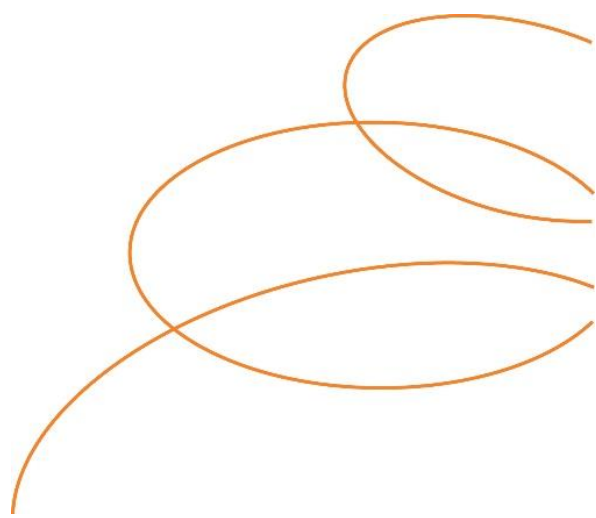




INTERIM REPORT Q1 2019
PROTECTOR FORSIKRING ASA

(UNAUDITED)
APRIL 25TH 2019



Highlights Q1 2019

16 % growth, CR 105,9%

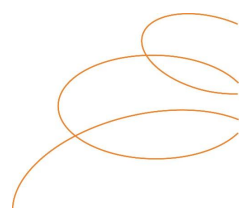
Protector Forsikring ASA recorded a profit of NOK 91.9m (NOK - 2.4m) for the quarter. The result is driven by significant reserve gains and by good return on investments. The underwriting result was NOK -54.7m (NOK 48.5m) corresponding to a combined ratio of 105.9% (92.7%), driven by poor motor results in all markets.

The company's view on the grey silverfish reserves (change of ownership insurance) is changed due to a win in the court of appeal regarding grey silverfish. The court ruling was stating that grey silverfish does not entail value reduction. Following the statement of the court, Protector has in Q1 realized NOK 61m in reserve gains.

Protector decided end of 2018 to exit the change of ownership insurance (COI) market and COI is in the P&L defined as «discontinued operations». Some figures below are also given as if COI business was continued business to ease the comparison with earlier reported figures.

Q1 2019 shows following development compared to Q1 2018:

- Premium growth of 16% (20%)
 - Premium growth incl. COI 14% (18%)
- Net combined ratio 105.9% (92,7%)
 - Net combined ratio incl. COI 96.9% (95.1%)
- Net return on investments incl. COI NOK 111.3m (NOK 2.5m) or 1.1% (0.0%)
 - Net return on investments excl. COI NOK 81.2m or 0.9%
- Operating profit NOK 12.5m (NOK 44.6m)
 - Operating profit incl. COI NOK 121.9m (NOK 24.6m)
- Gross expense ratio of 7.6% (8.8%)
 - Gross expense ratio incl. COI 7.4% (8.3%)



Financial highlights and key ratios

	Q1 2019	Q1 2018	FY 2018
Gross premiums written	2 713,4	2 348,4	4 286,1
Gross premiums earned	1 146,9	958,3	4 139,6
Gross claims incurred	(1 071,7)	(871,2)	(3 859,3)
Earned premiums, net of reinsurance	890,6	669,4	2 817,8
Other insurance related income	3,1	1,2	25,5
Claims incurred, net of reinsurance	(884,4)	(635,3)	(2 658,3)
Sales cost	(48,9)	(51,6)	(205,6)
Administration cost	(38,0)	(33,2)	(143,1)
Commission from reinsurer	28,0	99,4	229,2
Other insurance related expenses	(5,2)	(1,3)	(20,2)
Technical result	(54,7)	48,5	45,3
Other income/costs	(14,0)	(12,0)	(49,4)
Net financial income	81,2	8,0	(19,8)
Profit before tax	12,5	44,6	(23,9)
Discontinued operations (Change of ownership insurance)	82,8	(1,5)	(274,7)
Profit for the period	91,9	(2,4)	(295,2)
Claims ratio, net of ceded business (1)	99,3 %	94,9 %	94,3 %
Expense ratio, net of ceded business (2)	6,6 %	-2,2 %	4,2 %
Combined ratio, net of ceded business (3)	105,9 %	92,7 %	98,6 %
Gross claims ratio (4)	93,4 %	90,9 %	93,2 %
Gross expense ratio (5)	7,6 %	8,8 %	8,4 %
Gross combined ratio (6)	101,0 %	99,8 %	101,7 %
Retention rate (7)	77,7 %	69,9 %	68,1 %
Earnings per share (8)	1,13	0,02	(3,52)

(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

Premiums

In Q1, gross premiums written increased by 15.5% to a total of NOK 2,713.4m. In the UK the growth was 192% (in a small quarter) where motor was the main driver. The volume development in the Nordics are supported by significant price increases.

