claims ratio was 93.2%, down from 109.8% in 2017. The gross claims ratio by country was:

Gross claims ratio	FY 2018	FY 2017
Norway (ex. COI)	104,1 %	81,6 %
Sweden	88,1 %	78,6 %
Denmark	90,9 %	96,6 %
UK	66,8 %	618,0 %
Finland	104,3 %	96,3 %
Total	93,2 %	109,8 %

The poor claims ratio in Norway is influenced by a very large claim in Q4 (second largest in history).

The gross expense ratio was 8.4 %, up from 8.0% in 2017. Including claims handling costs and excluding broker commissions, the cost ratio was 9.4% down from 10.1% in 2017, despite the lack of critical mass in UK and Finland.

The gross expense ratio by country was:

Gross expense ratio	FY 2018	FY 2017
Norway (ex. COI)	5,4 %	3,6 %
Sweden	11,2 %	13,4 %
Denmark	5,7 %	6,1 %
UK	16,9 %	22,1 %
Finland	8,2 %	14,9 %
Total	8,4 %	8,0 %

Q4:

Profit before tax totalled NOK -189.1m, down from a profit of 96.7m in Q4 2017. The weak Q4 result is mainly driven by a weak financial result. Inclusive Change of ownership insurance the profit before tax totalled NOK – 349,8m.

In Q4 the net profit was NOK -315.6m against a net profit of NOK 134.3m in Q4 2017.

The net combined ratio was 105.9%, 3.3 percentage points higher than the 102.6% reported in Q4 2017.

In Q4 the company had run-off gains of 1.6%.

The net combined ratio per country was:

Net combined ratio	Q4 2018	Q4 2017
Norway (ex. COI)	97,7 %	98,8 %
Sweden	128,7 %	89,6 %
Denmark	101,8 %	132,3 %
UK	102,5 %	137,0 %
Finland	79,0 %	68,6 %
Total	105,9 %	102,6 %

The net claims ratio was 97.4%, up from 95.3 % in Q4-17 while the net expense ratio was 8.5 %, down from 7.3 %.

The gross combined ratio was 111.9%, up from 98.2% in Q4-17. The gross claims ratio was 103.4%, up from 90.7% in Q4-17. The increase is mainly driven by 1 very large claim in Norway and reserve strengthening in Sweden. The gross claims ratio by country was:

Gross claims ratio	Q4 2018	Q4 2017
Norway (ex. COI)	118,4 %	88,0 %
Sweden	116,3 %	71,7 %
Denmark	81,2 %	106,2 %
UK	66,6 %	152,4 %
Finland	70,0 %	72,3 %
Total	103,4 %	90,7 %

The gross expense ratio was 8.5% up from 7.5% in Q4 2017.

Gross expense ratio	Q4 2018	Q4 2017
Norway (ex. COI)	6,3 %	5,5 %
Sweden	11,7 %	12,7 %
Denmark	5,4 %	5,6 %
UK	13,1 %	5,6 %
Finland	6,5 %	3,9 %
Total	8,5 %	7,5 %

Investment return

Net investment portfolio amounted to a total of NOK 9.535m at 31 December 2017, up 1.7% compared to the portfolio end of Q4-17.

For the full year 2018, the investment result was NOK- 56.2m (-0.6%) against NOK 419.5m (4.8%) in 2017. Equities accounted for a NOK 177m loss (-12.0%) against a NOK 195.0m gain (12.1%) in 2017. Return on the fixed income portfolio totalled NOK 121m or 1.4% against NOK 224.4m or 3.1% in 2017.

In Q4, Investment activities yielded a total loss of NOK 217.5m or -2.2% compared to a return of NOK 161.9m or 1.7% in Q4-17. Equities accounted for a NOK 219.3m loss (-19.5%) against a NOK 127.3m gain (8.1%) in Q4-17. Return on the fixed income portfolio was 0.0% against 0.4% in Q4-17.

