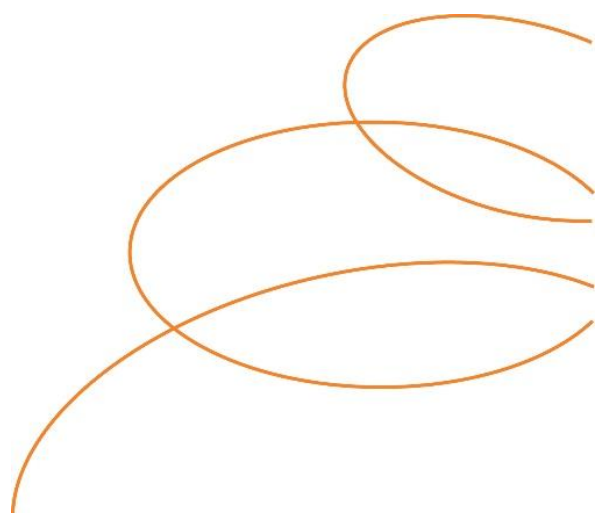




INTERIM REPORT Q3 2019

PROTECTOR FORSIKRING ASA

(UNAUDITED)
24 OCTOBER 2019



Highlights Q3 2019

17% growth, CR 91.6%

Protector Forsikring ASA recorded a loss of NOK -8.3m (NOK - 65.1m) for the quarter. The weak result is driven by a weak return on investments. The underwriting result was NOK 84.2m (NOK 28.6m) corresponding to a combined ratio of 91.6% (95.7%).

After losing the arbitration in Q2 (ref. Q2 Interim Report), Protector has covered 85% of the disputed amount by other parties involved. The settlement has in Q3 an approx. NOK 60m positive effect on the net CR.

The premium growth continues with gross written premiums up 17%. The growth in local currencies was 16% (18%).

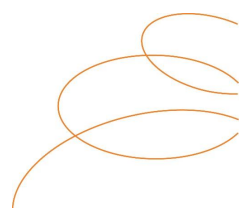
Protector decided end of 2018 to exit the COI market and COI is in the P&L defined as «discontinued operations». Some figures below are also given as if COI business was continued business to ease the comparison with earlier reported figures.

Q3 2019 shows following development compared to Q3 2018:

- Premium growth of 17% (13%)
 - Premium growth incl. COI 9% (17%)
- Net combined ratio was 91.6% (95.7%)
 - The net combined ratio incl. COI was 92.1% (117.6%)
- Net return on investments incl. COI NOK -41.4m (NOK 46.4m) or -0.4% (0.5%)
 - Net return on investments excl. COI of NOK - 15.3m (NOK 35.5m) or -0.2% (0.4%)
- Profit before tax NOK 54.1m (51.7m)
 - Profit before tax incl. COI NOK 18.6m (NOK - 112.8m)
- Gross expense ratio 7.1%, (8.1%)
 - Gross expense ratio incl. COI 6.7%, (7.3%)

Q1-Q3 2019 shows following development compared to Q1-Q3 2018:

- Premium growth of 19% (14%)
 - Premium growth incl. COI 14% (17%)
- Net combined ratio was 101.1% (95.9%)
 - The net combined ratio incl. COI was 97.6% (104.1%)
- Net return on investments incl. COI NOK 0.6m (NOK 161.2m) or 0.0% (1.6%)
 - Net return on investments excl. COI of NOK 34.1m (NOK 122.1m) or 0.4% (1.5%)
- Profit before tax NOK -50.4m (165.2m)
 - Profit before tax incl. COI NOK 12.8m (NOK 9.2m)
- Gross expense ratio 7.8%, (8.4%)
 - Gross expense ratio incl. COI 7.4%, (7.6%)



