

Culture as a crucial part of success

Santangel's Investor Forum, New York
6th November 2019

PROTECTOR
 insurance





Sverre Bjerkeli – Chief Executive Officer

Last 15 years in Protector



Hi – I'm Sverre

...and my roots are from "up north"

Corporate background

- CEO in Protector Forsikring ASA last 15 years
- CEO in Eterra/Ementor Norway
- CEO Storebrand Bank
- Entrepreneur and CEO of Torino (IT)
- Director in Storebrand and If P&C
- Educated at Handelsakademiet (BI)
 - MSc Business and Marketing

Sports background

- Some «His Majesty King's Cup» trophies, medals, E- cup and national team achievements
- Marathon runner and cross country skier "nowadays"
- Professional league coach and junior national team coach
- Swimming, table tennis and handball

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

«Olemme erilaisia»

«Vi är annorlunda»

«Vi er annerledes»

«Vi er forskellige»

«We are different»

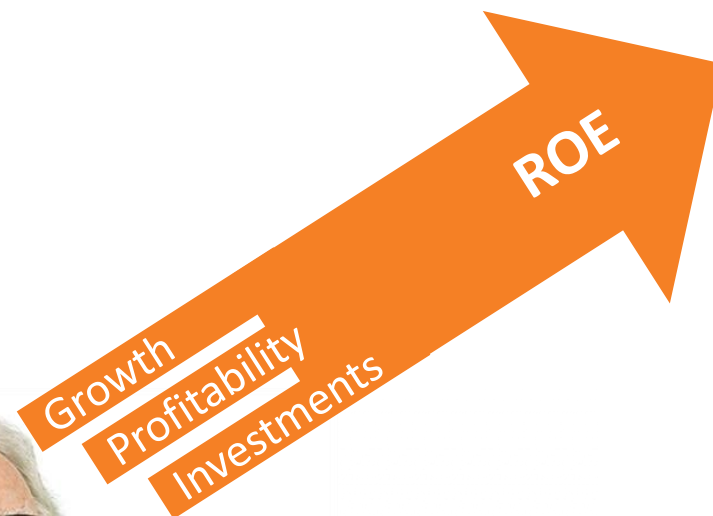


Value creation in the long run

Protector delivering very good results HTD... Will it continue?



- Growing from 0 to 5 bnNOK in premiums and building a significant float
- HTD Combined ratio 94 %
- World leading cost %
- Quality leader in Scandinavia & UK
- HTD Investment return higher than peers
 - The value of float significantly lower than in the 80s
- HTD ~26 % annual share price development w. dividends reinvested
- HTD Average ROE 16 %
- Competitive position will improve, with actions taken



Cost Leader in the world

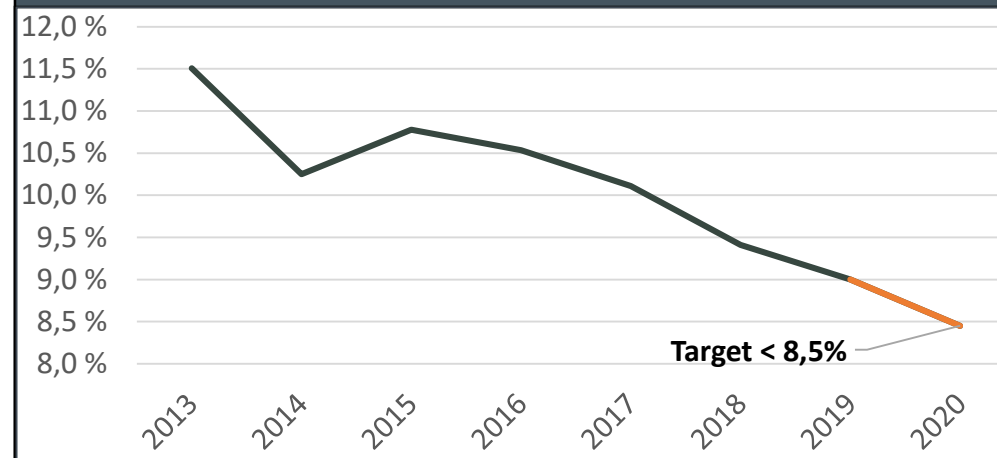
Competitive advantage strengthened



Creating cost leadership

- Well defined and consistent strategy, understand value chains and competent people to implement
- In-house IT – development since 2003, operations since 2012
 - Cost ratio of ~1% vs 3.2% for industry (Gartner Inc.)
 - No legacy, modern platform, well documented
 - Competent people, time efficient implementation of new solutions
- Cost advantage in the Nordics has increased the last 5 years
- World leading cost level creating profitable growth in the UK

Cost scalability will improve the next 2-3 years (Fiscal year graph)



*Gross Cost incl. Claims handling ex. Broker commission

Gross expense ratio	2013	2014	2015	2016	2017	2018
Protector	7,5 %	6,4 %	7,3 %	6,6 %	8,0 %	8,4 %
KLP	26,2 %	23,1 %	21,1 %	22,8 %	21,8 %	24,6 %
Tryg	15,6 %	14,6 %	15,3 %	15,7 %	14,0 %	14,4 %
Codan/Trygg Hansa	19,5 %	21,2 %	16,4 %	14,8 %	14,5 %	13,7 %
If	16,8 %	16,7 %	13,0 %	16,6 %	16,3 %	16,4 %
Gjensidige	15,3 %	15,0 %	15,1 %	14,2 %	15,3 %	15,2 %
Länsförsäkringar	19,0 %	19,0 %	19,0 %	19,0 %	18,0 %	19,0 %
Topdanmark	16,2 %	15,7 %	15,9 %	16,4 %	16,1 %	16,1 %
Avg. ex. PF	18,4 %	17,9 %	16,5 %	17,1 %	16,6 %	17,1 %

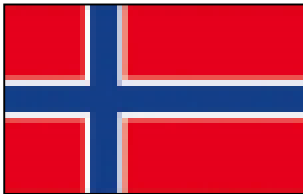
Quality leader in Scandinavia and UK

Humble and proud

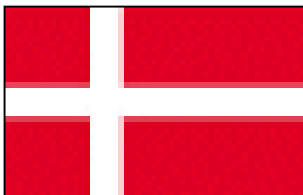


Broker satisfaction index done annually through Protector, Broker houses and/or broker associations

13 years in a row



2 yrs consecutive



7 years in a row



#2 in 2018



Far ahead of #2 again



Profitability

Combined ratio last 10 years 92% (09-18)

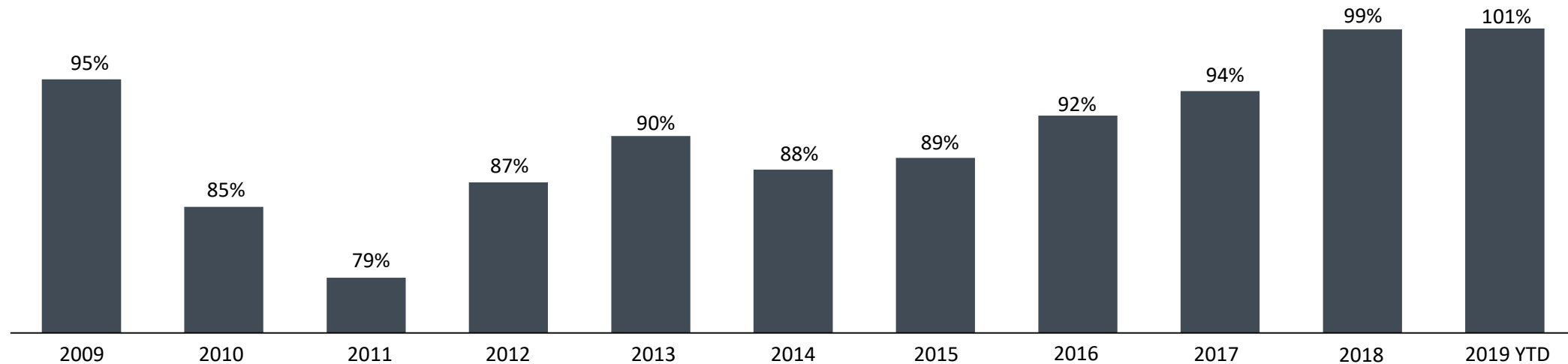


Profitable 10 out the 10 last years

- Prudent and disciplined reserving methodology – on the positive side
- Increased CR volatility from 2019 – change of Property reinsurance program; retention 100 MNOK

Profitability improvements from 2018

- Significant price increases in a disciplined Nordic market
- Improved UW-methodology & Stronger UW discipline
- Margin management and Capital allocation



Pricing increases – 2019 YTD results

Will improve profitability 5-6% in 2020 (full year effect)



		Q3	YTD	Q4
	Continued high renewal rates following acceptance of price increases.	≈12,1%	≈ 10,8%	Higher than YTD
	Q3 price increases heavily influenced by significant price increases on unprofitable clients.	≈15,7%	≈ 8,0%	Higher than YTD
	Q3 volume on a low level. Small volumes remaining in 2019.	≈9,3%	≈ 13,5%	Lower
	Building a new portfolio	Individual	Individual	Individual

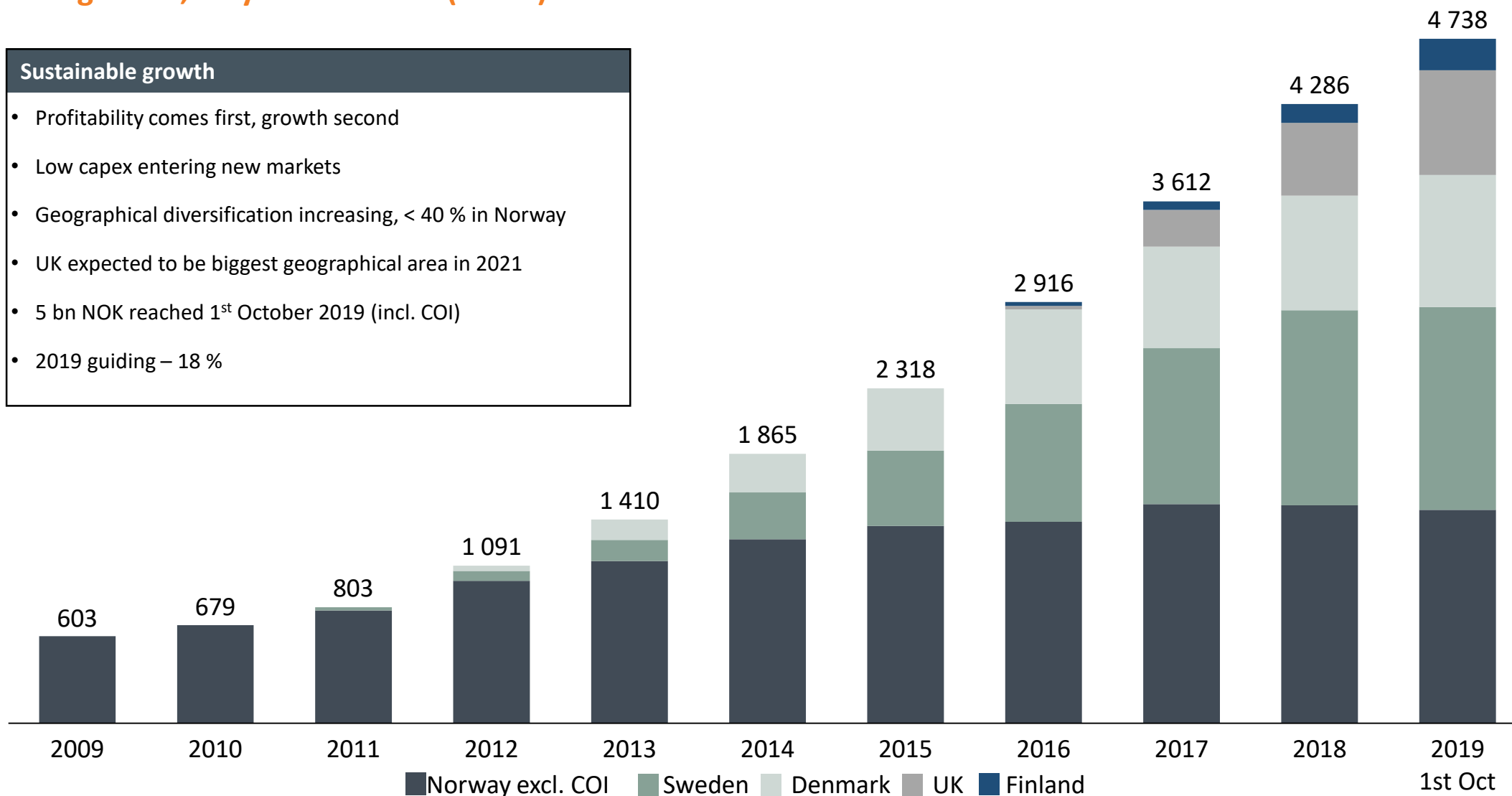
- Other profitability improvements also influencing 2020 profitability
 - But remember some surprise on the negative side will also occur
- Average claims inflation (all products) 4 % in the Nordics, significant higher in Motor

Volume growth

25 % growth, 10 years in a row (09-18)

Sustainable growth

- Profitability comes first, growth second
- Low capex entering new markets
- Geographical diversification increasing, < 40 % in Norway
- UK expected to be biggest geographical area in 2021
- 5 bn NOK reached 1st October 2019 (incl. COI)
- 2019 guiding – 18 %