End of Q4, 9.9% of Protector's financial assets were invested in equities, down from 17.6% at the end of 2017.

Capital and shareholder matters

The company is well capitalized. Solvency capital requirement (SCR) ratio using standard formula is 174.4% as of 31.12.2018, which is within the company's risk appetite. The company's goal is to maintain a solvency coverage ratio (calculated according to the Solvency II regulations) above 150%.

In July 2018, Protector purchased a total of 4,404,622 own shares. End of Q4, the company has a holding of 4,406,762 own shares.

In December, A.M. Best affirmed the Long-Term Issuer Credit Rating of BBB+ to Protector with a stable outlook.

Prospects

The Board is not satisfied with the year end result. The company has both a weak technical result and a weak investment result.

The company has taken decisive decisions to improve the claims results through price increases and the exit of change of ownership insurance.

The company is now well positioned to focus on the commercial and public lines of business distributed through brokers in five countries.

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 2019.

Oslo, 31st January 2019

The Board of Directors of Protector Forsikring ASA

Income statement

	Q4 2018	Q4 2017	2018	2017
Premium income				
Gross written premiums	475,1	424,5	4 286,1	3 612,7
Change in provisions for unearned premiums	648,1	457,2	(146,5)	(357,7)
Gross premiums earned	1 123,2	881,7	4 139,6	3 255,0
Ceded insurance premiums	(175,0)	(150,6)	(1 375,3)	(885,3)
Change in reinsurers' share of provisions for unearned premiums	(189,2)	(127,0)	53,6	33,1
Reinsurers' share of earned premiums	(364,2)	(277,6)	(1 321,8)	(852,2)
Earned premiums, net of reinsurance	759,0	604,1	2 817,8	2 402,8
Other insurance-related income	12,0	0,8	25,5	5,1
Claims paid	(887,1)	(689,1)	(3 047,9)	(2 169,7)
Change in provisions for claims	(274,7)	(110,4)	(811,5)	(1 404,3)
Gross claims incurred	(1 161,7)	(799,6)	(3 859,3)	(3 573,9)
Reinsurers' share of paid claims	328,6	268,0	1 136,6	676,6
Change in reinsurers' share of claims provisions	93,9	(44,4)	64,3	703,6
Reinsurers' share of claims incurred	422,5	223,6	1 201,0	1 380,2
Claims incurred, net of reinsurance	(739,3)	(575,9)	(2 658,3)	(2 193,8)
Operating expenses				
Sales costs	(49,4)	(97,5)	(205,6)	(151,5)
Administration costs	(46,1)	31,0	(143,1)	(108,8)
Commission from reinsurers	31,1	22,7	229,2	204,4
Total operating expenses, net of reinsurance	(64,4)	(43,9)	(119,6)	(55,9)
Other insurance-related expenses	(2,1)	(1,3)	(20,2)	(8,2)
Technical result	(34,8)	(16,2)	45,3	150,0
Net income from financial assets	(141,9)	124,9	(19,8)	337,8
Other income	0,8	-	1,4	-
Other expenses	(13,1)	(12,0)	(50,7)	(46,9)
Other income/expenses	(12,3)	(12,0)	(49,4)	(46,9)
Non-technical result	(154,3)	112,9	(69,2)	291,0
Profit before tax	(189,1)	96,7	(23,9)	441,0
Tax	18,5	(1,3)	2,2	(67,0)
Profit from continued operations	(170,6)	95,4	(21,8)	373,9
Discontinued operations	(145,0)	39,0	(288,2)	102,8
Profit before components of comprehensive income	(315,6)	134,3	(309,9)	476,7
Actuarial gain and loss from defined benefit pension plans	0,3	(8,4)	0,3	(8,4)
Currency changes from foreign enterprise	25,9	39,8	(0,1)	61,5
Taxes on components of comprehensive income	(6,6)	(7,9)	(0,1)	(13,3)
Profit for the period	(296,1)	157,9	(309,8)	516,5
Earnings per share	(3,9)	1,6	(3,7)	5,5
Earnings per share, diluted	(3,9)	1,6	(3,7)	5,5