The growth per country was;

Gross premiums written	Q1 2019	Q1 2018	Growth in quarter	
Norway	804,0	769,8	34,2	4,4 %
Sweden	785,7	702,9	82,8	11,8 %
Denmark	761,3	694,0	67,2	9,7 %
UK	175,4	60,1	115,4	192,1 %
Finland	187,0	121,6	65,4	53,8 %
Total	2713,4	2348,4	365,0	15,5 %

Gross premiums earned increased by NOK 188.7m or by 19.7% to a total of NOK 1,146.9m.

The growth per country was;

Gross premiums earned	Q1 2019	Q1 2018	Growth in quarter	
Norway	375,6	361,5	14,1	3,9 %
Sweden	345,8	290,7	55,1	19,0 %
Denmark	207,6	196,1	11,5	5,8 %
UK	153,4	69,4	84,0	121,0 %
Finland	64,5	40,6	24,0	59,1 %
Total	1146,9	958,3	188,7	19,7 %

Premiums earned for own account amounted to NOK 890.6m, an increase of 33.1% compared to Q1 2018. The strong growth is due to the overall premium growth and an increased retention rate due to changes in the reinsurance structure. The retention rate will gradually increase through the year.

The growth in net premiums earned per country was;

Net premiums earned	Q1 2019	Q1 2018	Growth in quarter	
Norway	314,5	274,4	40,1	14,6 %
Sweden	261,8	197,6	64,2	32,5 %
Denmark	173,9	132,2	41,6	31,5 %
UK	83,6	33,0	50,6	153,3 %
Finland	56,9	32,1	24,7	76,9 %
Total	890,6	669,4	221,3	33,1 %

Results

The profit before tax totalled NOK 12.5m, down from NOK 44.6m in Q1 2018, driven by a weak technical result.

The profit for the quarter totalled NOK 91.9m, compared to NOK – 2.4m in Q1 2018. The result is driven by an improved financial result and significant reserve gains.

The company has in Q1 realized NOK 61m in reserve gains within COI (discontinued operations), due to a win in the court of appeal regarding grey silverfish. The court of appeal concluded that grey silverfish do not entail a property value reduction.

In Q1, the net combined ratio was 105.9% compared to 92.7 % in Q1 2018.

The net combined ratio per country was;

Net combined ratio	Q1 2019	Q1 2018
Norway	101,9 %	98,8 %
Sweden	99,5 %	72,1 %
Denmark	116,8 %	85,9 %
UK	119,0 %	116,8 %
Finland	105,1 %	138,4 %
Total	105,9 %	92,7 %

The claims ratio for own account increased from 94.9% % in Q1 2018 to 99.3 % in Q1 2019. The claims ratio is driven by poor claims results within motor in all markets. Denmark was in Q1 hit by one large property claim (MNOK 45 for own account).

The expense ratio for own account amounted to 6.6 %, up from -2.2 % in Q1 2018. The increase is due to significant reductions in reinsurance commissions due to change in reinsurance structure (from Surplus to Risk XL on property).

In Q1, the company had run-off gains (ex. COI) of 6.9% where approximately 75% of the gains came from Norwegian workers comp.

The gross combined ratio was 101.1 %, up from 99.8 % in Q1 2018. The gross claims ratio was 93.4%, up from 90.9% in Q1 2018. The gross claims ratio by country was:

Gross claims ratio	Q1 2019	Q1 2018
Norway	88,5 %	88,0 %
Sweden	94,3 %	65,7 %
Denmark	107,2 %	106,5 %
UK	81,9 %	58,0 %
Finland	100,7 %	132,4 %
Total	93,4 %	90,9 %

The gross expense ratio was 7.6 % down from 8.8 % in Q1 2018. The cost ratio will increase due to higher broker commissions in Sweden and the UK going forward. The gross expense ratio per country was;

Gross expense ratio	Q1 2019	Q1 2018
Norway	6,2 %	5,5 %
Sweden	10,3 %	11,5 %
Denmark	6,5 %	5,4 %
UK	7,2 %	14,0 %
Finland	5,7 %	7,1 %
Total	7,6 %	8,8 %

Investment return

The net investment portfolio amounted to a total of NOK 10,592m at 31 March 2019, up 3.7 % compared to the portfolio end of Q1 2018.