Strong investment result over the business cycle

Underlying reality good, but volatility must be expected and managed



Beating all relevant benchmarks since insourcing

- Risk management through; Operational routines, mandate given by board, FSA stress test quarterly, internal stress test
- Investment portfolios in Norway, incl. Protector's, have enjoyed avg. NIBOR rates of roughly 1% above STIBOR and CIBOR in the period 2010-2017
- Slightly higher market risk than peer average in early years
- Better investment return than peer average for 9 out of 11 years
- Approx. 75 % of result after tax from investments 08-17

Return on investments	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	H1 2019	Avg. 08-18
Protector	-2,1 %	16,1 %	9,7 %	-2,3 %	8,9 %	7,0 %	5,3 %	5,2 %	7,0 %	4,8 %	-0,6 %	0,4 %	5,4 %
KLP skadeforsikring	0,4 %	8,3 %	7,2 %	4,5 %	6,5 %	6,5 %	6,5 %	4,4 %	6,1 %	5,6 %	1,8 %	3,9 %	5,3 %
Gjensidige	-0,6 %	5,5 %	5,2 %	4,4 %	5,4 %	4,3 %	4,3 %	2,6 %	3,9 %	3,7 %	1,5 %	2,1 %	3,7 %
If	-3,1 %	12,4 %	7,4 %	1,8 %	6,1 %	5,0 %	4,1 %	1,5 %	2,9 %	2,6 %	-0,8 %	3,5 %	3,6 %
Länsförsäkringar	-13,3 %	6,4 %	4,3 %	6,4 %	3,7 %	-1,2 %	5,6 %	7,7 %	5,7 %	5,6 %	5,6 %	7,4 %	3,3 %
RSA	5,6 %	5,9 %	3,5 %	3,0 %	3,9 %	-0,4 %	3,9 %	3,0 %	2,8 %	2,5 %	2,5 %	1,2 %	3,3 %
Tryg	3,5 %	6,6 %	4,3 %	4,8 %	5,1 %	2,0 %	1,6 %	0,3 %	2,7 %	1,8 %	-0,3 %	1,8 %	2,9 %
Topdanmark	-6,9 %	7,3 %	4,8 %	3,1 %	6,9 %	4,1 %	3,4 %	1,0 %	4,4 %	2,1 %	0,0 %	2,5 %	2,7 %
Avg. Ex Protector	-2,1 %	7,5 %	5,2 %	4,0 %	5,4 %	2,9 %	4,2 %	2,9 %	4,1 %	3,4 %	1,5 %	3,2 %	3,5 %

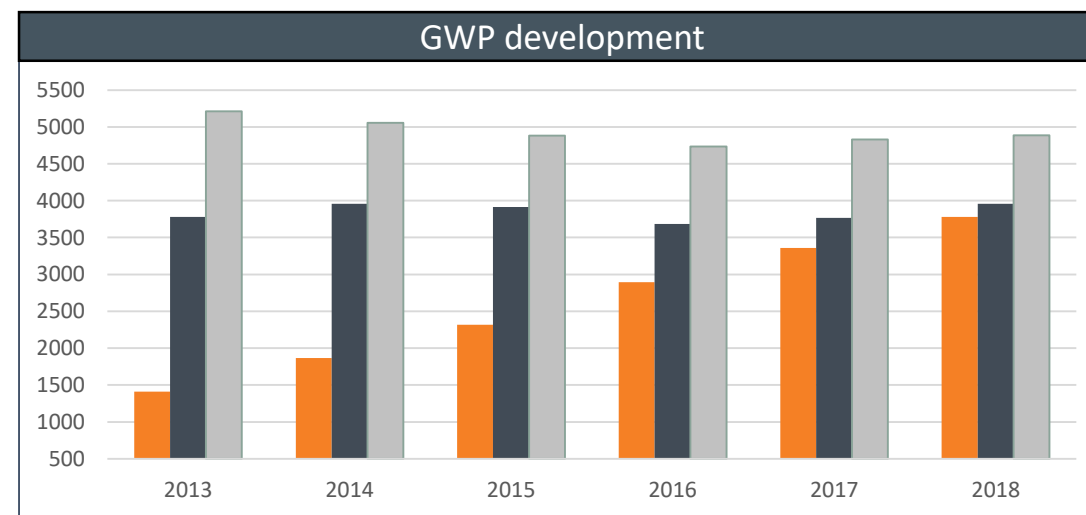
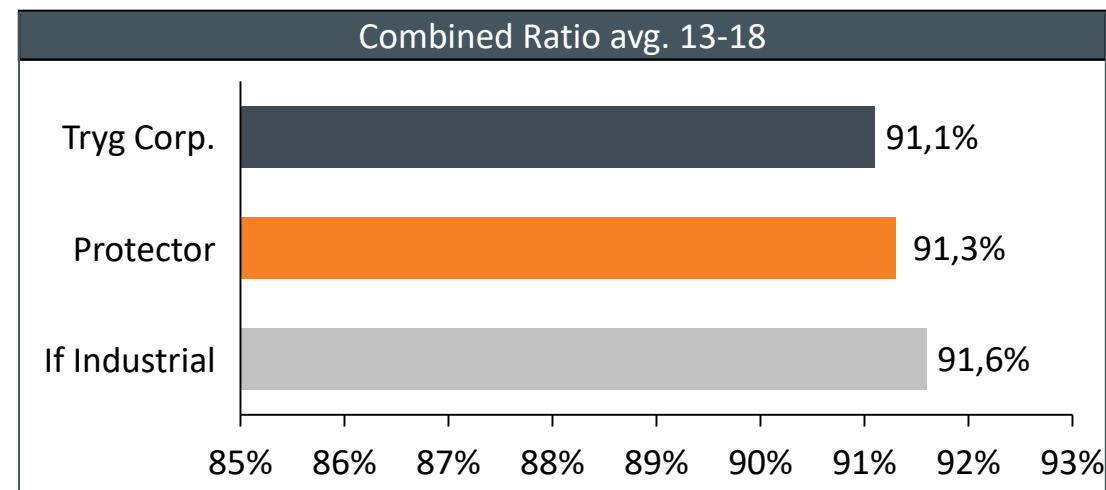
- Protector Return on Investments YTD 2019: 0 %

Protector Nordic vs If Industrial and Tryg Corporate

Peers in same segment with same product mix and distribution channel



- Protector vs. Peers
 - Same product mix
 - Same broker based sales channel
 - Same commission structure
 - Same average size of clients
- Profitable Nordic market
 - However with significant rate pressure 2013-17
 - Prices started to increase in 2018 and continues in 2019
- Protector with a competitive Combined ratio...
 - Despite growing fast
 - Despite expansion across borders
 - ...Our cost advantage makes this possible



Where are we top 3?

Brokered Insurance Nordic & Public sector UK



P&C Nordic



Nordic municipalities



Public sector UK



Nr. 1 Motor fleet Nordic



Bus market Sweden



Oil service Norway



UK – on schedule...

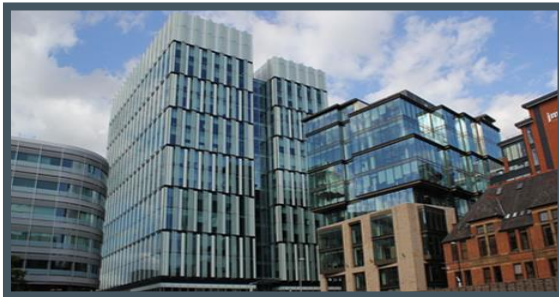
...and we are here to stay



- ~ 60 people in Manchester and London
 - Strong mix of individuals in great offices
 - Embracing the culture and gradually living our DNA
- Quality leader by far
- Slightly behind schedule on growth
 - Disciplined behaviour in a big market
 - Nr 3 in Public sector



- GFT arbitration settled, focus on profitable growth
- Slightly ahead of schedule on profitability
 - Partially due to few large losses last 18 months





Claims handling

- Manage claim and client
- Keep legal cost at low level
- Process is key
- Align with reinsurance
- Proactive and professional communication
- Full property settlement 17.8.18
- Liability will take many years

Reinsurance

- Claims handling involvement/support
- Align reinsurance with Risk Management, UW and renewal season
- UK Casualty Reinsurance contract renewal completed twice
- Property XL, 2bn NOK capacity from January 19
- Arbitration Loss with Munich Re
 - Other solution in place (85 % of disputed amount covered)



World leading reinsurance partners



Property Reinsurance & Casualty Reinsurance
...In total 11 Reinsurance partners

Kennedys
Legal advice in black and white

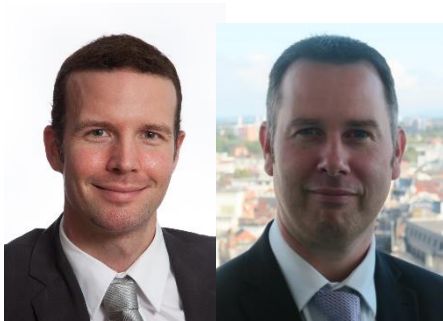


Protector's 4 Grenfell Tower Projects aims to

Ensure correct settlements to BSRs and Clients on valid claims

Minimize the expenditure on legal costs

Learn for the future – Use Risk Management to mitigate future events



Risk Management/ UW

- RBKC still our client
- UW well done
- Lessons learned re Tower Blocks
- Post GT RM report released

Media/Communication

- Reactive and open
 - On the spot and credible
- No media advisor
 - All requests handled internally
- Brokers, Reinsurance companies and "insurance industry" updated
- Potential Defendants