Balance Sheet

[1.000.000 NOK]	31.12.2018	31.12.2017
Assets		
Intangible fixed assets		
Other intangible fixed assets	24,1	16,8
Total intangible fixed assets	24,1	16,8
Buildings and other real estates		
Owner-occupied property	13,4	13,5
Total buildings and other real estates	13,4	13,5
Financial assets		
Shares	745,2	1 385,3
Securities, bonds etc	6 386,6	6 316,1
Financial derivatives	25,7	2,5
Bank deposits	460,1	176,5
Total financial assets	7 617,5	7 880,5
Reinsurers share of gross technical provisions		
Reinsurers share of gross premium provisions	292,6	228,6
Reinsurers share of gross claims provisions	1 899,8	1 738,1
Total reinsurers share of gross technical provisions	2 192,4	1 966,7
Receivables		
Policyholders	256,9	207,6
Intermediaries	5,0	3,6
Other receivables	5,2	10,3
Total receivables	267,1	221,5
Other assets		
Tangible fixed assets	25,8	15,7
Cash and bank deposits	278,6	316,6
Total other assets	304,4	332,3
Total prepaid expenses	235,4	155,2
Assets discontinued operations	2 117,2	1 685,7
Total assets	12 771,5	12 272,1

Balance Sheet

[1.000.000 NOK]	31.12.2018	31.12.2017
Equity and liabilities		
Shareholders' equity		
Share capital [86.155.605 shares]	86,2	86,2
Own shares	(4,4)	(0,0)
Other paid-in equity	267,7	267,7
Other paid-in equity	263,3	267,7
Total paid-in equity	349,4	353,8
Earned equity		
Natural perils fund	54,8	22,7
Guarantee scheme	88,5	85,9
Other equity	1 525,8	2 128,8
Total earned equity	1 669,1	2 237,4
Total equity	2 018,5	2 591,3
Subordinated loan capital	1 243,3	1 243,3
Technical provisions		
Provisions for unearned premiums	1 104,7	964,7
Provisions for claims	5 997,4	5 171,0
Total technical provisions	7 102,1	6 135,7
Provisions for other risks and liabilities		
Pension liabilities	13,0	12,1
Current tax liability	(58,3)	42,7
Deferred tax liability	117,7	151,0
Total provisions for other risks and liabilities	72,4	205,8
Liabilities		
Liabilities in connection with insurance	93,0	59,2
Liabilities in connection with reinsurance	393,3	576,5
Financial derivatives	8,6	9,2
Other liabilities	205,6	49,3
Total liabilities	700,4	694,3
Incurred expenses and prepaid income		
Other incurred expenses and prepaid income	328,2	378,7
Total incurred expenses and prepaid income	328,2	378,7
Liabilities discontinued operations	1 306,5	1 023,1
Total equity and liabilities	12 771,5	12 272,1