Financial highlights and key ratios

NOKm		Q3 2019	Q3 2018	Q1-Q3 19	Q1-Q3 18	FY 2018
Gross premiums written		732,4	624,3	4 551,6	3 811,0	4 286,1
Gross premiums earned		1 291,3	1 042,4	3 680,2	3 016,4	4 139,6
Gross claims incurred		(1 139,0)	(937,1)	(3 360,8)	(2 697,6)	(3 859,3)
Earned premiums, net of reinsurance		1 112,0	689,7	3 014,6	2 058,8	2 817,8
Other insurance related income		2,2	9,5	8,6	13,6	25,5
Claims incurred, net of reinsurance		(935,2)	(613,2)	(2 819,4)	(1 919,1)	(2 658,3)
Sales cost		(53,7)	(55,4)	(168,2)	(156,2)	(205,6)
Administration cost		(38,0)	(28,9)	(118,9)	(97,0)	(143,1)
Commission from reinsurer		8,4	37,7	59,5	198,1	229,2
Other insurance related expenses		(11,6)	(10,8)	(18,6)	(18,1)	(20,2)
Technical result		84,2	28,6	(42,5)	80,0	45,3
Other income/costs		(14,7)	(12,5)	(42,1)	(37,0)	(49,4)
Net financial income		(15,3)	35,5	34,1	122,1	(19,8)
Profit before tax		54,1	51,7	(50,4)	165,2	(23,9)
Tax		(33,4)	28,1	(33,6)	(16,3)	3,2
Discontinued operations, change of ownership insurance		(26,6)	(148,4)	42,5	(143,2)	(274,7)
Net comprehensive income		(2,4)	3,4	(0,6)	(19,4)	0,2
Profit for the period		(8,3)	(65,1)	(42,1)	(13,7)	(295,2)
Claims ratio, net of ceded business	(1)	84,1 %	88,9 %	93,5 %	93,2 %	94,3 %
Expense ratio, net of ceded business	(2)	7,5 %	6,7 %	7,5 %	2,7 %	4,2 %
Combined ratio, net of ceded business	(3)	91,6 %	95,7 %	101,1 %	95,9 %	98,6 %
Gross claims ratio	(4)	88,2 %	89,9 %	91,3 %	89,4 %	93,2 %
Gross expense ratio	(5)	7,1 %	8,1 %	7,8 %	8,4 %	8,4 %
Gross combined ratio	(6)	95,3 %	98,0 %	99,1 %	97,8 %	101,7 %
Retention rate	(7)	86,1 %	66,2 %	81,9 %	68,3 %	68,1 %
Earnings per share	(8)	(0,1)	0,8	(0,5)	0,9	(3,5)

(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

Premiums

Q3

In Q3, gross premiums written increased by 17% to a total of NOK 732.3m. The negative growth in Finland in Q3-18 was due to premium corrections earlier reported periods. Adjusted for this, the Q3-19 growth in Finland was close to zero.

NOK 40m (6%) of the volume growth is due to price increases in the Nordic countries.

The growth per country was;

Gross premiums written (NOKm)	Q3 2019	Q3 2018	Growth	
Norway excl. COI	306,5	295,5	10,9	4 %
Sweden	169,8	161,4	8,4	5 %
Denmark	66,8	36,1	30,7	85 %
UK	177,7	146,3	31,4	21 %
Finland	11,5	-15,0	26,5	177 %
Total	732,3	624,3	107,9	17 %

Gross premiums earned increased by NOK 248.8m or by 24% to a total of NOK 1,291.2m.

The growth per country was;

Gross premiums earned (NOKm)	Q3 2019	Q3 2018	Growth	
Norway excl. COI	412,2	390,7	21,5	6 %
Sweden	380,6	315,4	65,1	21 %
Denmark	239,1	200,3	38,8	19 %
UK	189,0	111,9	77,0	69 %
Finland	70,4	24,0	46,3	193 %
Total	1291,2	1042,4	248,8	24 %

Premiums earned for own account amounted to NOK 1,112m, an increase of 61% compared to Q3 2018. The strong growth is due to the overall premium growth and an increased retention rate due to changes in the reinsurance structure.

The growth in net premiums earned per country was;

Net premiums earned (NOKm)	Q3 2019	Q3 2018	Growth	
Norway excl. COI	360,4	301,6	58,8	19 %
Sweden	347,7	203,4	144,3	71 %
Denmark	206,4	131,2	75,1	57 %
UK	134,5	37,2	97,4	262 %
Finland	63,0	16,3	46,7	288 %
Total	1112,0	689,7	422,3	61 %

Q1-Q3

Gross written premiums totalled NOK 4,551.6m, representing a 19% growth.

The growth by country was:

Gross premiums written (NOKm)	Q1-Q3 19	Q1-Q3 18	Growth	
Norway excl. COI	1444,4	1355,1	89,2	7 %
Sweden	1358,3	1158,4	199,8	17 %
Denmark	868,3	740,5	127,9	17 %
UK	664,4	436,7	227,7	52 %
Finland	216,3	120,3	96,0	80 %
Total	4551,6	3811,0	740,6	19 %

Gross premiums earned increased by 22% from NOK 3,016.4m to a total of NOK 3,680.2m.