All media answered
All parties informed
Always

World leading reinsurance partners

Board of Directors



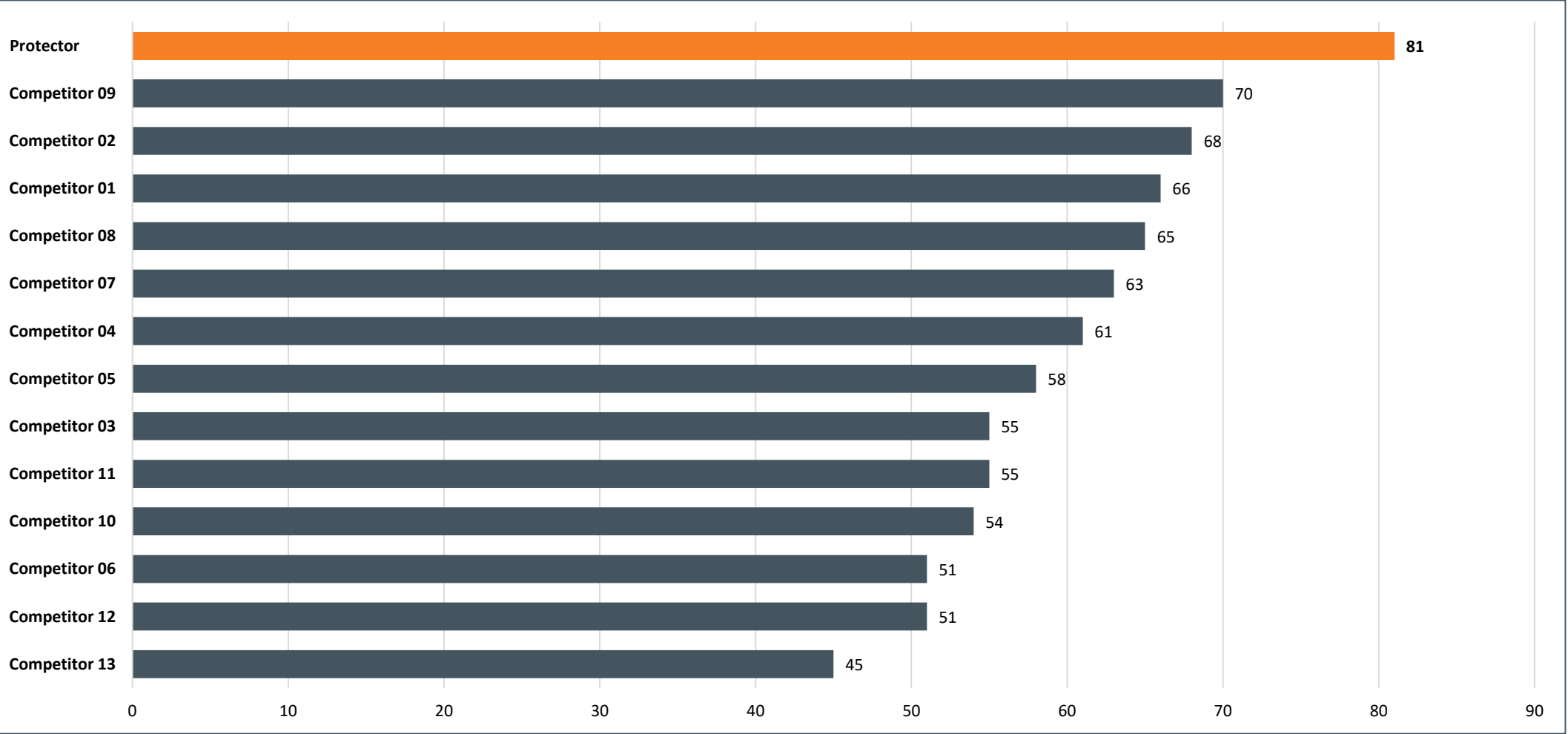
Investor

Oslo Stock Exchange



Broker Satisfaction UK 2018

Far ahead of #2 two years in a row

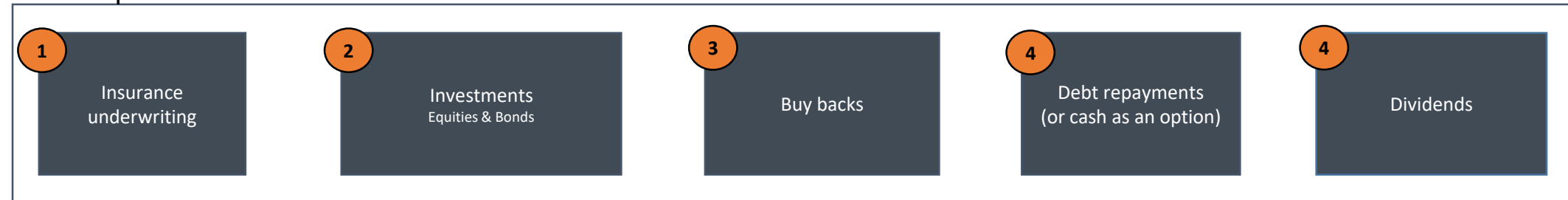


Capital allocation alternatives

Goal to maximize shareholder return



Main capital allocation alternatives

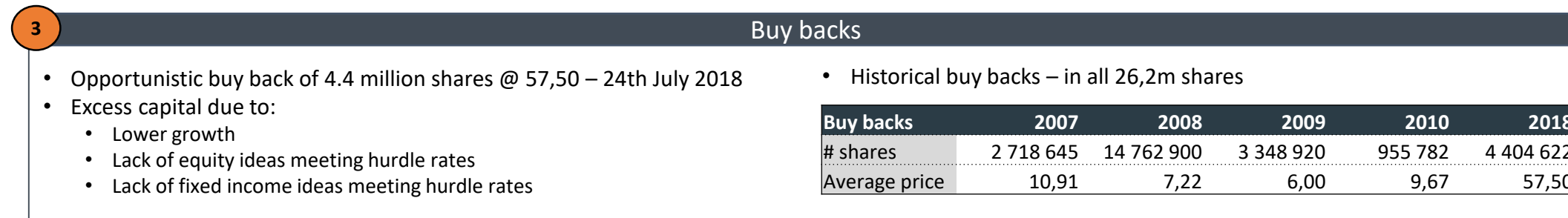
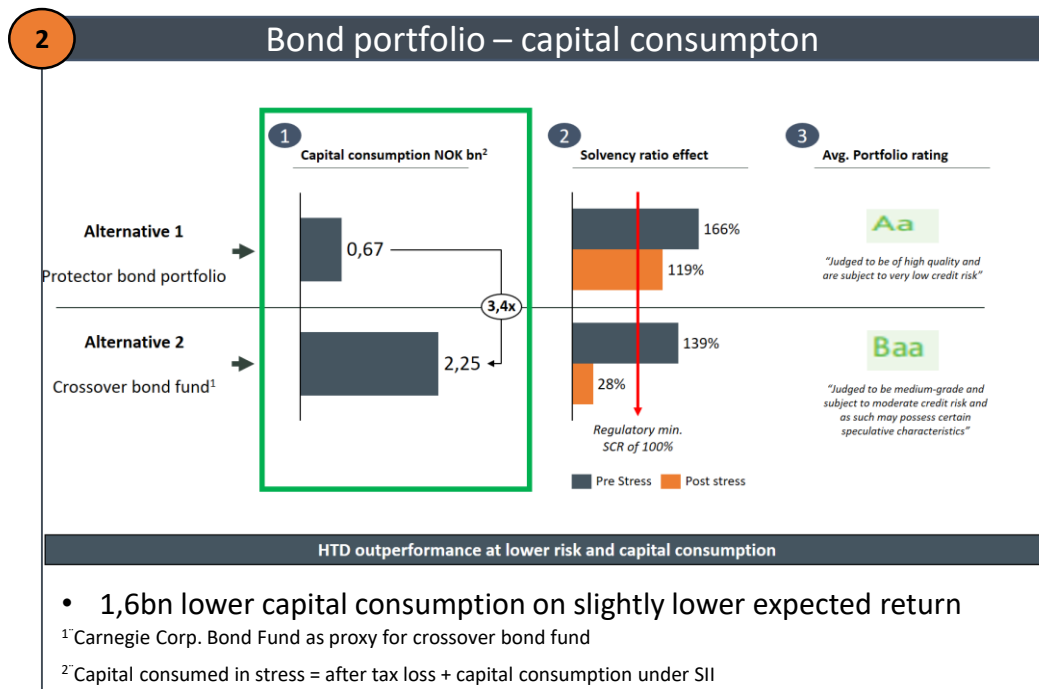
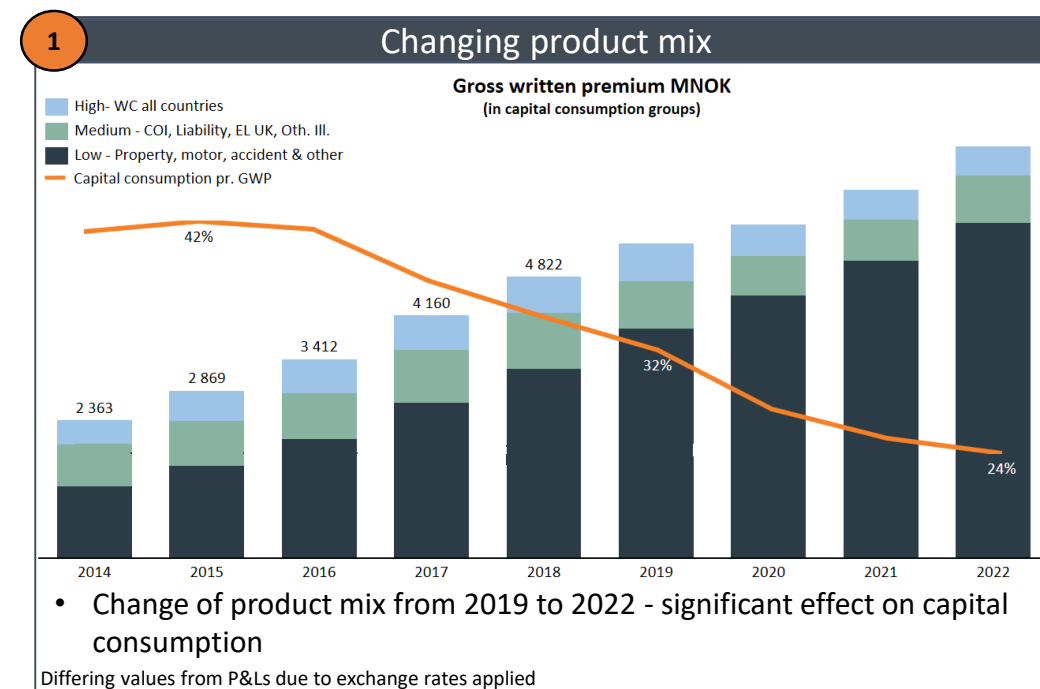


- 1 Insurance with high RoE's even at high combined ratios
- 2 Challenging with low credit spreads and all time high stock markets
- 3 Clearly an attractive capital allocation alternative if meeting hurdle
- 4 Other alternatives better

Capital allocation approach	• Determine minimum hurdle rate • Calculate returns for all internal and external investment alternatives available, by return and risk • Deploy capital in the most attractive alternatives above hurdle. • Release underperforming capital
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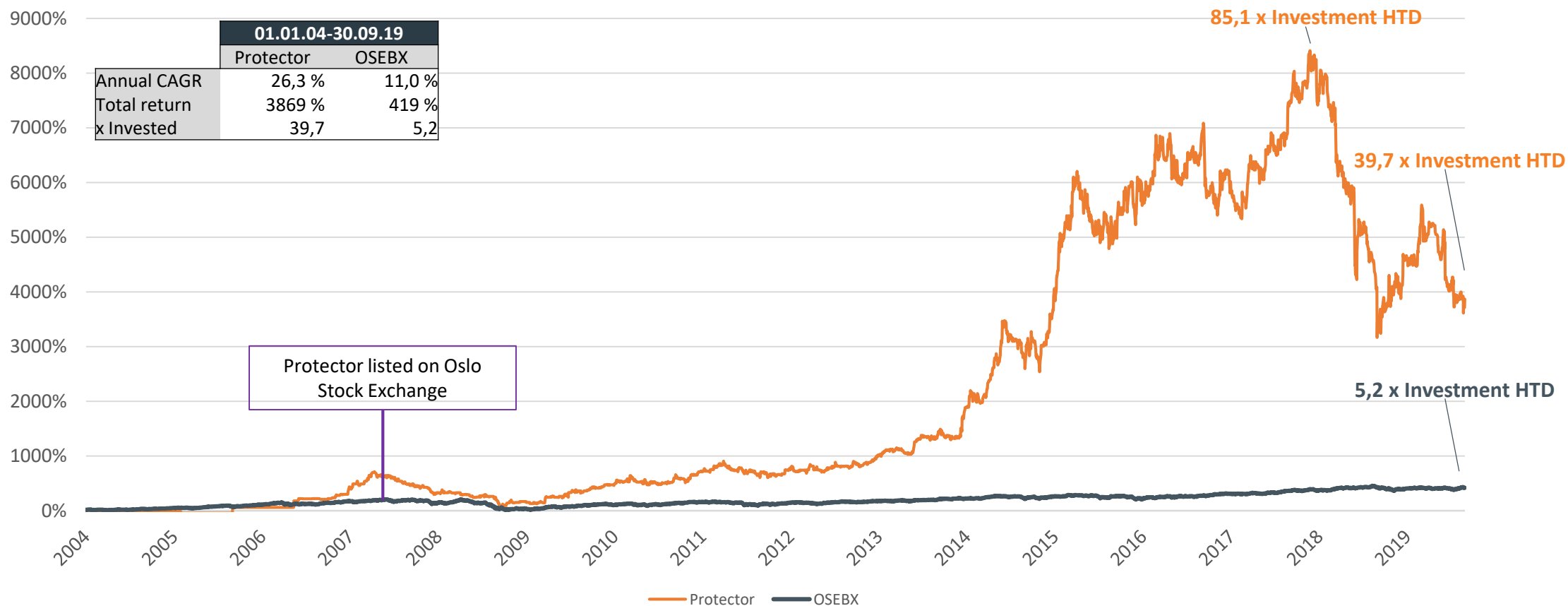
Capital allocation alternatives – what have we done?

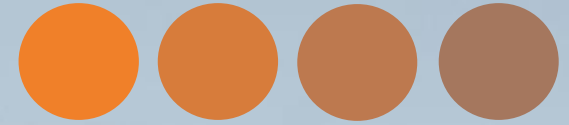
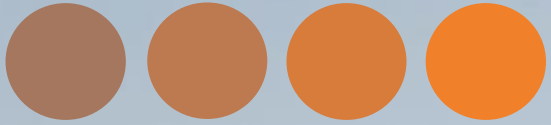
Maximizing shareholder return



Protector Stock price development

40 x invested return in 15 years





This is the real secret

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

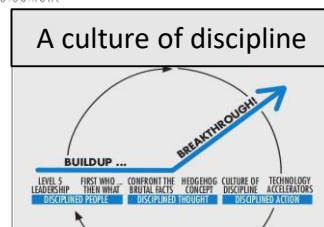


Cultural development

Many tools and programs to develop our employees



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



Our DNA

Vision

The Challenger

Business Idea



Main targets

Cost and quality leadership

Profitable growth

Top 3

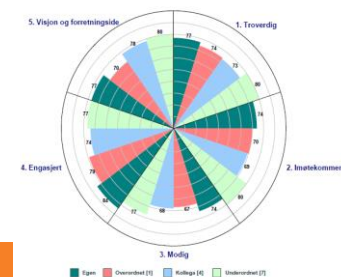
Values

Credible

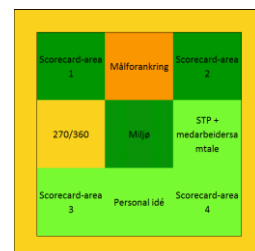
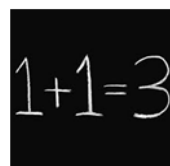
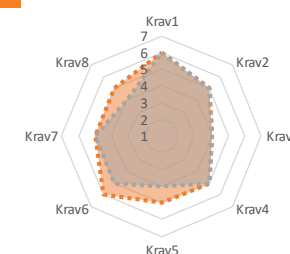
Open

Bold

Committed



Protector Profile

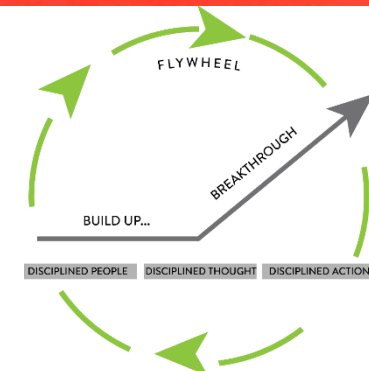
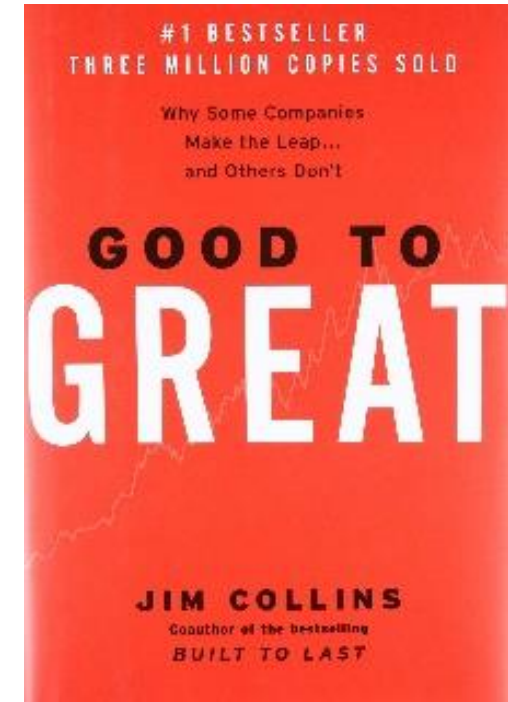


From Good to Great – A book by Jim Collins

Introduced in Protector in 2009 – now required reading material for all employees



- Good to Great is **thorough, well-documented** and **fact-based**
- Foundation for understanding parts of our DNA and culture
- Book clubs w. discussions arranged with all employees
- A Culture of Discipline: disciplined people, disciplined thoughts, and leads to disciplined actions – a well understood saying in Protector
- In Protector, we live a value-based leadership - this is who we are...