Cash flow statement

[1.000.000 NOK]	Q4 2018	Q4 2017	31.12.2018	31.12.2017
<u>Cash flow from operations</u>				
Premiums paid	926,7	698,7	4 903,0	3 962,8
Claims paid	(1 141,5)	(816,9)	(3 642,0)	(2 574,0)
Paid reinsurance	(47,1)	58,0	(238,8)	(13,7)
Paid operating expenses including commissions	(38,8)	16,8	(348,8)	(227,7)
Interest / dividend income	64,1	97,0	247,8	273,1
Net payments from financial instruments	817,4	167,5	(117,0)	(2 055,6)
Payable tax	(72,0)	(56,1)	(119,1)	(33,2)
Net cash flow from operations	508,8	165,0	684,9	(668,4)
<u>Cash flow from investment activities</u>				
Net investments in equities	-	-	-	-
Investments in fixed assets	(8,1)	(5,6)	(39,0)	(25,1)
Net cash flow from investment activities	(8,1)	(5,6)	(39,0)	(25,1)
<u>Cash flow from financial activities</u>				
Dividend paid	-	-	-	(193,8)
Net payment on subordinated loan capital	-	-	-	597,4
Interest payments on subordinated loan capital	(15,8)	(14,7)	(61,4)	(56,3)
Repayment of equity	-	3,6	(259,0)	-
Capital raising expenses	-	-	-	-
Net cash flow from financial activities	(15,8)	(11,1)	(320,5)	347,2
Net cash flow for the period	484,9	148,3	325,4	(346,3)
Net change in cash and cash equivalents	484,9	148,3	325,4	(346,3)
Cash and cash equivalents opening balance	358,9	374,9	537,7	856,1
Effects of exchange rate changes on cash and cash e	15,7	14,4	(3,6)	27,9
Cash and cash equivalents closing balance	859,5	537,7	859,5	537,7

Statement of changes in equity

NOK 1.000.000	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
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				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
Profit for the period				5,4	(5,1)	114,1	114,4
Own shares		3,5					3,5
Equity at 30.09.2017	86,2	(0,1)	267,7	29,2	85,7	1 966,5	2 435,2
Profit for the period				(6,5)	0,2	162,4	156,1
Own shares		0,1				(0,1)	(0,0)
Equity at 31.12.2017	86,2	(0,0)	267,7	22,7	85,9	2 128,8	2 591,3
Profit for the period				15,7	(28,5)	10,3	(2,4)
Currency changes						(15,5)	(15,5)
Own shares							(0,0)
Equity at 31.03.2018	86,2	(0,0)	267,7	38,4	57,4	2 123,7	2 573,3
Profit for the period				8,2	0,8	45,1	54,1
Currency changes						(5,4)	(5,4)
Own shares						0,1	0,1
Equity at 30.06.2018	86,2	(0,0)	267,7	46,6	58,3	2 163,5	2 622,2
Profit for the period				8,4	0,6	(75,2)	(66,2)
Currency changes						8,1	8,1
Own shares		(4,4)				(254,7)	(259,1)
Equity at 30.09.2018	86,2	(4,4)	267,7	55,0	58,9	1 841,7	2 305,0
Profit for the period				(0,2)	29,5	(325,4)	(296,1)
Currency changes						9,6	9,6
Equity at 31.12.2018	86,2	(4,4)	267,7	54,8	88,5	1 525,8	2 018,5

Accounting principles

These interim accounts have been prepared in accordance with the Financial Statement Regulation for Non-life Insurance Companies (Forskrift om årsregnskap for skadeforsikringsselskaper) and IAS 34 and in line with the accounting principles described in the annual report for 2017. The company's financial statements are prepared in accordance with the Norwegian Accounting Act, Financial Statement Regulation for Non-life Insurance Companies and generally accepted accounting principles. For further information, please see the 2017 annual report.

Change of ownership insurance is in the P&L and balance sheet classified as discontinued operations. Comparable figures are revised.