The growth by country was:

Gross premiums earned (NOKm)	Q1-Q3 19	Q1-Q3 18	Growth	
Norway excl. COI	1193,4	1120,6	72,8	6 %
Sweden	1101,1	925,7	175,4	19 %
Denmark	674,3	583,5	90,8	16 %
UK	521,4	274,3	247,1	90 %
Finland	190,1	112,4	77,6	69 %
Total	3680,2	3016,4	663,7	22 %

The premiums earned for own account totalled to NOK 3,014.6m, an increase of 46% compared to the year earlier period.

The premiums earned for own account by country was:

Net premiums earned (NOKm)	Q1-Q3 19	Q1-Q3 18	Growth	
Norway excl. COI	1022,3	856,7	165,5	19 %
Sweden	917,4	617,2	300,1	49 %
Denmark	571,9	385,2	186,7	48 %
UK	334,3	113,3	221,0	195 %
Finland	168,7	86,3	82,4	95 %
Total	3014,6	2058,9	955,7	46 %

Results

In Q3, the loss for the quarter totalled NOK -8.3m against a loss of NOK -65.1m in Q3 2018. The weak result is driven by a weak return on investments.

The arbitration aftermath has in Q3 approx. a NOK 60m positive effect on the profit before tax.

The net combined ratio was 91.6%, 4.1 percentage points lower than the 95.7% reported in Q3 2018.

The net combined ratio by country was:

Net combined ratio	Q3 2019	Q3 2018
Norway excl. COI	101,7 %	81,1 %
Sweden	95,8 %	95,6 %
Denmark	89,8 %	95,6 %
UK	44,0 %	188,6 %
Finland	118,4 %	153,9 %
Total	91,6 %	95,7 %

In Q3 the company had run-off gains of 1.9% including the arbitration aftermath against 7.8% run-off gains in Q3-18.

The claims ratio for own account decreased from 88.9% in Q3 2018 to 84.1 % in Q3 2019. Excluding the arbitration aftermath, the net claims ratio was 89.5%. The weak claims ratio is driven by run-off-losses within the personal lines of business in Norway and Denmark (approx. NOK 47m) and a higher large loss ratio than normalized. Sweden was in Q3 hit by a very large property claim (approx. MNOK 40). The poor claims result in Finland is driven by a case reserve clean-up.

The expense ratio for own account amounted to 7.5%, up from 6.7 % in Q3 2018. The increase is due to significant reductions in reinsurance commissions due to change in reinsurance structure (from Surplus to Risk XL on property). Growth in the UK drives also broker commissions upwards.

The cost level is supported by a low expected bonus level for 2019. The underlying cost ratio is approx. 1 percentage point higher.

In the first three quarters, the loss for the period totalled NOK -42.1m against a loss of NOK -13.7m in the same period last year. The net combined ratio was 101.1%, compared to 95.9% in 2018.

The net combined ratio for the first three quarters by country was:

Net combined ratio	Q1-Q3 19	Q1-Q3 18
Norway excl. COI	98,3 %	96,0 %
Sweden	97,9 %	84,4 %
Denmark	104,6 %	96,4 %
UK	101,3 %	123,8 %
Finland	122,3 %	137,4 %
Total	101,1 %	95,9 %

YTD the company had run-off losses of 0.4%. Exclusive the Grenfell Tower arbitration the company had run-off gains of 0.1%.

The gross expense ratio was 7.8% down from 8.4%, whilst the net expense ratio was 7.5%, up from 2.7%. The low net cost ratio in 2018 comes from a high level of reinsurance commissions.

Investment return

Net investment portfolio amounted to a total of NOK 11.081m at 30 September 2019, up 8.8% compared to the portfolio end of Q3 2018.

Investment activities yielded a total negative return of NOK -41.4m, or -0.4% compared to a return of NOK 46.4m or 0.5% in Q3 2018. Equities accounted for a NOK 93.4m loss (-8.3%) against a NOK 9.5m gain (0.7%) in Q3 2018. Return on the fixed income portfolio totalled NOK 52m or 0.5% against NOK 36.9m or 0.4% in Q3 2018.

In the three first quarters, the investment result was NOK 0.6m (0.0%) against NOK 161.2m (1.6%) YTD 2018. Equities accounted for a NOK 163.1m loss (-14.4%) against NOK 42.3m gain (2.6%) YTD 2018. The return on the fixed income portfolio totalled NOK 163.7m or 1.7% against NOK 118.9m or 1.4% YTD 2018.