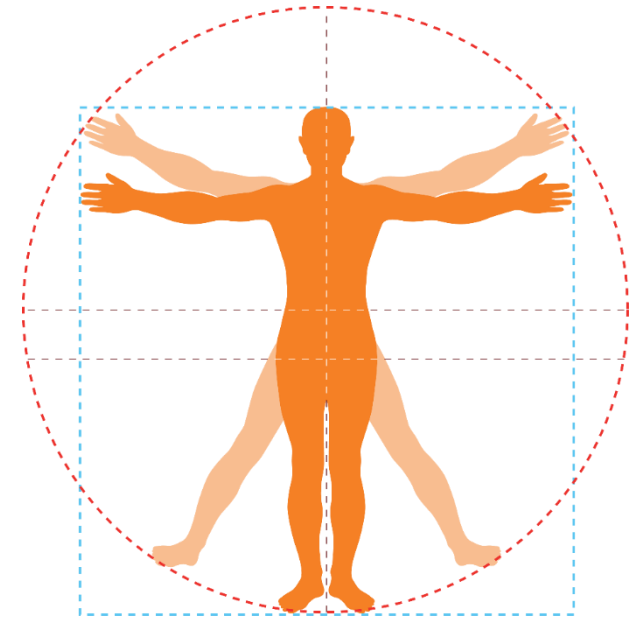
“Good is the enemy of great”

Protector Profile – development tool

Defining most important competencies for each role



- 6-8 defined competencies per role for employees and managers
- Three competencies are the same across all employee roles:
 - Communication
 - Structure
 - Team Player
- The Protector Manager Profile has four common competencies: Communication, Team Building, Implementation Force and Business Development.
- Additional 3-5 skills which are specifically selected for each role
- Evaluation against the definitions each year, follow-up through out the year (in quarterly STPs)

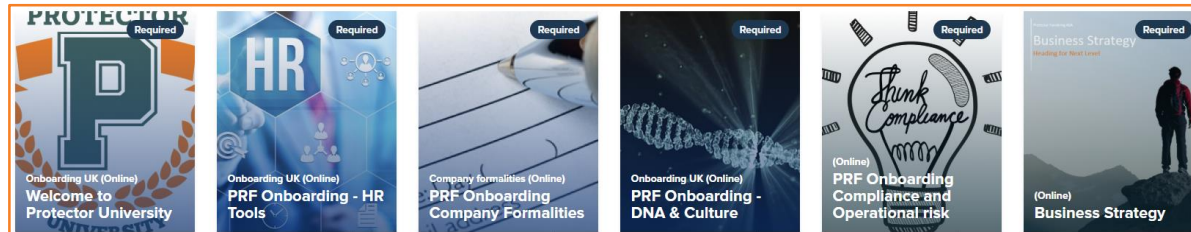


Competency	Level 1	Level 3	Level 5	Level 7
COMMUNICATION <i>example</i>	• Basic communication skills with some understanding of customers needs. • Shows little signs of displaying confidence and empathy with the client .	• Adequate communication skills • Emerging confidence in dealing with customers. Development still required	• Good communication skills evidenced with trusted relationships. • Consistently accurate and maintains good working relationships with all	• Exceptional communication skills, • Demonstrates mastery and confidence which clearly excel what is needed. • Unrivalled level of accuracy • Effectively articulate the DNA.

Protector University

Our (e-)learning tool for development of competency and performance

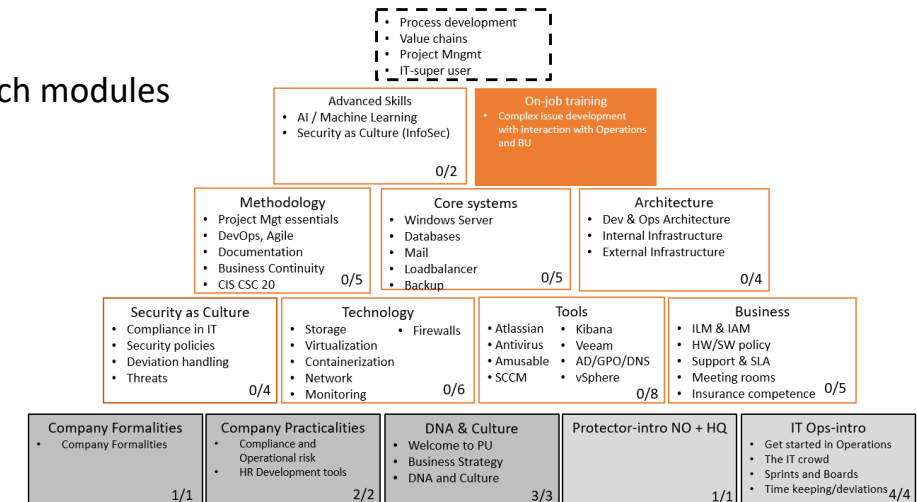
- Support deliberate practice for key skills to succeed in different roles in Protector - Development of **new employees**, continuous development of **senior employees**; feedback and evaluation
- Approx. **700 modules** in five different languages available through the Portal - Focus 2019: **Quality**
- Well defined learning objectives in all modules, interesting education methods, value based content, QUIZ etc.
- Campus in use by all employees in Protector, and some external partners
 - Speak the same language and obtain the same competencies
- **42 competence pyramids** customized for each role in Protector, sets guidelines for which modules to produce and which employees that shall receive what training



- Next step: Further develop understanding of what we mean by «On-job training» and implement **learning loop**– to release our full potential



*Recruit, **Develop** and Retain the Right people*



Great @ Work

Protector's 7th management program



Management programs in Protector are internally managed with external inputs

- Three main objectives (in addition to basic leadership skills)
 - Make leaders stepping forward in their role
 - Make teams stronger than sum of individuals
 - Train employees to live the DNA of our company
- As every management program in Protector it lasts for 18 months w. 6 months intermission
 - Enables us to enroll and educate leaders on a bi-annual basis
- Protector has a long history of management programs – quality increasing

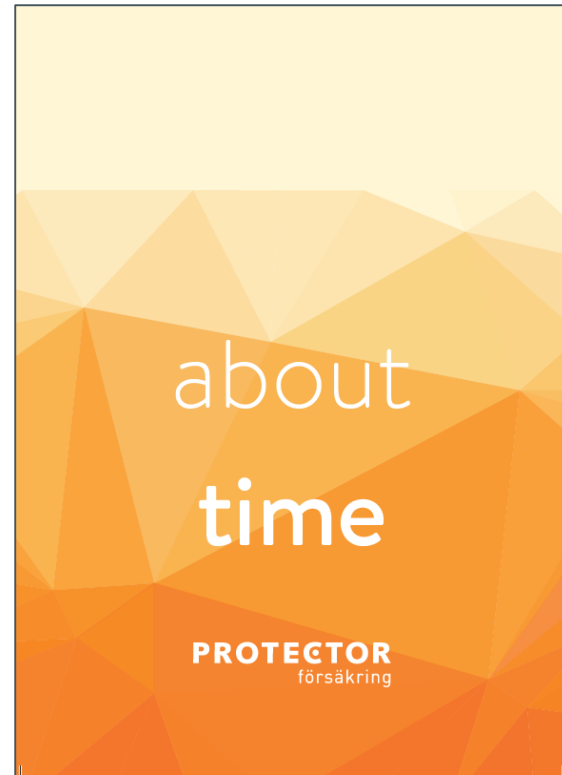


Great @ Work seasonal themes

- University
- Great @ Works meets good to great
- F@lcon (claims handling project)
- IT as an @ccelerator
- ++ relevant topics that emerge

Never compromise on our DNA (TIME)

So much more than just a pretty book



step forward

lead by example

and re-establish
profitability

Value creation in the long run

What's your call?



- Growing from 0 to 5 bnNOK in premiums and building a significant float
- HTD Combined ratio 94 %
- World leading cost %
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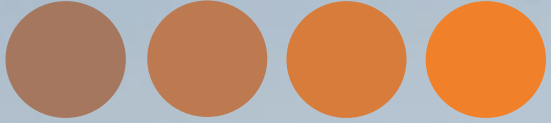
Culture as a crucial part of success

Santangel's Investor Forum, New York
6th November 2019

Q&A

PROTECTOR
insurance





Appendix

(will not be presented, only for pre-read purposes)

Long term financial objectives



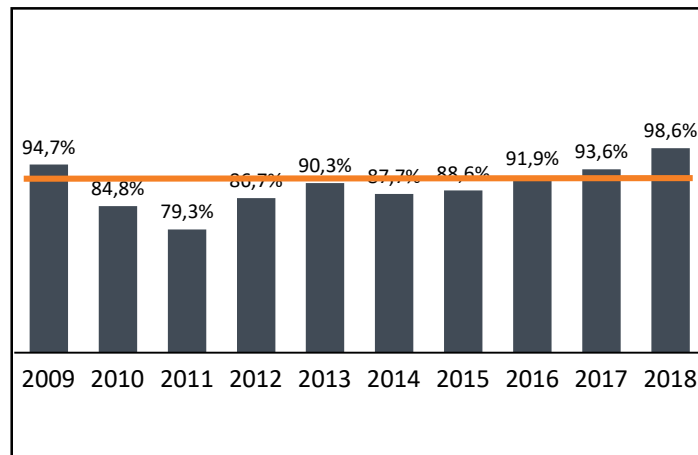
Long term financial objectives

New targets decided in Board meeting 31.01.2019

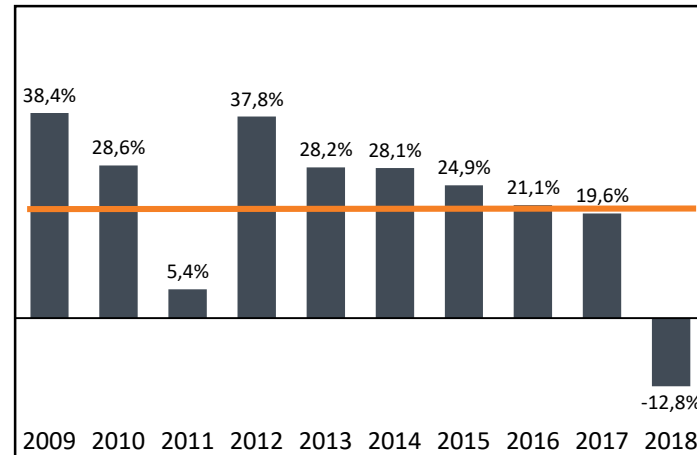


	Old	New
• Net Combined Ratio	92 %	94 %
• Solvency II Capital ratio	> 150 %	> 150 %
• Return on Equity (excl. COI)	> 20 %	> 20 %
• GWP growth rate	15 %	10-15 %

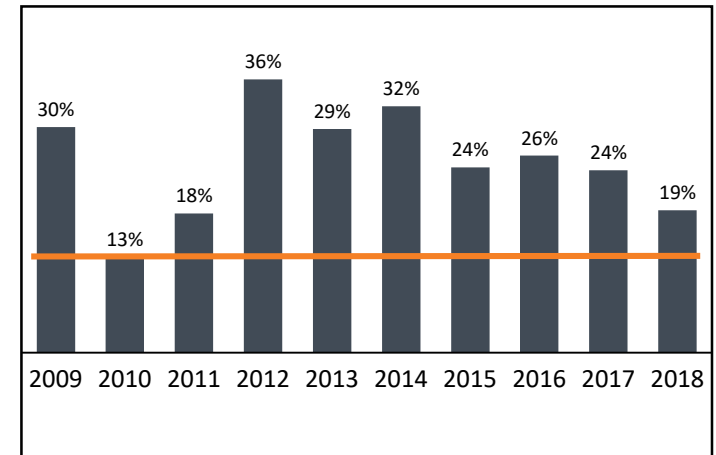
Net Combined Ratio



Return on Equity (incl. COI)*



GWP Growth



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

**Annualized

Nordic segments – Commercial & Public

2004



39%

2011



36%

2012



22%

2016



3%

Exit COI 2021 (2026)