The investment return on the company's total investment portfolio totalled NOK 111.3m or 1.1% compared to a return of NOK 2.5m or 0.0 % in Q1 2018. Equities accounted for a NOK 52.3m gain (4.7%) against a NOK 42.6m loss (-2.4 %) in Q1 2018. The return on the fixed income portfolio totalled NOK 59.0m or 0.6% against NOK 45.1m or 0.5 % in Q1 2018.

End of Q1, 11.6 % of Protector's financial assets were invested in equities, against 9.9% year end 2018.

Equity and capital position

The company's equity amounted to NOK 2,114.5m at the end of the quarter. Annualised return on equity was 17.7%.

End of Q1, the solvency capital requirement (SCR) ratio using the standard formula was 175 %, which is within the company's risk appetite and in line with the SCR ratio year end 2018. The company's long term objective is to maintain a SCR-ratio (calculated according to the Solvency II regulations) above 150 %.

Protector has a BBB+ rating from A.M. Best.

Prospects

The technical result is weak, but new and already effectuated price increases as well as other already decided and implemented measures are expected to improve the technical result through the year.

The company's 2019 guiding, CR 96% and 14% volume growth, is maintained.

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, 25th April 2019

The Board of Directors of Protector Forsikring ASA

Income statement

NOKm	Q1 2019	Q1 2018	FY 2018
Premium income			
Gross premiums earned	1 146,9	958,3	4 139,6
Reinsurers' share of earned premiums	(256,3)	(288,9)	(1 321,8)
Earned premiums, net of reinsurance	890,6	669,4	2 817,8
Other insurance-related income	3,1	1,2	25,5
Gross claims incurred	(1 071,7)	(871,2)	(3 859,3)
Reinsurers' share of claims incurred	187,4	236,0	1 201,0
Claims incurred, net of reinsurance	(884,4)	(635,3)	(2 658,3)
Operating expenses			
Sales costs	(48,9)	(51,6)	(205,6)
Administration costs	(38,0)	(33,2)	(143,1)
Commission from reinsurers	28,0	99,4	229,2
Total operating expenses, net of reinsurance	(58,9)	14,6	(119,6)
Other insurance-related expenses	(5,2)	(1,3)	(20,2)
Technical result	(54,7)	48,5	45,3
Net income from financial assets	81,2	8,0	(19,8)
Other income	0,3	-	1,4
Other expenses	(14,3)	(12,0)	(50,7)
Other income/expenses	(14,0)	(12,0)	(49,4)
Non-technical result	67,2	(4,0)	(69,2)
Profit before tax	12,5	44,6	(23,9)
Tax	(3,0)	(41,2)	3,2
Discontinued operations	82,8	(1,5)	(274,7)
Profit before components of comprehensive income	92,3	1,8	(295,4)
Actuarial gain and loss from defined benefit pension plans	-	-	0,3
Currency changes from foreign enterprise	(0,6)	(5,7)	(0,1)
Taxes on components of comprehensive income	0,1	1,4	(0,1)
Profit for the period	91,9	(2,4)	(295,2)
Earnings per share	1,13	0,02	(3,52)
Earnings per share, diluted	1,13	0,02	(3,52)

Statement of financial position

NOKm	31.03.2019	31.03.2018	31.12.2018
Assets			
Intangible fixed assets			
Other intangible fixed assets	25,5	17,7	24,1
Total intangible fixed assets	25,5	17,7	24,1
Buildings and other real estates			
Owner-occupied property	13,3	13,8	13,4
Total buildings and other real estates	13,3	13,8	13,4
Financial assets			
Shares	1 001,1	1 507,6	745,2
Securities, bonds etc	6 998,0	6 597,8	6 386,6
Financial derivatives	14,6	17,6	25,7
Bank deposits	817,4	37,6	460,1
Total financial assets	8 831,0	8 160,6	7 617,5
Reinsurers share of gross technical provisions			
Reinsurers share of gross premium provisions	355,4	678,7	292,6
Reinsurers share of gross claims provisions	1 802,4	1 768,3	1 899,8
Total reinsurers share of gross technical provisions	2 157,8	2 447,0	2 192,4
Receivables			
Policyholders	567,2	419,8	256,9
Intermediaries	6,9	44,5	5,0
Other receivables	17,4	7,4	65,7
Total receivables	591,5	471,7	327,6
Other assets			
Tangible fixed assets	31,8	14,7	25,8
Cash and bank deposits	152,1	241,8	278,6
Total other assets	183,9	256,5	304,4
Total prepaid expenses	515,4	328,0	235,4
Assets discontinued operations	2 134,2	2 295,9	2 117,2
Total assets	14 452,6	13 991,2	12 832,1