End of Q3 2019, 9.0% 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 1,978m at the end of the quarter. End of Q3, the solvency capital requirement (SCR) ratio using the standard formula was 164% (unchanged from end of Q2 2019), which is within the company's risk appetite. 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 profitability in the Nordics remains under pressure and price increases and other profitability measures will continue. The underlying technical result is expected to be improved. However a lower growth rate must be expected going forward, due to the significant profitability actions in the Nordics.

Oslo, 24th October 2019

The Board of Directors of Protector Forsikring ASA

Income statement

NOKm	Q3 2019	Q3 2018	Q1-Q3 19	Q1-Q3 18	FY 2018
Premium income					
Gross premiums earned	1 291,3	1 042,4	3 680,2	3 016,4	4 139,6
Reinsurers' share of earned premiums	(179,3)	(352,7)	(665,6)	(957,6)	(1 321,8)
Earned premiums, net of reinsurance	1 112,0	689,7	3 014,6	2 058,8	2 817,8
Other insurance-related income	2,2	9,5	8,6	13,6	25,5
Gross claims incurred	(1 139,0)	(937,1)	(3 360,8)	(2 697,6)	(3 859,3)
Reinsurers' share of claims incurred	203,9	323,8	541,4	778,5	1 201,0
Claims incurred, net of reinsurance	(935,2)	(613,2)	(2 819,4)	(1 919,1)	(2 658,3)
Operating expenses					
Sales costs	(53,7)	(55,4)	(168,2)	(156,2)	(205,6)
Administration costs	(38,0)	(28,9)	(118,9)	(97,0)	(143,1)
Commission from reinsurers	8,4	37,7	59,5	198,1	229,2
Total operating expenses, net of reinsurance	(83,3)	(46,5)	(227,6)	(55,2)	(119,6)
Other insurance-related expenses	(11,6)	(10,8)	(18,6)	(18,1)	(20,2)
Technical result	84,2	28,6	(42,5)	80,0	45,3
Net income from financial assets	(15,3)	35,5	34,1	122,1	(19,8)
Other income/expenses	(14,7)	(12,5)	(42,1)	(37,0)	(49,4)
Non-technical result	(30,0)	23,0	(7,9)	85,1	(69,2)
Profit before tax	54,1	51,7	(50,4)	165,2	(23,9)
Tax	(33,4)	28,1	(33,6)	(16,3)	3,2
Discontinued operations	(26,6)	(148,4)	42,5	(143,2)	(274,7)
Profit before components of comprehensive income	(5,9)	(68,6)	(41,5)	5,7	(295,4)
Actuarial gain and loss from defined benefit pension plans	-	-	-	-	0,3
Currency changes from foreign enterprise	(2,8)	4,5	(0,8)	(25,9)	(0,1)
Taxes on components of comprehensive income	0,3	(1,1)	0,2	6,5	(0,1)
Profit for the period	(8,3)	(65,1)	(42,1)	(13,7)	(295,2)
Earnings per share	(0,07)	(0,84)	(0,51)	0,07	(3,5)
Earnings per share, diluted	(0,07)	(0,84)	(0,51)	0,07	(3,5)

Statement of financial position

NOKm	30.09.2019	30.09.2018	31.12.2018
Assets			
Intangible fixed assets			
Other intangible fixed assets	30,7	21,8	24,1
Total intangible fixed assets	30,7	21,8	24,1
Buildings and other real estates			
Owner-occupied property	13,0	13,6	13,4
Total buildings and other real estates	13,0	13,6	13,4
Financial assets			
Shares	819,1	900,0	745,2
Securities, bonds etc	7 036,2	7 061,6	6 386,6
Financial derivatives	21,2	9,2	25,7
Bank deposits	1 463,1	196,4	460,1
Total financial assets	9 339,6	8 167,3	7 617,5
Reinsurers share of gross technical provisions			
Reinsurers share of gross premium provisions	214,2	518,4	292,6
Reinsurers share of gross claims provisions	1 697,1	1 725,6	1 899,8
Total reinsurers share of gross technical provisions	1 911,3	2 244,0	2 192,4
Receivables			
Policyholders	514,0	224,7	256,9
Intermediaries	(16,5)	108,0	5,0
Other receivables	59,7	(15,7)	65,7
Total receivables	557,3	317,0	327,6
Other assets			
Tangible fixed assets	36,4	25,9	25,8
Cash and bank deposits	103,5	89,7	278,6
Total other assets	139,9	115,6	304,4
Total prepaid expenses	277,1	151,7	235,4
Assets discontinued operations	2 660,9	2 254,4	2 117,2
Total assets	14 929,8	13 285,4	12 832,1