Commercial sector

73 % of Nordic revenues



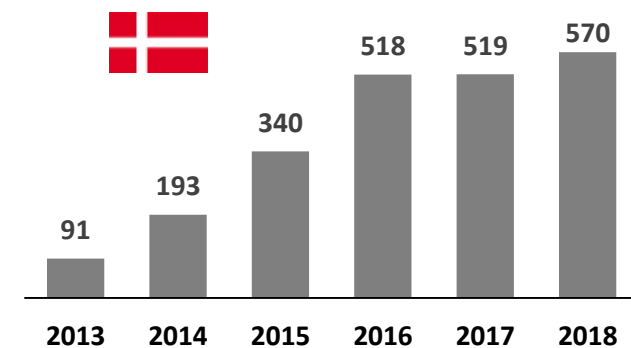
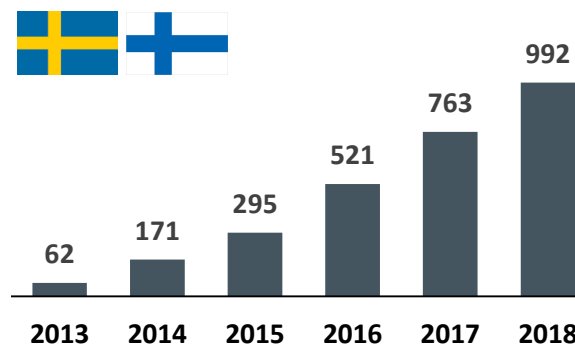
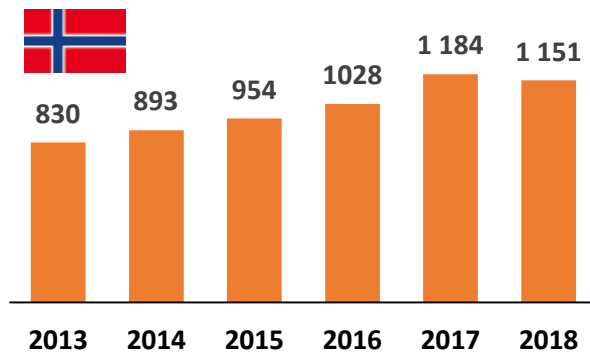
Summary

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

Market drivers

- Cost and quality leadership
- Protector's market appetite in Nordics is > NOK 15bn
- Market dominated by a few large players in each market with approximately 75% of the market

Revenue development per country – GWP (MNOK)



Public sector

27 % of Nordic revenues



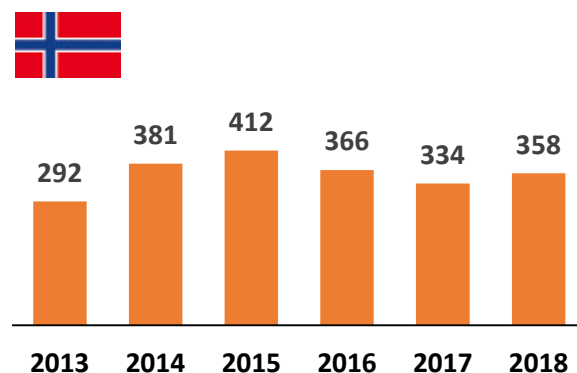
Summary

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

Market drivers

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

Revenue development per country – GWP (MNOK)



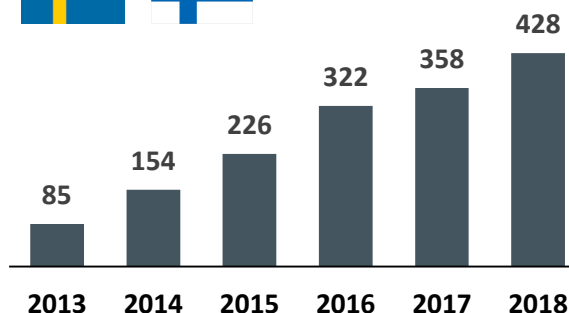
Bærum



Tromsø



Trondheim



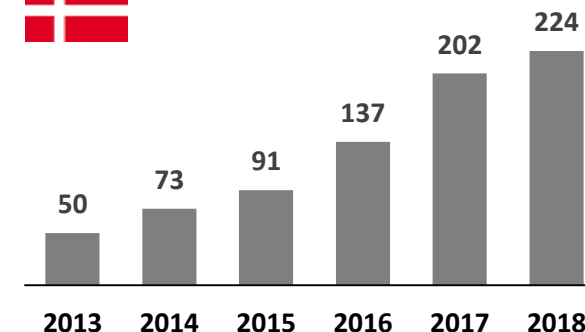
Malmö



Göteborg



Lund



København



Aarhus



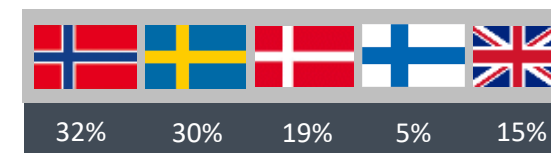
Helsinki

Product mix & Prudent reserves

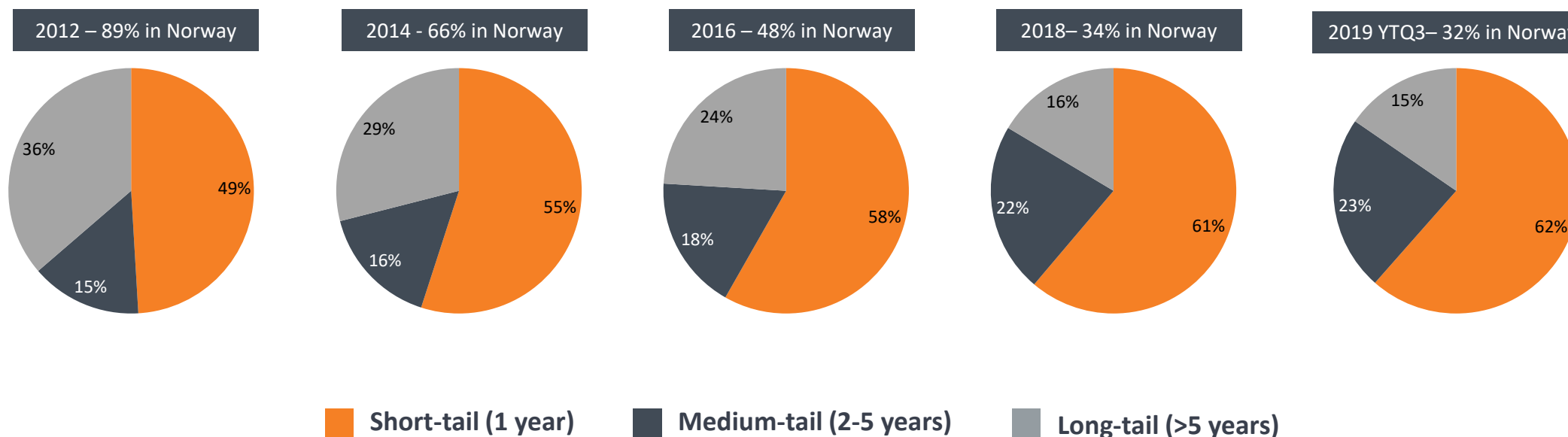


Reduced Risk Profile

But increased CR volatility due to change of Property reinsurance structure

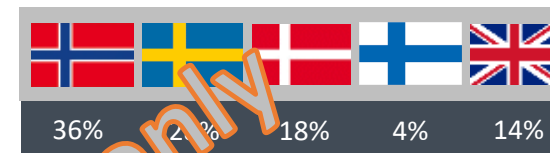


- Short tail from 49% in 2012 to 62% in 2019
- Geographical diversification increasing
- Changing Property reinsurance contract from Surplus to Risk XL with up to 100 MNOK in retention

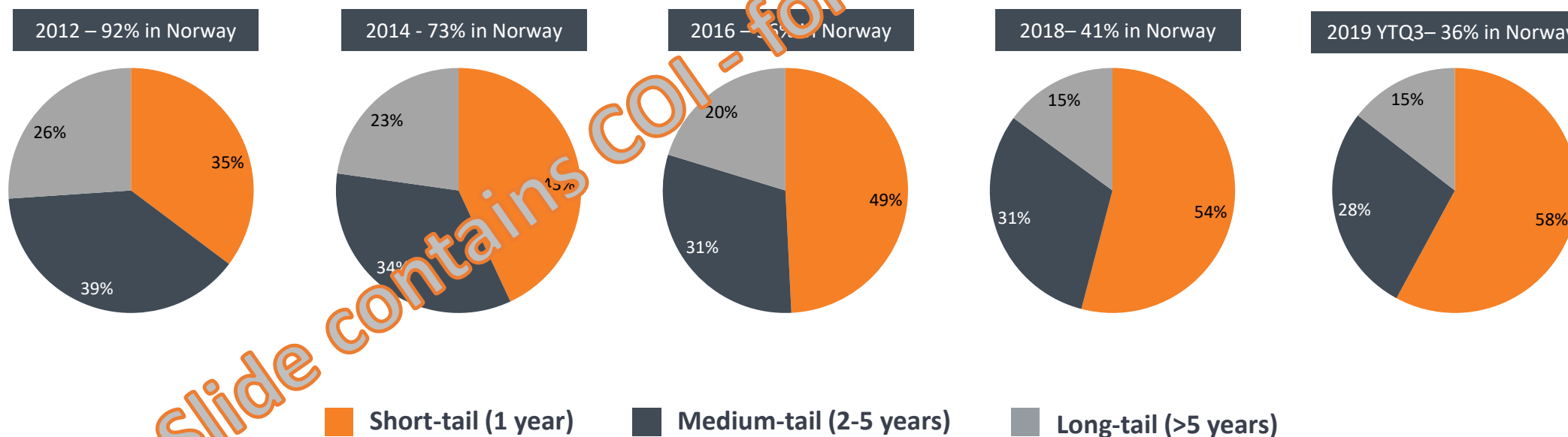


Reduced Risk Profile

But increased CR volatility due to change of Property reinsurance structure



- Short tail from **35%** in 2012 to **58%** in 2019
- Geographical diversification increasing
- Changing Property reinsurance contract from Surplus to Risk XL with up to 100 MNOK in retention



Reserve history

Prudent



- Protector does not expect run-off gains nor losses in our reserving
- Reserves are volatile in some products, but HTD Protector has run-off gains of ~190 MNOK
 - Property & Motor Large gains
 - COI Large losses
 - Long tail (Nor) Some gains

Reserve outlook next 10 years

- COI exit, commercial portfolio moving towards 100%
- Some volatility should be expected, especially on a quarterly basis
- UK disciplined growth with 80 % short tail and more reinsurance protection

Balance sheet & shareholder information



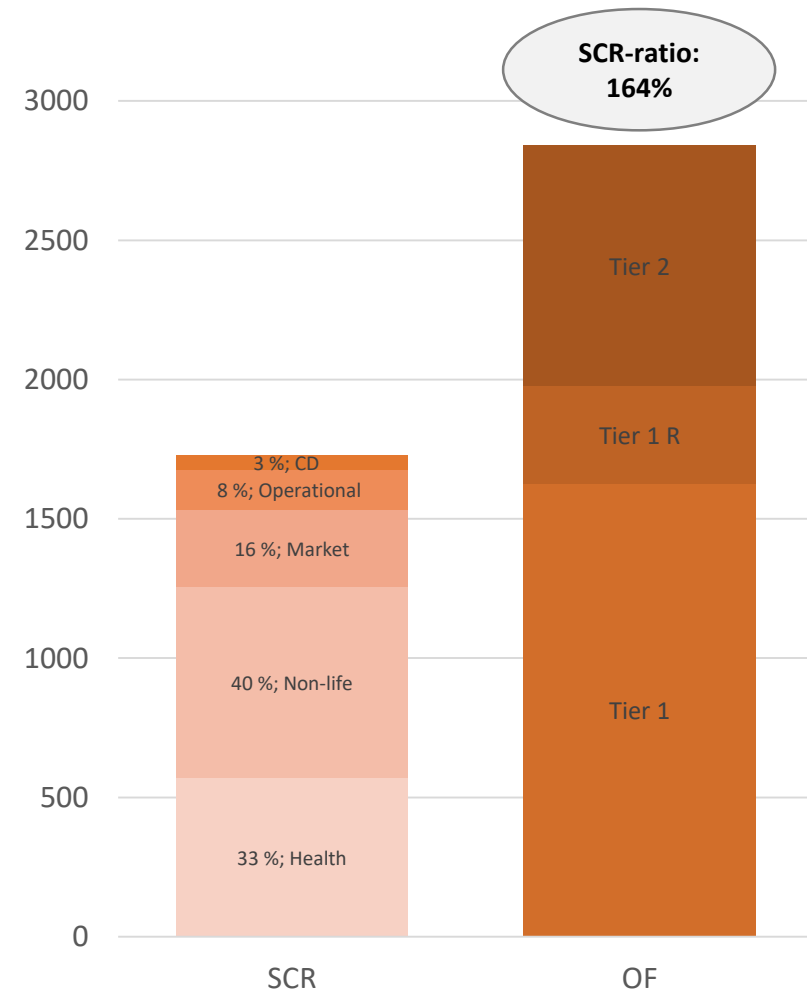
Balance sheet Q3 2019

Very Strong – SCR 164%



- SCR coverage ratio 175% pr. 31.12
- SCR fully covered by Tier 1 capital only
- Full Tier 2 utilization; some Tier 1 restricted capacity
- Solvency based reinsurance solution also in place