Statement of financial position

NOKm	31.03.2019	31.03.2018	31.12.2018
Equity and liabilities			
Shareholders' equity			
Share capital [86.155.605 shares]	86,2	86,2	86,2
Own shares	(4,4)	-	(4,4)
Other paid-in equity	267,7	267,7	267,7
Total paid-in equity	349,4	353,8	349,4
Earned equity			
Natural perils fund	79,1	38,4	54,8
Guarantee scheme	89,0	57,4	88,5
Other equity	1 596,9	2 123,7	1 540,4
Total earned equity	1 765,0	2 219,5	1 683,6
Total equity	2 114,5	2 573,3	2 033,1
Subordinated loan capital	1 243,3	1 243,3	1 243,3
Technical provisions			
Provisions for unearned premiums	2 645,6	2 328,5	1 104,7
Provisions for claims	6 088,6	5 057,2	5 997,4
Total technical provisions	8 734,2	7 385,7	7 102,1
Provisions for other risks and liabilities			
Pension liabilities	13,0	12,1	13,0
Current tax liability	-	(6,8)	-
Deferred tax liability	129,1	155,1	105,4
Total provisions for other risks and liabilities	142,1	160,4	118,4
Liabilities			
Liabilities in connection with insurance	146,6	69,6	93,0
Liabilities in connection with reinsurance	386,9	913,5	393,3
Financial derivatives	9,4	14,0	8,6
Other liabilities	397,4	234,3	205,6
Total liabilities	940,3	1 231,3	700,4
Incurred expenses and prepaid income			
Other incurred expenses and prepaid income	141,8	150,8	328,2
Total incurred expenses and prepaid income	141,8	150,8	328,2
Liabilities discontinued operations	1 136,5	1 246,3	1 306,5
Total equity and liabilities	14 452,6	13 991,2	12 832,1

Cash flow statement

NOKm	Q1 2019	Q1 2018	FY 2018
<u>Cash flow from operations</u>			
Premiums paid	2 204,5	1 960,3	4 903,0
Claims paid	(1 004,8)	(847,5)	(3 642,0)
Paid reinsurance	(40,4)	(84,3)	(238,8)
Paid operating expenses including commissions	(232,7)	(81,6)	(348,8)
Interest / dividend income	57,6	47,7	247,8
Net payments from financial instruments	(672,3)	(1 139,7)	(117,0)
Payable tax	21,0	(69,9)	(119,1)
Net cash flow from operations	332,9	(215,0)	684,9
<u>Cash flow from investment activities</u>			
Investments in fixed assets	(14,0)	(3,5)	(39,0)
Net cash flow from investment activities	(14,0)	(3,5)	(39,0)
<u>Cash flow from financial activities</u>			
Interest payments on subordinated loan capital	(15,8)	(14,7)	(61,4)
Repayment of equity	-	-	(259,0)
Net cash flow from financial activities	(15,8)	(14,7)	(320,5)
Net cash flow for the period	303,1	(233,2)	325,4
Net change in cash and cash equivalents	303,1	(233,2)	325,4
Cash and cash equivalents opening balance	859,5	537,7	537,7
Effects of exchange rate changes on cash and cash equivalents	(7,3)	(11,4)	(3,6)
Cash and cash equivalents closing balance	1 155,3	293,1	859,5

Statement of changes in equity

NOKm	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
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)					(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	(310,9)	(281,5)
Currency changes						9,6	9,6
Equity at 31.12.2018	86,2	(4,4)	267,7	54,8	88,5	1 540,4	2 033,1
Profit for the period				24,3	0,5	67,1	91,9
Currency changes						(10,5)	(10,5)
Equity at 31.03.2019	86,2	(4,4)	267,7	79,1	89,0	1 596,9	2 114,5

Notes

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 2018. 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 2018 annual report.