Statement of financial position

NOKm	30.09.2019	30.09.2018	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)	(4,4)
Other paid-in equity	267,7	267,7	267,7
Total paid-in equity	349,4	349,4	349,4
Earned equity			
Natural perils fund	73,0	55,0	54,8
Guarantee scheme	89,5	58,9	88,5
Other equity	1 466,6	1 841,7	1 540,4
Total earned equity	1 629,0	1 955,6	1 683,6
Total equity	1 978,5	2 305,0	2 033,1
Subordinated loan capital	1 243,3	1 243,3	1 243,3
Technical provisions			
Provisions for unearned premiums	1 960,3	1 720,8	1 104,7
Provisions for claims	6 736,0	5 571,0	5 997,4
Total technical provisions	8 696,2	7 291,8	7 102,1
Provisions for other risks and liabilities			
Pension liabilities	13,0	12,1	13,0
Current tax liability	43,4	(8,2)	-
Deferred tax liability	115,9	153,9	105,4
Total provisions for other risks and liabilities	172,4	157,8	118,4
Liabilities			
Liabilities in connection with insurance	100,7	95,8	93,0
Liabilities in connection with reinsurance	635,7	602,0	393,3
Financial derivatives	19,8	19,7	8,6
Other liabilities	404,3	161,8	205,6
Total liabilities	1 160,5	879,2	700,4
Incurred expenses and prepaid income			
Other incurred expenses and prepaid income	104,3	140,8	328,2
Total incurred expenses and prepaid income	104,3	140,8	328,2
Liabilities discontinued operations	1 574,6	1 267,5	1 306,5
Total equity and liabilities	14 929,8	13 285,4	12 832,1

Cash flow statement

[NOKm]	Q3 2019	Q3 2018	30.09.2019	30.09.2018	FY 2018
<u>Cash flow from operations</u>					
Premiums paid	853,2	1 000,7	4 246,6	3 976,3	4 903,0
Claims paid	(913,6)	(929,0)	(2 744,1)	(2 500,5)	(3 642,0)
Paid reinsurance	168,7	(93,3)	409,4	(191,8)	(238,8)
Paid operating expenses including commissions	(45,3)	(131,3)	(474,4)	(310,0)	(348,8)
Interest / dividend income	54,3	64,4	193,6	183,6	247,8
Net payments from financial instruments	561,7	43,7	(458,1)	(934,4)	(117,0)
Payable tax	3,4	21,8	6,3	(47,1)	(119,1)
Net cash flow from operations	682,4	(23,1)	1 179,3	176,1	684,9
<u>Cash flow from investment activities</u>					
Investments in fixed assets	(9,6)	(5,5)	(38,5)	(31,0)	(39,0)
Net cash flow from investment activities	(9,6)	(5,5)	(38,5)	(31,0)	(39,0)
<u>Cash flow from financial activities</u>					
Interest payments on subordinated loan capital	(23,7)	(15,3)	(55,8)	(45,6)	(61,4)
Repayment of equity	-	(259,0)	-	(259,0)	(259,0)
Net cash flow from financial activities	(23,7)	(274,4)	(55,8)	(304,6)	(320,5)
Net cash flow for the period	649,2	(303,0)	1 085,0	(159,5)	325,4
Net change in cash and cash equivalents	649,2	(303,0)	1 085,0	(159,5)	325,4
Cash and cash equivalents opening balance	1 287,1	661,6	859,5	537,7	537,7
Effects of exchange rate changes on cash and cash equivalents	0,9	0,2	(7,3)	(19,3)	(3,6)
Cash and cash equivalents closing balance	1 937,1	358,9	1 937,1	358,9	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	44,8	53,8
Currency changes						(5,1)	(5,1)
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	(74,2)	(65,1)
Currency changes						7,0	7,0
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	-	0,0	-	(0,2)	29,5	(310,9)	(281,5)
Currency changes						9,6	9,6
Own shares		-					-
Equity at 31.12.2018	86,2	(4,4)	267,7	54,8	88,5	1 540,4	2 033,0
Profit for the period	-	0,0	-	24,3	0,5	67,1	91,9
Currency changes						(10,5)	(10,5)
Own shares		(0,0)					(0,0)
Equity at 31.03.2019	86,2	(4,4)	267,7	79,1	89,0	1 597,0	2 114,5
Profit for the period	-	0,0	-	(11,3)	0,2	(114,6)	(125,7)
Currency changes						(0,8)	(0,8)
Own shares		(0,0)					(0,0)
Equity at 30.06.2019	86,2	(4,4)	267,7	67,8	89,2	1 481,6	1 988,0
Profit for the period	-	0,0	-	5,2	0,2	(13,8)	(8,3)
Currency changes						(1,2)	(1,2)
Own shares		(0,0)					(0,0)
Equity at 30.09.2019	86,2	(4,4)	267,7	73,0	89,5	1 466,6	1 978,5