Segment information

Quarter

[1.000.000 NOK]	Norway excl. COI		Sweden		Denmark		UK		Finland	
	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
Gross premiums written	153,5	189,0	191,9	139,1	52,1	35,6	67,9	54,6	9,6	6,2
Gross premiums earned	400,3	363,6	351,4	254,2	201,4	181,7	106,2	56,2	64,0	26,1
Gross claims incurred	(474,0)	(320,0)	(408,7)	(182,2)	(163,6)	(192,9)	(70,7)	(85,6)	(44,8)	(18,9)
Earned premiums, net of reinsurance	305,1	275,1	203,1	176,5	127,8	110,1	71,3	22,0	51,7	20,5
Other insurance related income	11,1	0,7	0,5	(0,0)	0,2	0,0	0,0	-	0,2	0,0
Claims incurred, net of reinsurance	(278,1)	(265,7)	(230,8)	(133,1)	(135,0)	(133,1)	(58,3)	(29,8)	(37,0)	(14,3)
Sales cost	(11,3)	(40,7)	(29,4)	(32,6)	(2,6)	(16,2)	(6,8)	(6,5)	0,7	(1,5)
Administration cost	(14,1)	20,8	(11,8)	0,3	(8,1)	6,0	(7,1)	3,3	(4,9)	0,5
Commission from reinsurer	5,4	13,7	10,6	7,3	15,6	(2,4)	(0,9)	2,8	0,4	1,2
Other insurance related expenses	(0,7)	(0,9)	(1,1)	(0,0)	(0,0)	(0,0)	(0,3)	(0,2)	(0,0)	(0,2)
Technical result	17,4	3,1	(58,9)	18,3	(2,1)	(35,6)	(2,1)	(8,3)	11,0	6,3
Other income/costs	(12,3)	(12,0)	(0,0)	(0,0)	(0,0)	0,1	(0,0)	-	(0,0)	(0,0)
Net financial income	(136,6)	121,6	0,0	7,7	(5,7)	(4,4)	0,3	0,0	0,0	(0,0)
Profit before tax	(131,5)	112,6	(59,0)	26,0	(7,8)	(39,8)	(1,8)	(8,3)	11,0	6,2
Claims ratio, net of ceded business	91,2 %	96,6 %	113,7 %	75,4 %	105,6 %	120,9 %	81,7 %	135,5 %	71,6 %	69,5 %
Expense ratio, net of ceded business	6,5 %	2,2 %	15,1 %	14,2 %	-3,8 %	11,4 %	20,9 %	1,5 %	7,4 %	-0,9 %
Combined ratio, net of ceded business	97,7 %	98,8 %	128,7 %	89,6 %	101,8 %	132,3 %	102,5 %	137,0 %	79,0 %	68,6 %
Gross claims ratio	118,4 %	88,0 %	116,3 %	71,7 %	81,2 %	106,2 %	66,6 %	152,4 %	70,0 %	72,3 %
Gross expense ratio	6,3 %	5,5 %	11,7 %	12,7 %	5,4 %	5,6 %	13,1 %	5,6 %	6,5 %	3,9 %
Gross combined ratio	124,8 %	93,5 %	128,1 %	84,4 %	86,6 %	111,8 %	79,7 %	158,0 %	76,5 %	76,2 %