Segment information

Protector Forsikring ASA's operations comprise the segments Norway, Sweden, Denmark, Finland and the UK. The segments are evaluated regularly by Protector's executive management based on financial and operational information specially prepared for each segment for the purpose of following up performance and allocating necessary resources.

	Norway		Sweden		Denmark		UK		Finland		
NOKm	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	
Gross premiums written	804,0	769,8	785,7	702,9	761,3	694,0	175,4	60,1	187,0	121,6	
Gross premiums earned	375,6	361,5	345,8	290,7	207,6	196,1	153,4	69,4	64,5	40,6	
Gross claims incurred	(332,5)	(377,5)	(326,2)	(191,0)	(222,5)	(208,8)	(125,6)	(40,2)	(65,0)	(53,7)	
Earned premiums, net of reinsurance	314,5	274,4	261,8	197,6	173,9	132,2	83,6	33,0	56,9	32,1	
Other insurance related income	0,5	0,5	0,1	0,1	0,2	0,1	1,4	(0,0)	0,9	0,4	
Claims incurred, net of reinsurance	(299,0)	(275,4)	(243,4)	(153,4)	(195,5)	(131,4)	(89,6)	(31,8)	(57,0)	(43,3)	
Sales cost	(10,8)	(15,3)	(24,9)	(25,8)	(7,0)	(4,8)	(5,3)	(5,0)	(0,9)	(0,7)	
Administration cost	(12,4)	(12,9)	(10,7)	(7,6)	(6,4)	(5,8)	(5,7)	(4,7)	(2,8)	(2,2)	
Commission from reinsurer	1,5	22,1	18,6	44,3	5,9	28,3	1,1	3,0	0,9	1,7	
Other insurance related expenses	(1,2)	(1,2)	(2,4)	(0,1)	(0,4)	(0,1)	(0,4)	0,0	(0,7)	(0,0)	
Technical result	(6,8)	(7,8)	(0,9)	55,2	(29,4)	18,7	(14,9)	(5,5)	(2,7)	(12,0)	
Other income/costs	(14,0)	(11,9)	(0,0)	(0,1)	0,1	-	-	0,0	(0,2)	(0,0)	
Net financial income	68,2	(7,0)	8,1	12,0	1,8	2,5	2,7	0,0	0,4	0,4	
Profit before tax	47,4	(26,6)	7,1	67,2	(27,4)	21,2	(12,2)	(5,5)	(2,4)	(11,6)	
Claims ratio, net of ceded business	(1)	95,1 %	100,4 %	93,0 %	77,6 %	112,4 %	99,4 %	107,1 %	96,4 %	100,2 %	134,7 %
Expense ratio, net of ceded business	(2)	6,9 %	2,2 %	6,5 %	-5,5 %	4,3 %	-13,4 %	11,9 %	20,5 %	4,9 %	3,8 %
Combined ratio, net of ceded business	(3)	101,9 %	102,6 %	99,5 %	72,1 %	116,8 %	85,9 %	119,0 %	116,8 %	105,1 %	138,4 %
Gross claims ratio	(4)	88,5 %	104,4 %	94,3 %	65,7 %	107,2 %	106,5 %	81,9 %	58,0 %	100,7 %	132,4 %
Gross expense ratio	(5)	6,2 %	7,8 %	10,3 %	11,5 %	6,5 %	5,4 %	7,2 %	14,0 %	5,7 %	7,1 %
Gross combined ratio	(6)	94,7 %	112,2 %	104,6 %	77,2 %	113,7 %	111,9 %	89,1 %	72,0 %	106,4 %	139,6 %

(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 decided in 2018 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. After the decision to exit the COI market, COI is defined as "discontinued operations" in the accounts. Net profit and assets and liabilities associated with COI are presented on separated lines as discontinued operations.

NOKm	Q1 2019	Q1 2018	FY 2018
Gross premiums earned	88,8	112,6	513,6
Reinsurers' share of earned premiums	(8,9)	(11,3)	(51,4)
Earned premiums, net of reinsurance	79,9	101,4	462,3
Gross claims incurred	(1,2)	(119,4)	(749,5)
Reinsurers' share of claims incurred	0,1	11,9	74,9
Claims incurred, net of reinsurance	(1,1)	(107,5)	(674,5)
Total operating expenses, net of reinsurance	3,9	(5,2)	(55,2)
Other insurance-related income/expenses	(0,0)	(0,0)	(0,0)
Technical result	82,6	(11,3)	(267,5)
Net income from financial assets	30,1	(5,5)	(36,4)
Other income/expenses	(3,3)	(3,2)	(12,8)
Non-technical result	26,8	(8,6)	(49,2)
Profit before tax	109,4	(20,0)	(316,7)
Tax	(26,6)	18,5	42,1
Profit for the period	82,8	(1,5)	(274,7)