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.

Quarter

	Norway		Sweden		Denmark		UK		Finland	
[NOKm]	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018
Gross premiums written	306,5	295,5	169,8	161,4	66,8	36,1	177,7	146,3	11,5	(15,0)
Gross premiums earned	412,2	390,7	380,6	315,4	239,1	200,3	189,0	111,9	70,4	24,0
Gross claims incurred	(401,4)	(373,4)	(339,4)	(285,2)	(197,8)	(163,4)	(122,8)	(86,1)	(77,8)	(29,0)
Earned premiums, net of reinsurance	360,4	301,6	347,7	203,4	206,4	131,2	134,5	37,2	63,0	16,3
Other insurance related income	0,5	8,4	0,4	0,3	0,7	0,1	0,3	0,5	0,4	0,1
Claims incurred, net of reinsurance	(346,8)	(242,9)	(294,1)	(166,7)	(176,9)	(120,2)	(47,2)	(61,3)	(70,4)	(22,2)
Sales cost	(12,1)	(10,3)	(27,0)	(26,5)	(3,9)	(3,2)	(11,6)	(14,5)	0,9	(0,9)
Administration cost	(5,0)	(0,8)	(11,3)	(10,5)	(8,0)	(7,1)	(9,8)	(7,6)	(3,9)	(3,0)
Commission from reinsurer	(2,7)	9,3	(0,6)	9,2	3,5	4,9	9,4	13,3	(1,2)	1,1
Other insurance related expenses	(3,1)	(7,6)	(0,0)	(0,1)	(6,7)	(0,6)	(0,7)	(2,3)	(1,0)	(0,0)
Technical result	(8,9)	57,8	15,0	9,0	15,1	5,1	75,0	(34,7)	(12,3)	(8,6)
Other income/costs	(14,7)	(12,4)	0,0	(0,0)	0,0	(0,0)	-	-	0,0	(0,0)
Net financial income	(27,8)	23,1	10,1	9,9	(1,7)	(0,2)	0,9	0,8	3,1	1,9
Profit before tax	(51,3)	68,5	25,1	18,9	13,4	4,9	75,9	(33,9)	(9,2)	(6,7)

Claims ratio, net of ceded business	(1)	96,2 %	80,5 %	84,6 %	81,9 %	85,7 %	91,6 %	35,1 %	165,0 %	111,8 %	136,5 %
Expense ratio, net of ceded business	(2)	5,5 %	0,6 %	11,2 %	13,7 %	4,1 %	4,1 %	9,0 %	23,6 %	6,7 %	17,4 %
Combined ratio, net of ceded business	(3)	101,7 %	81,1 %	95,8 %	95,6 %	89,8 %	95,6 %	44,0 %	188,6 %	118,4 %	153,9 %
Gross claims ratio	(4)	97,4 %	95,6 %	89,2 %	90,4 %	82,7 %	81,6 %	65,0 %	77,0 %	110,6 %	120,6 %
Gross expense ratio	(5)	4,1 %	2,8 %	10,1 %	11,7 %	5,0 %	5,1 %	11,4 %	19,7 %	4,3 %	16,5 %
Gross combined ratio	(6)	101,5 %	98,4 %	99,2 %	102,2 %	87,7 %	86,7 %	76,3 %	96,6 %	114,9 %	137,1 %