SCR-ratio composition



Shareholder's matters

Per 30.09.2019



SHAREHOLDER NAME	# SHARES	%
STENSHAGEN INVEST AS	7 126 353	8,27 %
AWILHELMSSEN CAPITAL HOLDINGS AS	6 535 816	7,59 %
CITIBANK EUROPE PLC	4 616 123	5,36 %
ODIN NORDEN	4 433 850	5,15 %
PROTECTOR FORSIKRING ASA	4 393 679	5,10 %
HVALER INVEST AS*	3 186 809	3,70 %
OJADA AS	2 060 842	2,39 %
SWEDBANK ROBUR SMABOLAGSFOND	2 020 266	2,34 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 000 000	2,32 %
ARTEL AS	1 800 000	2,09 %
PERSHING LLC	1 557 085	1,81 %
UBS AG	1 469 900	1,71 %
UTMOST PANEUROPE DAC - GP11940006	1 410 000	1,64 %
SWEDBANK ROBUR NORDENFON	1 350 000	1,57 %
JOHAN VINJE AS	1 187 841	1,38 %
HANDELSBANKEN NORDISKA SMABOLAG	1 142 868	1,33 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 096 000	1,27 %
CLEARSTREAM BANKING S.A.	1 045 417	1,21 %
ALSØY INVEST AS**	1 040 933	1,21 %
NORE-INVEST AS	1 030 637	1,20 %
20 LARGEST	50 504 419	58,62 %
OTHER	35 651 186	41,38 %
TOTAL SHARES	86 155 605	100,00 %

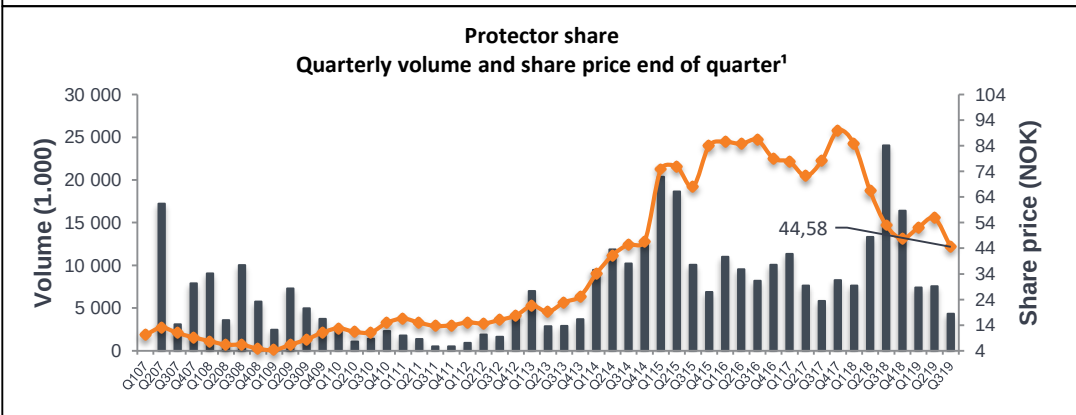
*CEO Sverre Bjerkeli

Related parties shareholding

- Management's direct and indirect shareholding totals 3,7m shares or 4% of current outstanding shares
- Board members directly own a total of 8,1m shares or 9 % of current outstanding shares.

Notification of trades; Primary insiders

- Dag Marius Nereng, Chief Investment Officer, acquires 2000 shares (102 000 in total)
- Henrik Høye, Country Manager UK & Dir. Comm. & Publ. lines, acquires 2000 shares (20 100 in total)
- Anders Palm, Executive assistant & IR, acquires 8 028 shares (10 749 in total)
- Line Engelmann-Kokkim, Employee representative in the board, acquires 202 shares (700 in total)



¹ Share price adjusted for dividends, no reinvestment of dividends
Data pr. 30.09.2019

Capital Allocation

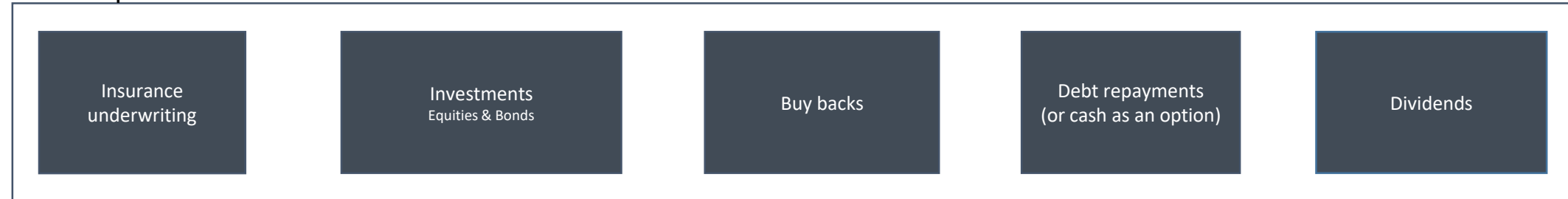


Capital allocation alternatives

Goal to maximize shareholder return



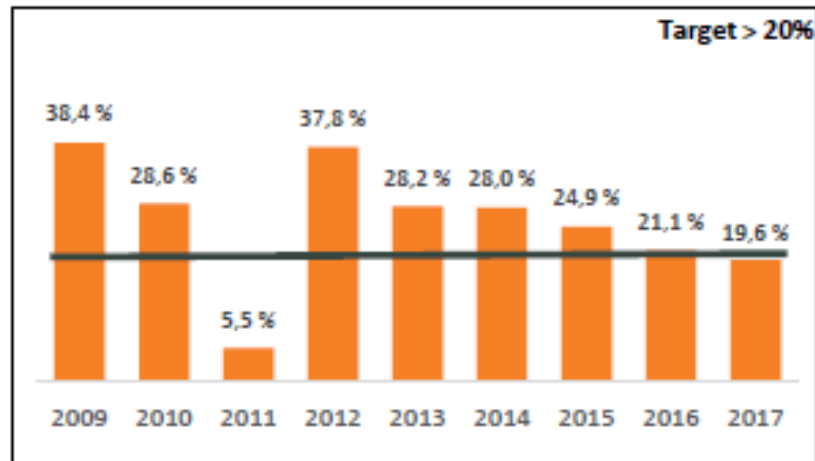
Main capital allocation alternatives



Capital allocation approach	1. Determine minimum hurdle rate 2. Calculate returns for all internal and external investment alternatives available, by return and risk 3. Deploy capital in the most attractive alternatives above hurdle. 4. Release underperforming capital
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Externally communicated ROE target of > 20 %

Return on Equity*



Return on equity target of >20% per year on average

Insurance and investments ties up Solvency Capital

Due to T1/T2 loans RoE of 20% equals a RoSC of 15,1%

1

Insurance and investments ties up Solvency Capital

2

Conversion of ROE to Return on Solvency Capital (RoSC)

Equity capital 2/3 of Solvency base

Solvency Capital & Interest expense		
T2	500	4,85%
T2	400	4,05%
T1	350	6,10%
Subord. tot.	1250	4,94%

Equity	2305
Solvency Capital	3359

Equity share	68%
--------------	-----

1/3 of capital base costs 5% and yields excess return to equity

RoSC ROE	10%	12%	14%	15,1%	18%	20%	22%	24%
	12,4%	15,4%	18,4%	20,0%	24,3%	27,3%	30,2%	33,2%

Somewhat higher ROE vs. RoSC due to subordinate loans

Capital allocation alternatives

Insurance with high RoE's even at high combined ratios



Insurance
underwriting

Investments
Equities & Bonds

Buy backs

Debt repayments
(or cash as an option)

Dividends

Allocate capital to the alternatives yielding highest return on that capital (above high hurdle rates) to generate best possible risk adjusted return for shareholders

Illustrative RoSC calculation approach

Applies also to different insurance products

Product	
Float to Premium	1,07
SCR to Premium	0,17

SCR	150%
-----	------

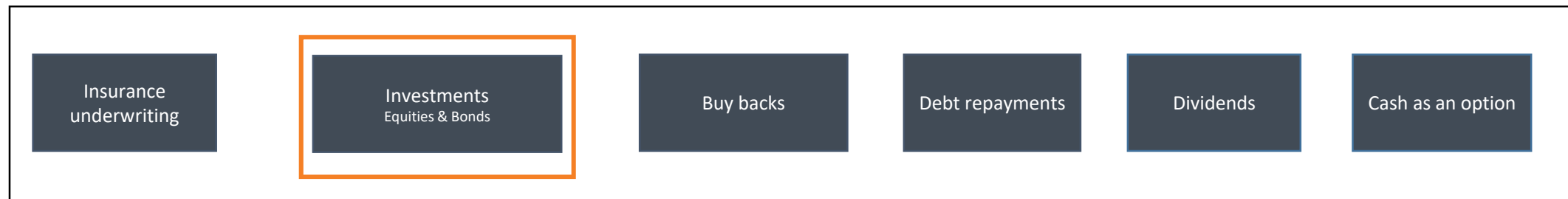
- We target SCR ratio >150% in «normal» times (e.g. rating considerations)
- Hence actual capital consumption is 1,5*SCR

		CR												
		84%	86%	88%	90%	92%	94%	96%	98%	100%	102%	104%	106%	108%
Risk Free Interest Rate - Return on Float	0,0%	56%	49%	42%	35%	28%	21%	14%	7%	0%	-7%	-14%	-21%	-28%
	0,3%	57%	50%	43%	36%	29%	22%	15%	8%	1%	-6%	-13%	-20%	-27%
	0,5%	58%	51%	44%	37%	30%	23%	16%	9%	2%	-5%	-12%	-19%	-26%
	0,8%	59%	52%	45%	38%	31%	24%	17%	10%	3%	-4%	-11%	-18%	-25%
	1,0%	60%	53%	46%	39%	32%	25%	18%	11%	4%	-3%	-10%	-17%	-24%
	1,5%	63%	56%	49%	42%	35%	28%	21%	14%	7%	-1%	-8%	-15%	-22%
	2,0%	65%	58%	51%	44%	37%	30%	23%	16%	9%	2%	-5%	-12%	-19%
	2,3%	66%	59%	52%	45%	38%	31%	24%	17%	10%	3%	-4%	-11%	-18%
	2,5%	67%	60%	53%	46%	39%	32%	25%	18%	11%	4%	-3%	-10%	-17%
	2,8%	68%	61%	54%	47%	40%	33%	26%	19%	12%	5%	-2%	-9%	-16%
	3,0%	69%	62%	55%	48%	41%	34%	27%	20%	13%	6%	-1%	-8%	-15%
	3,3%	70%	63%	56%	49%	42%	35%	28%	21%	14%	7%	0%	-7%	-14%
	3,5%	71%	64%	57%	50%	43%	36%	29%	22%	15%	8%	1%	-6%	-13%

- Pre-tax return on Solvency Capital
- 15% after tax implies ~18% pre-tax

Capital allocation alternatives

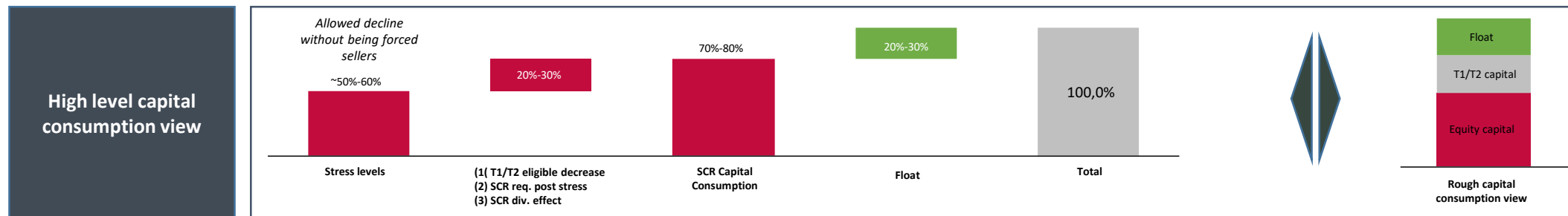
Challenging with low credit spreads and all time high stock markets



Allocate capital to the alternatives yielding highest return on that capital (above high hurdle rates) to generate best possible risk adjusted return for shareholders

Equities – Capital consumption and RoSC

Today we need a return of above 11% + safety margin to reach RoE target



Equity returns and return on equity

Equity returns	6 %	8 %	10 %	12 %	14 %	16 %	18 %	20 %	22 %	24 %
RoSC	8 %	11 %	13 %	16 %	19 %	21 %	24 %	27 %	29 %	32 %
ROE	9 %	13 %	17 %	21 %	25 %	29 %	33 %	37 %	41 %	45 %