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	146	1 039	37	1 222
Bonds and other fixed income securities	NOK		8 545		8 545
Cash and cash equivalents	NOK	997			997
<i>Derivatives:</i>					
Foreign currency contracts	NOK		6		6
Options	NOK		12		12
Total assets 31.03.2019	NOK	1 143	9 602	37	10 782
Total assets 31.03.2018	NOK	636	9 595		10 231

Financial liabilities at fair value through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK		-9		-9
Other financial liabilities	NOK	-181			-181
Total financial liabilities 31.03.2019	NOK	-181	-9		-190
Total financial liabilities 31.03.2018	NOK		-14		-14

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 recognised 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 NOK 20 million 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

If one or more of the key parameters in a valuation model is not based on observable market data,

Solvency Margin

(1.000.000 NOK)	31.03.2019	31.12.2018	31.03.2018
Total solvency capital requirement	1 756	1 659	1 915
Total eligible own funds to meet SCR	3 068	2 910	3 730
Ratio of eligible own funds to SCR	175 %	175 %	195 %
Total minimum capital requirement	790	747	853
Ratio of eligible own funds to MCR	297 %	299 %	345 %

Quarterly outline

NOKm	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Gross premiums written	2 713,4	475,1	624,3	838,3	2 348,4	424,5	486,1	739,0	1 963,0
Gross premiums earned	1 146,9	1 123,2	1 042,4	1 015,7	958,3	881,7	863,3	775,8	734,2
Gross claims incurred	(1 071,7)	(1 161,7)	(937,1)	(889,3)	(871,2)	(799,6)	(943,2)	(1 167,9)	(663,3)
Earned premiums, net of reinsurance	890,6	759,0	689,7	699,8	669,4	604,1	606,5	606,3	585,8
Other insurance related income	3,1	12,0	9,5	2,9	1,2	0,8	2,3	0,8	1,1
Claims incurred, net of reinsurance	(884,4)	(739,3)	(613,2)	(670,5)	(635,3)	(575,9)	(498,9)	(581,6)	(537,3)
Sales cost	(48,9)	(49,4)	(55,4)	(49,3)	(51,6)	(45,0)	(35,1)	(41,6)	(29,8)
Administration cost	(38,0)	(46,1)	(28,9)	(35,0)	(33,2)	(21,5)	(29,7)	(30,6)	(27,0)
Commission from reinsurer	28,0	31,1	37,7	61,0	99,4	22,7	21,8	58,3	101,6
Other insurance related expenses	(5,2)	(2,1)	(10,8)	(6,0)	(1,3)	(1,3)	(1,7)	(1,6)	(3,6)
Technical result	(54,7)	(34,8)	28,6	2,8	48,5	(16,2)	65,3	10,1	90,9
Other income/costs	(14,0)	(12,3)	(12,5)	(12,6)	(12,0)	(12,0)	(13,7)	(13,6)	(7,6)
Net financial income	81,2	(141,9)	35,5	78,7	8,0	124,9	100,0	101,2	11,7
Profit before tax	12,5	(189,1)	51,7	68,9	44,6	96,7	151,6	97,7	95,0
Claims ratio, net of ceded business	(1) 99,3 %	97,4 %	88,9 %	95,8 %	94,9 %	95,3 %	82,3 %	95,9 %	91,7 %
Expense ratio, net of ceded business	(2) 6,6 %	8,5 %	6,7 %	3,3 %	-2,2 %	7,3 %	7,1 %	2,3 %	-7,6 %
Combined ratio, net of ceded business	(3) 105,9 %	105,9 %	95,7 %	99,2 %	92,7 %	102,6 %	89,3 %	98,2 %	84,1 %
Gross claims ratio	(4) 93,4 %	103,4 %	89,9 %	87,5 %	90,9 %	90,7 %	109,3 %	150,5 %	90,3 %
Gross expense ratio	(5) 7,6 %	8,5 %	8,1 %	8,3 %	8,8 %	7,5 %	7,5 %	9,3 %	7,7 %
Gross combined ratio	(6) 101,0 %	111,9 %	98,0 %	95,8 %	99,8 %	98,2 %	116,8 %	159,8 %	98,1 %

(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