Year

[1.000.000 NOK]	Norway excl. COI		Sweden		Denmark		UK		Finland	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Gross premiums written	1 508,7	1 517,4	1 350,3	1 078,3	792,5	703,6	504,6	252,9	129,9	60,3
Gross premiums earned	1 520,8	1 418,3	1 277,0	915,8	785,0	700,0	380,4	154,7	176,4	66,3
Gross claims incurred	(1 583,2)	(1 158,0)	(1 124,4)	(719,7)	(713,7)	(676,5)	(254,1)	(956,0)	(183,9)	(63,8)
Earned premiums, net of reinsurance	1 161,8	1 144,8	820,3	663,9	513,0	467,4	184,7	74,6	138,0	52,0
Other insurance related income	21,3	3,7	1,0	0,1	1,4	0,9	1,0	0,4	0,9	0,1
Claims incurred, net of reinsurance	(1 085,8)	(1 003,4)	(722,6)	(523,1)	(512,8)	(524,0)	(189,1)	(97,5)	(148,0)	(45,7)
Sales cost	(45,7)	(35,9)	(105,1)	(84,3)	(13,4)	(16,2)	(39,3)	(13,6)	(2,1)	(1,5)
Administration cost	(35,7)	(14,9)	(38,2)	(38,6)	(31,6)	(26,5)	(25,1)	(20,5)	(12,4)	(8,3)
Commission from reinsurer	46,4	50,3	83,3	68,8	56,3	57,5	40,2	24,6	3,0	3,2
Other insurance related expenses	(4,2)	(7,4)	(13,9)	(0,2)	0,5	(0,1)	(2,4)	(0,2)	(0,2)	(0,2)
Technical result	58,1	137,2	24,8	86,5	13,4	(40,8)	(30,1)	(32,3)	(20,8)	(0,6)
Other income/costs	(49,1)	(46,5)	(0,2)	(0,3)	(0,1)	0,0	0,0	-	(0,0)	(0,1)
Net financial income	(50,5)	291,4	29,0	35,3	(2,4)	11,2	1,2	0,0	2,9	(0,0)
Profit before tax	(41,5)	382,1	53,6	121,5	10,9	(29,6)	(29,0)	(32,3)	(17,9)	(0,7)
Claims ratio, net of ceded business	93,5 %	87,6 %	88,1 %	78,8 %	100,0 %	112,1 %	102,4 %	130,7 %	107,2 %	87,9 %
Expense ratio, net of ceded business	3,0 %	0,0 %	7,3 %	8,2 %	-2,2 %	-3,2 %	13,1 %	12,7 %	8,4 %	12,9 %
Combined ratio, net of ceded business	96,5 %	87,7 %	95,4 %	87,0 %	97,8 %	108,9 %	115,6 %	143,4 %	115,6 %	100,8 %
Gross claims ratio	104,1 %	81,6 %	88,1 %	78,6 %	90,9 %	96,6 %	66,8 %	618,0 %	104,3 %	96,3 %
Gross expense ratio	5,4 %	3,6 %	11,2 %	13,4 %	5,7 %	6,1 %	16,9 %	22,1 %	8,2 %	14,9 %
Gross combined ratio	109,5 %	85,2 %	99,3 %	92,0 %	96,7 %	102,7 %	83,7 %	640,0 %	112,5 %	111,2 %

Quarterly outline

[1.000.000 NOK] Ex. COI	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Gross premiums written	475,1	624,3	838,3	2 348,4	424,5	486,1	739,0	1 963,0
Gross premiums earned	1 123,2	1 042,4	1 015,7	958,3	881,7	863,3	775,8	734,2
Gross claims incurred	(1 161,7)	(937,1)	(889,3)	(871,2)	(799,6)	(943,2)	(1 167,9)	(663,3)
Earned premiums, net of reinsurance	759,0	689,7	699,8	669,4	604,1	606,5	606,3	585,8
Other insurance related income	12,0	9,5	2,9	1,2	0,8	2,3	0,8	1,1
Claims incurred, net of reinsurance	(739,3)	(613,2)	(670,5)	(635,3)	(575,9)	(498,9)	(581,6)	(537,3)
Sales cost	(49,4)	(55,4)	(49,3)	(51,6)	(45,0)	(35,1)	(41,6)	(29,8)
Administration cost	(46,1)	(28,9)	(35,0)	(33,2)	(21,5)	(29,7)	(30,6)	(27,0)
Commission from reinsurer	31,1	37,7	61,0	99,4	22,7	21,8	58,3	101,6
Other insurance related expenses	(2,1)	(10,8)	(6,0)	(1,3)	(1,3)	(1,7)	(1,6)	(3,6)
Technical result	(34,8)	28,6	2,8	48,5	(16,2)	65,3	10,1	90,9
Other income/costs	(12,3)	(12,5)	(12,6)	(12,0)	(12,0)	(13,7)	(13,6)	(7,6)
Net financial income	(141,9)	35,5	78,7	8,0	124,9	100,0	101,2	11,7
Profit before tax	(189,1)	51,7	68,9	44,6	96,7	151,6	97,7	95,0
Claims ratio, net of ceded business	(1)	97,4 %	88,9 %	95,8 %	94,9 %	95,3 %	82,3 %	95,9 %
Expense ratio, net of ceded business	(2)	8,5 %	6,7 %	3,3 %	-2,2 %	7,3 %	7,1 %	2,3 %
Combined ratio, net of ceded business	(3)	105,9 %	95,7 %	99,2 %	92,7 %	102,6 %	89,3 %	98,2 %
Gross claims ratio	(4)	103,4 %	89,9 %	87,5 %	90,9 %	90,7 %	109,3 %	150,5 %
Gross expense ratio	(5)	8,5 %	8,1 %	8,3 %	8,8 %	7,5 %	7,5 %	9,3 %
Gross combined ratio	(6)	111,9 %	98,0 %	95,8 %	99,8 %	98,2 %	116,8 %	159,8 %