(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

Q1-Q3

	Norway		Sweden		Denmark		UK		Finland	
[NOKm]	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Gross premiums written	1 444,4	1 355,1	1 358,3	1 158,4	868,3	740,5	664,4	436,7	216,3	120,3
Gross premiums earned	1 193,4	1 120,6	1 101,1	925,7	674,3	583,5	521,4	274,3	190,1	112,4
Gross claims incurred	(1 077,2)	(1 109,2)	(1 039,9)	(715,7)	(654,0)	(550,1)	(372,6)	(183,4)	(217,1)	(139,2)
Earned premiums, net of reinsurance	1 022,3	856,7	917,4	617,2	571,9	385,2	334,3	113,3	168,7	86,3
Other insurance related income	2,6	10,2	0,6	0,5	1,6	1,2	2,2	1,0	1,6	0,7
Claims incurred, net of reinsurance	(956,4)	(807,7)	(800,7)	(491,8)	(569,4)	(377,8)	(298,7)	(130,9)	(194,2)	(110,9)
Sales cost	(26,2)	(34,4)	(92,7)	(75,7)	(13,6)	(10,8)	(32,6)	(32,5)	(3,0)	(2,8)
Administration cost	(28,3)	(21,6)	(29,4)	(26,4)	(26,7)	(23,5)	(27,5)	(18,0)	(7,0)	(7,5)
Commission from reinsurer	5,5	41,1	24,4	72,6	11,7	40,7	20,1	41,1	(2,2)	2,6
Other insurance related expenses	(6,1)	(3,5)	(2,6)	(12,8)	(7,2)	0,5	(1,4)	(2,1)	(1,3)	(0,2)
Technical result	13,3	40,7	16,9	83,7	(31,7)	15,5	(3,5)	(28,0)	(37,5)	(31,8)
Other income/costs	(41,8)	(36,8)	(0,1)	(0,1)	0,0	(0,0)	0,0	0,0	(0,2)	(0,0)
Net financial income	(11,8)	86,1	31,8	29,0	0,9	3,3	4,2	0,8	9,1	2,9
Profit before tax	(40,3)	90,0	48,6	112,6	(30,8)	18,7	0,7	(27,2)	(28,6)	(28,9)

Claims ratio, net of ceded business	(1)	93,6 %	94,3 %	87,3 %	79,7 %	99,6 %	98,1 %	89,3 %	115,5 %	115,1 %	128,5 %
Expense ratio, net of ceded business	(2)	4,8 %	1,8 %	10,6 %	4,8 %	5,0 %	-1,7 %	12,0 %	8,3 %	7,2 %	8,9 %
Combined ratio, net of ceded business	(3)	98,3 %	96,0 %	97,9 %	84,4 %	104,6 %	96,4 %	101,3 %	123,8 %	122,3 %	137,4 %
Gross claims ratio	(4)	90,3 %	99,0 %	94,4 %	77,3 %	97,0 %	94,3 %	71,5 %	66,9 %	114,2 %	123,8 %
Gross expense ratio	(5)	4,6 %	5,0 %	11,1 %	11,0 %	6,0 %	5,9 %	11,5 %	18,4 %	5,3 %	9,2 %
Gross combined ratio	(6)	94,8 %	104,0 %	105,5 %	88,3 %	103,0 %	100,1 %	83,0 %	85,3 %	119,5 %	133,0 %

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.

Protector has in July 2019 entered into a 50% quota share agreement (reinsurance) for the entire COI portfolio. The quota share agreement includes the historical portfolio as well as all new business written until the policy writing cease.

Income statement discontinued operations

NOKm	Q3 2019	Q3 2018	Q1-Q3 19	Q1-Q3 18	FY 2018
Gross premiums earned	88,5	130,2	287,1	422,1	513,6
Reinsurers' share of earned premiums	(40,8)	(13,0)	(100,2)	(42,2)	(51,4)
Earned premiums, net of reinsurance	47,7	117,2	186,9	379,9	462,3
Gross claims incurred	(94,4)	(320,2)	(172,6)	(615,0)	(749,5)
Reinsurers' share of claims incurred	44,9	32,0	90,4	61,5	74,9
Claims incurred, net of reinsurance	(49,4)	(288,1)	(82,2)	(553,5)	(674,5)
Total operating expenses, net of reinsurance	(0,1)	(1,3)	6,1	(11,9)	(55,2)
Other insurance-related income/expenses	(4,5)	(0,0)	(4,5)	(0,0)	(0,0)
Technical result	(6,3)	(172,2)	106,3	(185,6)	(267,5)
Net income from financial assets	(26,0)	10,9	(33,6)	39,1	(36,4)
Other income/expenses	(3,1)	(3,2)	(9,5)	(9,5)	(12,8)
Non-technical result	(29,2)	7,8	(43,1)	29,6	(49,2)
Profit before tax	(35,5)	(164,5)	63,2	(156,0)	(316,7)
Tax	8,9	16,1	(20,7)	12,8	42,1
Profit for the period	(26,6)	(148,4)	42,5	(143,2)	(274,7)