Requirement

Investment hurdle rate

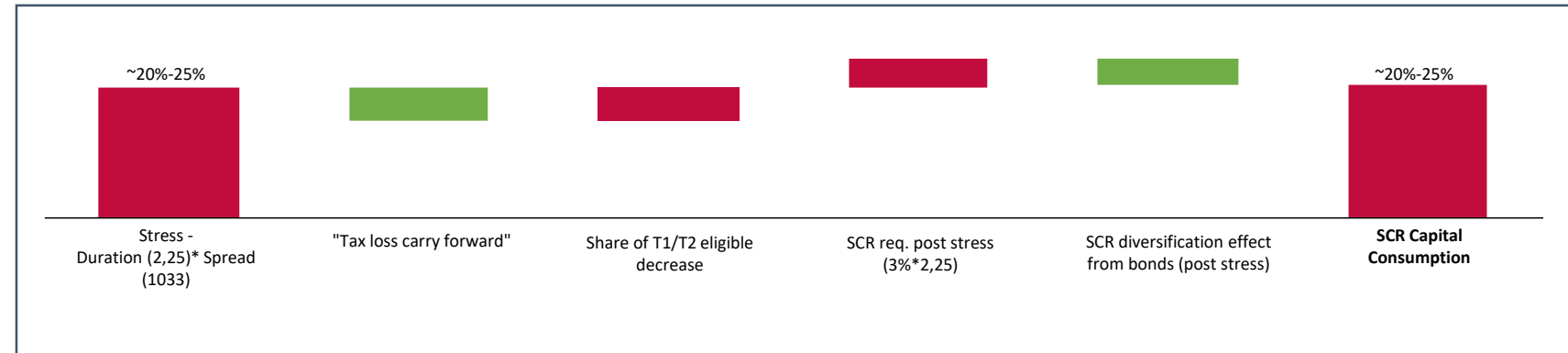
Safety margin

Key variables to ROE in equity investments are (1) our risk tolerance (stress levels) and (2) portfolio returns

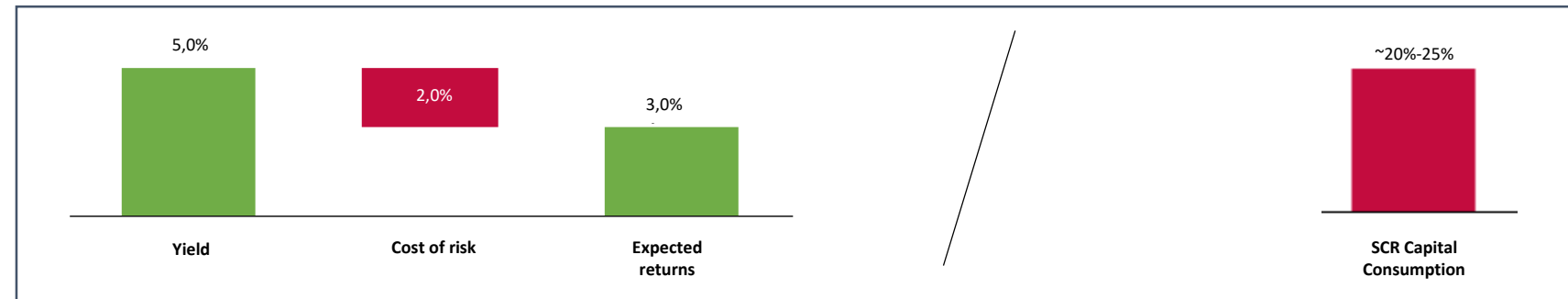
Bonds – Capital consumption and RoSC

Can reach RoE target with materially lower capital consumption

Capital consumption (Short BB bond example)



RoSC calculation



Bond capital requirements very sensitive to market spread levels

Opportunistic buy back

Clearly an attractive capital allocation alternative if meeting hurdle



Capital allocation alternatives



Buy back of 4.4 million shares @ 57,50 – 24th July 2018

Opportunistic – below intrinsic value



- Excess capital due to:
 - lower growth
 - lack of equity ideas meeting hurdle rates
 - lack of fixed income ideas meeting hurdle rates
- Sharp share price drop creating a buying opportunity at perceived attractive levels long term
- Bought back 4.4 million shares at 57,50 totaling 254 mnok 24. July 2018

Buy back process:

- Safe harbour and auction considered.
 - Safe harbour would have taken 6-18 mnths
- Largest shareholders presounded on Monday 23. July.
- No interest on prices below 55,-
- Low volume on 55,-
- Some volume on 57,50
- Just above 300 mnok in volume at 60,-
- When we set the price at 57,50 almost all volume at 60,- was lowered to 57,50.

Capital allocation alternatives

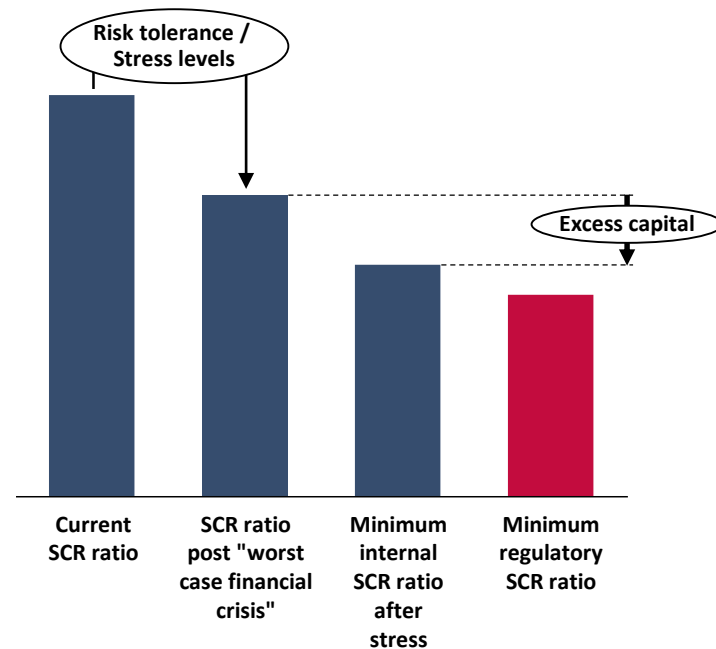
Other alternatives better

Capital allocation alternatives



Available capital allocation frame

Excess capital a headwind for returns



Excess (and poorly performing) capital provides available capital allocation frame

1. Holding too much excess capital is a significant headwind for returns.
2. Patience is also key, when there is nothing intelligent to do it is a mistake to try to be intelligent

Investment strategy



Protector's financial underwriting method

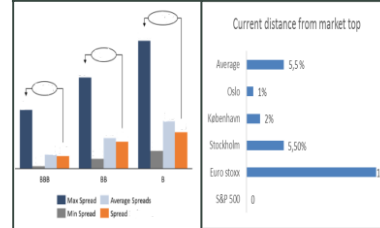
Continuous process improvements



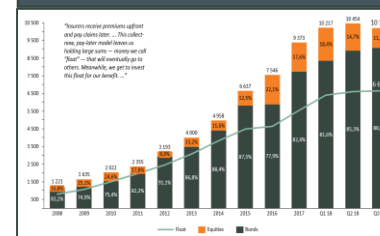
Protector's analysis process

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

Stress test



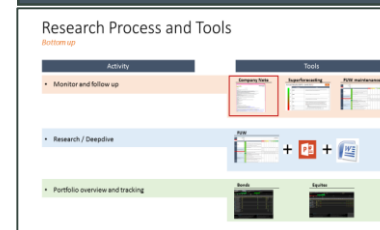
Risk allocation



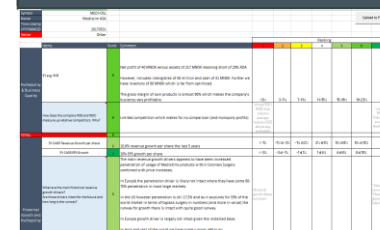
New ideas and watchlist



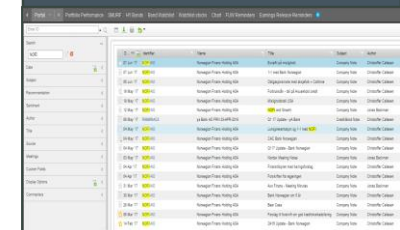
Bottom-up analysis



FUW



Quarterly update



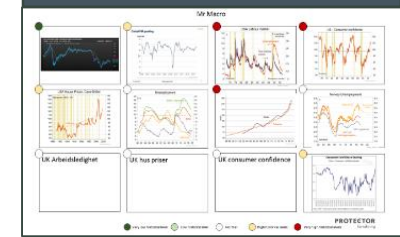
Mrs. Bucket

Category	Current Val	Rating	Aug. 2018	Aug. 2017	Aug. 2016	Aug. 2015	Aug. 2014
Oslo	27.42	A to AA	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	42.40	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	120.100	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	35.60	BBB to A	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	35.60	BBB to A	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	40.85	BBB to A	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	50.76	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	60.90	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	115.145	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	100.130	BBB	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	120.250	BBB to BBB-	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	300.320	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	200.250	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	200.450	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	200.900	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	200.900	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	125.800	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	400.700	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%
Oslo	400	BB to BB+	4.0%	4.0%	4.0%	4.0%	4.0%

Market dashboard



Macro dashboard



Investment strategy – Equities

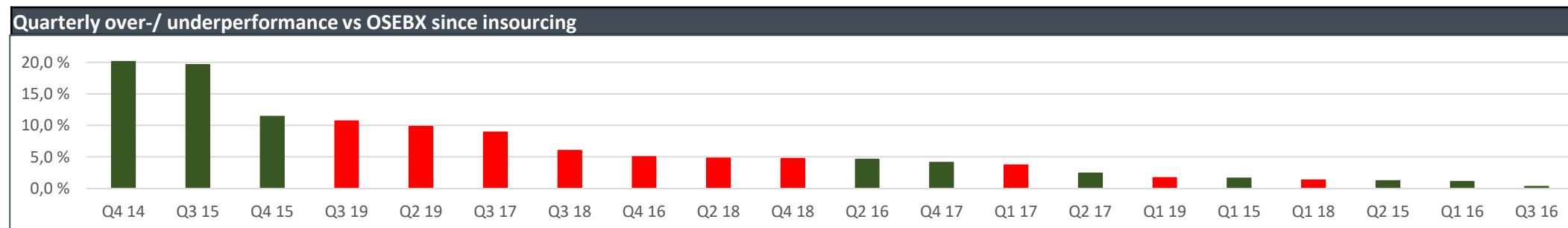
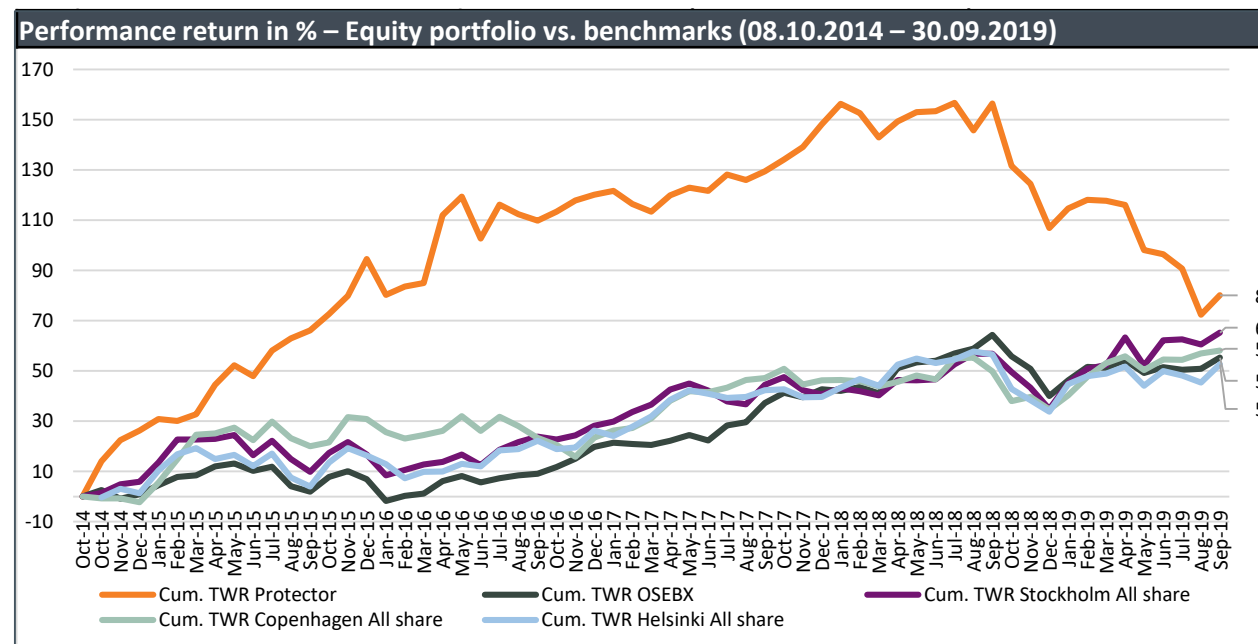
Target to beat market over time

Horizon	Protector • Long term ownership returns "Do not buy a farm just because you expect a lot of rain this summer"
Type of investments	• Good long term ownership returns • Easy/predictable businesses "There are no extra points for level of difficulty in investments"
Hurdle rate and margin of safety	• High • Low liquidity shares with added hurdle
Analysis	• Fewer companies, deep analysis and contrarian variant perception
Intensity of competition	• Low, preference for good companies but • Overlooked/ignored • Unpopular/poor sentiment "How to win – pick easy competition"
Focus	• Continuous learnings and improvement of process • Long term results