(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

Discontinued operations

Protector has decided to exit the COI market due to the product's recent years weak technical performance, and due to the significant uncertainty related to the product's future premium development and profitability. COI is the only product in the company that directly represents the consumer market, and accounts today for less than 10% of the company's total business.

P&L COI	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Gross premiums earned	91,6	115,7	513,6	550,6
Reinsurers' share of earned premiums	(9,2)	(11,6)	(51,4)	(27,5)
Earned premiums, net of reinsurance	82,4	104,2	462,3	523,1
Gross claims incurred	(134,5)	(101,7)	(749,5)	(480,3)
Reinsurers' share of claims incurred	13,5	10,2	74,9	26,5
Claims incurred, net of reinsurance	(121,1)	(91,5)	(674,5)	(453,8)
Total operating expenses, net of reinsurance	(43,3)	(7,8)	(55,2)	(20,6)
Other insurance-related income/expenses	(0,0)	(0,0)	(0,0)	(0,2)
Technical result	(81,9)	4,9	(267,5)	48,6
Net income from financial assets	(75,5)	37,1	(36,4)	81,6
Other income/expenses	(3,3)	(2,4)	(12,8)	(9,0)
Non-technical result	(78,8)	34,7	(49,2)	72,6
Profit before tax	(160,8)	39,5	(316,7)	121,2
Tax	15,7	(0,5)	28,5	(18,4)
Profit for the period	(145,0)	39,0	(288,2)	102,8

Financial assets, fair value estimation

Financial assets through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	14	883	37	934
Bonds and other fixed income securities	NOK		8 007		8 007
Cash and cash equivalents	NOK	577			577
<i>Derivater:</i>					
Foreign currency contracts	NOK		7		7
Options	NOK		18,7		19
Total assets 31.12.2018	NOK	591	8 916	37	9 543
Total assets 31.12.2017	NOK	859	8 523		9 382

Financial liabilities at fair value through profit or loss [1.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK		-9		-9
Total financial liabilities 31.12.2018	NOK		-9		-9
Total financial liabilities 31.12.2017	NOK		-9		-9

Valuation of financial assets and liabilities

The fair value of listed investments is based on the current sales price. Financial instruments measured at fair value are valued on a daily basis. Directly observable prices in the market are used as far as possible. The valuations for the different types of financial instruments are based on recognized methods and models.

Level 1 - Financial instruments valued on the basis of quoted prices for identical assets in active markets

This category encompasses listed equities that over the previous three months have experienced average daily trading equivalent to approximately MNOK 20 or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1.

Level 2 - Financial instruments valued on the basis of observable market information not covered by level 1

This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Level 2 includes shares or equivalent equity instruments for which market prices are available, but where the volume of transactions is too limited to fulfil the criteria in level 1. Shares in this level will normally have been traded during the last month. Bonds and equivalent instruments are generally classified in this level. Foreign exchange derivatives are classified as level 2. Fund investments are generally classified as level 2.

Level 3 - Financial instruments valued on the basis of information that is not observable in accordance with level 2

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

Capital Ratio and Solvency Margin

(1.000.000 NOK)	31.12.2018	31.12.2017
Total solvency capital requirement	2 895	1 834
Total eligible own funds to meet SCR	1 659	3 656
Ratio of eligible own funds to SCR	174 %	199 %
Total minimum capital requirement	747	773
Ratio of eligible own funds to MCR	297 %	374 %