Financial assets, fair value estimation

Financial assets through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	207	750	37	993
Bonds and other fixed income securities	NOK	-	8 520	-	8 520
Cash and cash equivalents	NOK	1 787			1 787
<i>Derivater:</i>					
Foreign currency contracts	NOK		18		18
Options	NOK		7		7
Total assets 30.09.2019	NOK	1 993	9 296	37	11 326
Total assets 30.09.2018	NOK	345	9 858		10 203

Financial liabilities at fair value through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK		(20)		(20)
Other financial liabilities	NOK	(225)			(225)
Total financial liabilities 30.09.2019	NOK	(225)	(20)		(245)
Total financial liabilities 30.09.2018	NOK		(20)		(20)

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

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

Solvency Margin

NOKm	30.09.2019	30.09.2018	31.12.2018
Total solvency capital requirement	1 728	1 838	1 659
Total eligible own funds to meet SCR	2 841	3 359	2 910
Ratio of eligible own funds to SCR	164 %	183 %	175 %
Total minimum capital requirement	778	827	747
Ratio of eligible own funds to MCR	274 %	315 %	299 %

Quarterly outline continued business

[NOKm]	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Gross premiums written	732,5	1 105,9	2 713,4	475,1	624,3	838,3	2 348,4	424,5	486,1
Gross premiums earned	1 291,4	1 241,9	1 146,9	1 123,2	1 042,4	1 015,7	958,3	881,7	863,3
Gross claims incurred	(1 139,0)	(1 150,0)	(1 071,7)	(1 161,7)	(937,1)	(889,3)	(871,2)	(799,6)	(943,2)
Earned premiums, net of reinsurance	1 112,1	1 011,9	890,6	759,0	689,7	699,8	669,4	604,1	606,5
Other insurance related income	2,2	3,2	3,1	12,0	9,5	2,9	1,2	0,8	2,3
Claims incurred, net of reinsurance	(935,2)	(999,8)	(884,4)	(739,3)	(613,2)	(670,5)	(635,3)	(575,9)	(498,9)
Sales cost	(53,7)	(65,6)	(48,9)	(49,4)	(55,4)	(49,3)	(51,6)	(45,0)	(35,1)
Administration cost	(38,0)	(42,9)	(38,0)	(46,1)	(28,9)	(35,0)	(33,2)	(21,5)	(29,7)
Commission from reinsurer	8,4	23,1	28,0	31,1	37,7	61,0	99,4	22,7	21,8
Other insurance related expenses	(11,5)	(1,9)	(5,2)	(2,1)	(10,8)	(6,0)	(1,3)	(1,3)	(1,7)
Technical result	84,2	(72,0)	(54,7)	(34,8)	28,6	2,8	48,5	(16,2)	65,3
Other income/costs	(14,7)	(13,2)	(14,0)	(12,3)	(12,5)	(12,6)	(12,0)	(12,0)	(13,7)
Net financial income	(15,3)	(31,7)	81,2	(141,9)	35,5	78,7	8,0	124,9	100,0
Profit before tax	54,2	(116,9)	12,5	(189,1)	51,7	68,9	44,6	96,7	151,6
Claims ratio, net of ceded business	(1) 84,1 %	98,8 %	99,3 %	97,4 %	88,9 %	95,8 %	94,9 %	95,3 %	82,3 %
Expense ratio, net of ceded business	(2) 7,5 %	8,4 %	6,6 %	8,5 %	6,7 %	3,3 %	-2,2 %	7,3 %	7,1 %
Combined ratio, net of ceded business	(3) 91,6 %	107,2 %	105,9 %	105,9 %	95,7 %	99,2 %	92,7 %	102,6 %	89,3 %
Gross claims ratio	(4) 88,2 %	92,6 %	93,4 %	103,4 %	89,9 %	87,5 %	90,9 %	90,7 %	109,3 %
Gross expense ratio	(5) 7,1 %	8,7 %	7,6 %	8,5 %	8,1 %	8,3 %	8,8 %	7,5 %	7,5 %
Gross combined ratio	(6) 95,3 %	101,3 %	101,0 %	111,9 %	98,0 %	95,8 %	99,8 %	98,2 %	116,8 %

(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