Equity portfolio statistics

Volatility outside benchmark must be expected

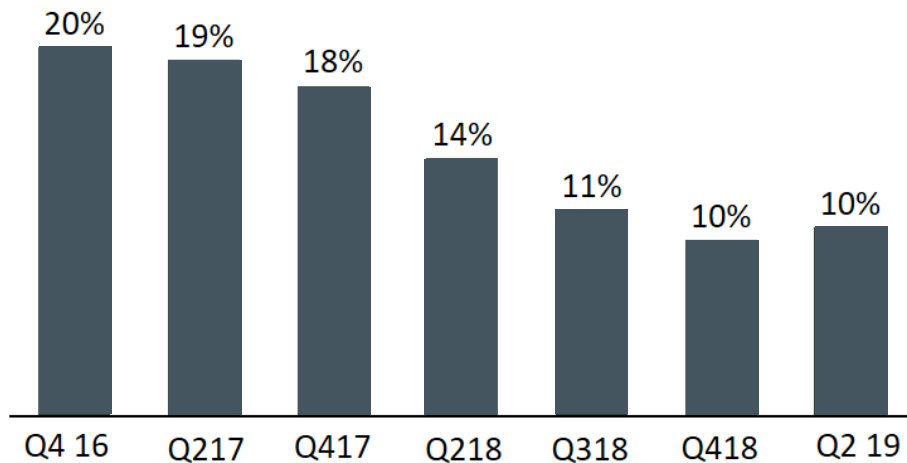
- 5th Quarter in a row behind benchmark
 - 8 quarters in a row above benchmark in Q4 14-Q3 16
- Intrinsic value estimates reduced w. 1,5% in Q3 19
- Discount to estimated intrinsic value 49%
- Equity share 9,0% Q3 19, 10,3% in Q2 19
 - Portfolio of 12 companies



Equity weight down

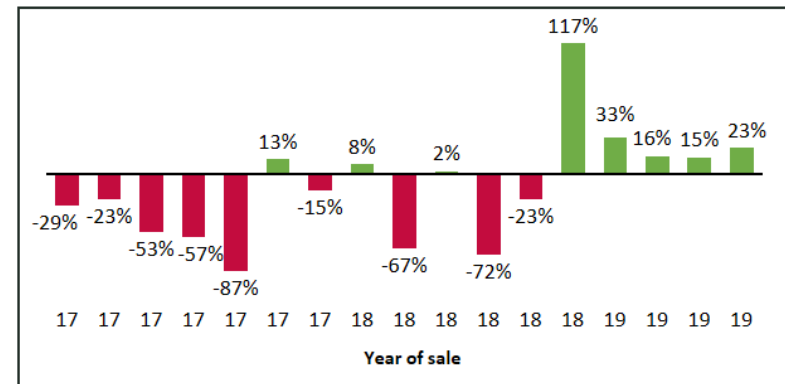
From 20% to 10%

Weighting down portfolio, on poorer expected returns



Equities - Sales decisions looks good so far

Performance per security since sale date



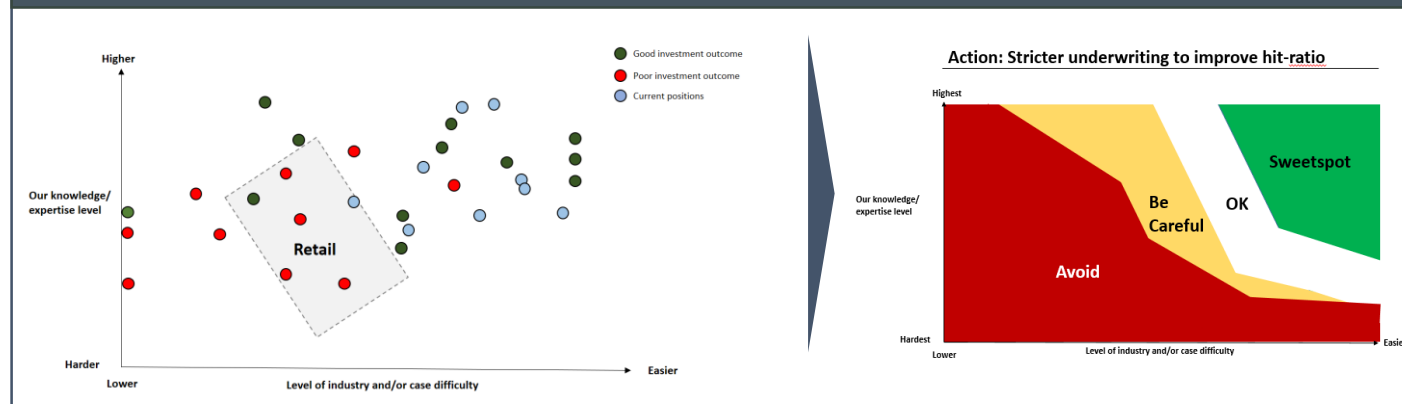
Migration – Avoid downside of «High growth, margin and multiple»

Based on low expected return

Learnings and strategic migration

Focus on the sweet spots

Lower level of difficulty to increase hit-ratio



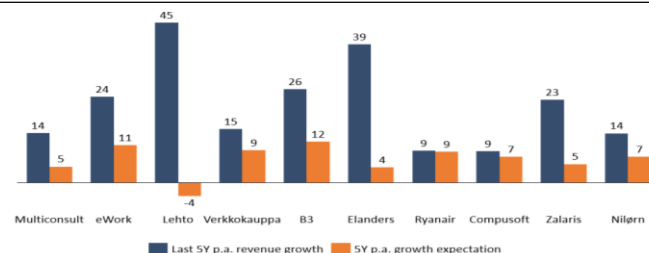
Lower level of difficulty to increase hit-ratio

Actions and key learnings

- Hurdle rate increased from 13% to 16%
- Position sizing – more careful in respect of time of ownership/ following
- Be careful underwriting high future growth
- Portfolio turnover – follow up, should decrease
- Build larger watchlist of «sweetspot» companies
- Stricter underwriting on level of difficulty/expertise
 - High customer retention key
 - Predictable demand (e.g. consumption based)
 - No/limited product risk
 - Historical strong and stable results
 - Long history
 - Long streaks of no EPS losses / low volatility in margins/ROIC
 - Competitive position
 - Monopoly, duopoly or oligopoly, localized markets, low marketshare volatility etc.

More careful in underwriting high future growth – balanced return drivers

Last 5 year growth vs. future expectations



Illustrative return drivers (SMURF) – 2019 vs. 2017

	Sales	Margin	Utbytte	Repricing	Forventet
2017	12 %	1 %	2,8 %	-3,3 %	12,4 %
2019	5 %	7 %	6,5 %	5,5 %	24 %

Investment strategy – Bonds

Target outperformance through lower cost of risk

Peers

- Top down approach with limited bottom-up analysis and follow up
- Relative price attractiveness
 - Macro & sector trends
- Always fully invested
- Unselective – «50% hit ratio»

Analysis

Focus

Protector focus areas

Protector

- Bottom-up analysis (underwriting) and deep quarterly follow up
 - Bond market often slow to react to deteriorating fundamentals
- Absolute attractiveness of individual risk
 - Terms
 - Redundancy
 - Loss given default
 - Always willing to replace bond risk with equity risk
- Willingness to sit on the sidelines – must always outweigh risk
 - Structurally advantaged to take opportunity of periods of fund outflows
- Selective – «5% hit ratio»
- Permanent loss of capital and its avoidance
- Continuous development of process
- Capital consumption & return on risk capital
- Liquidity / ability to change our mind

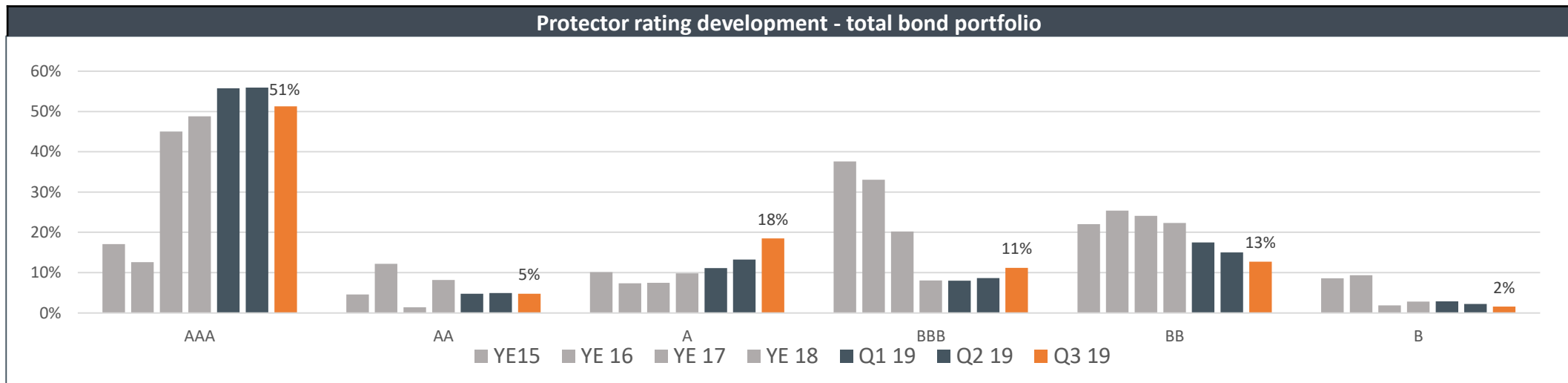
Portfolio statistics bonds

3 years with reduced risk

Portfolio data	30.06.19	30.09.19
Size bond & cash eq. (NOK m)	9 694	10 045
Avg. ref. rate (NIBOR, STIBOR etc.)	1,0%	1,1%
Avg. spread/risk premium (bp)	97	95
Yield	2,0%	2,0%
Duration	0,4	0,4
Credit duration	2,3	2,0
Avg. rating	AA-	A+

¹ Average based on official rating (>65%) and Protector rating (<35%) & is based on linear rating (as usual). WARF methodology would give a lower rating.

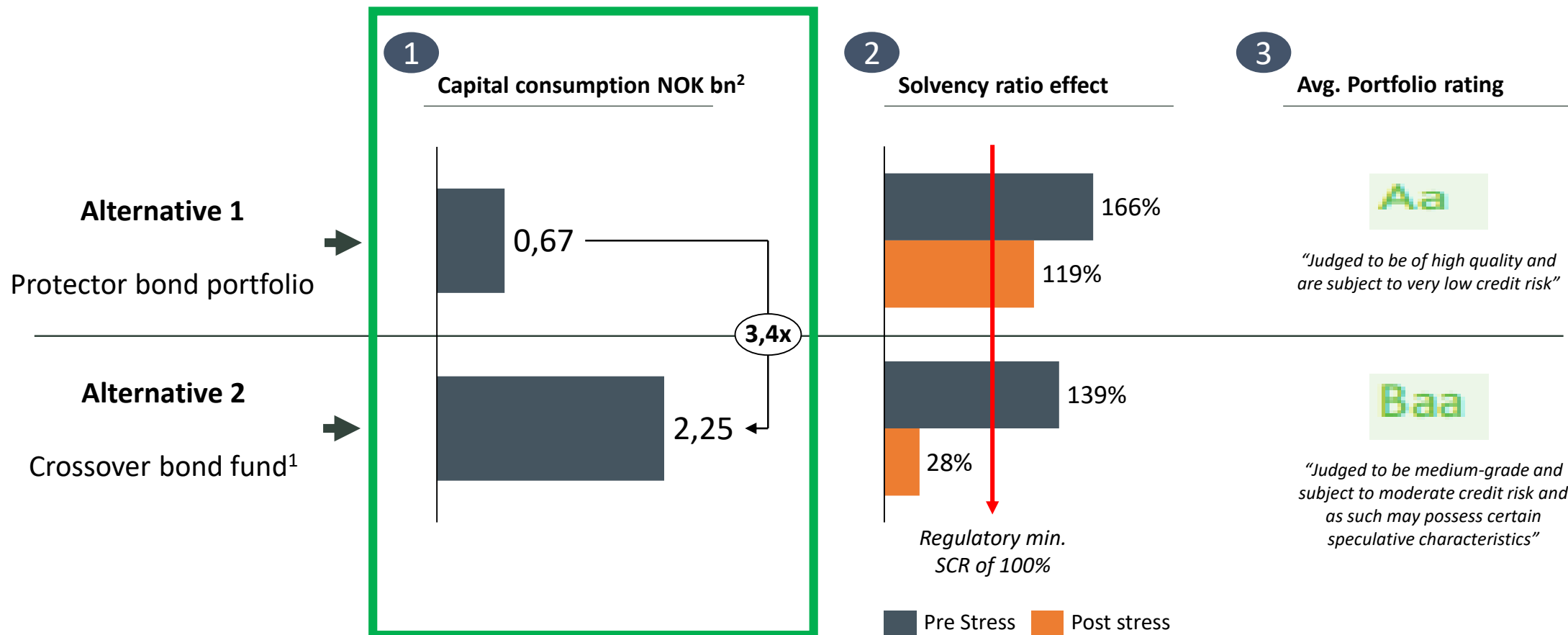
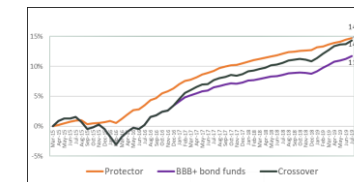
- Very strong performance relative to capital consumption
- Bond portfolio 91%
- Yield up to 2,04% at end Q3 2019 (1,95% in Q2)
 - Underlying ref. rate +11bp
- HY portfolio reduced further in Q3 2019



Bond portfolio – capital consumption

1,6bn lower capital consumption on slightly lower expected return

Illustrative HTD return



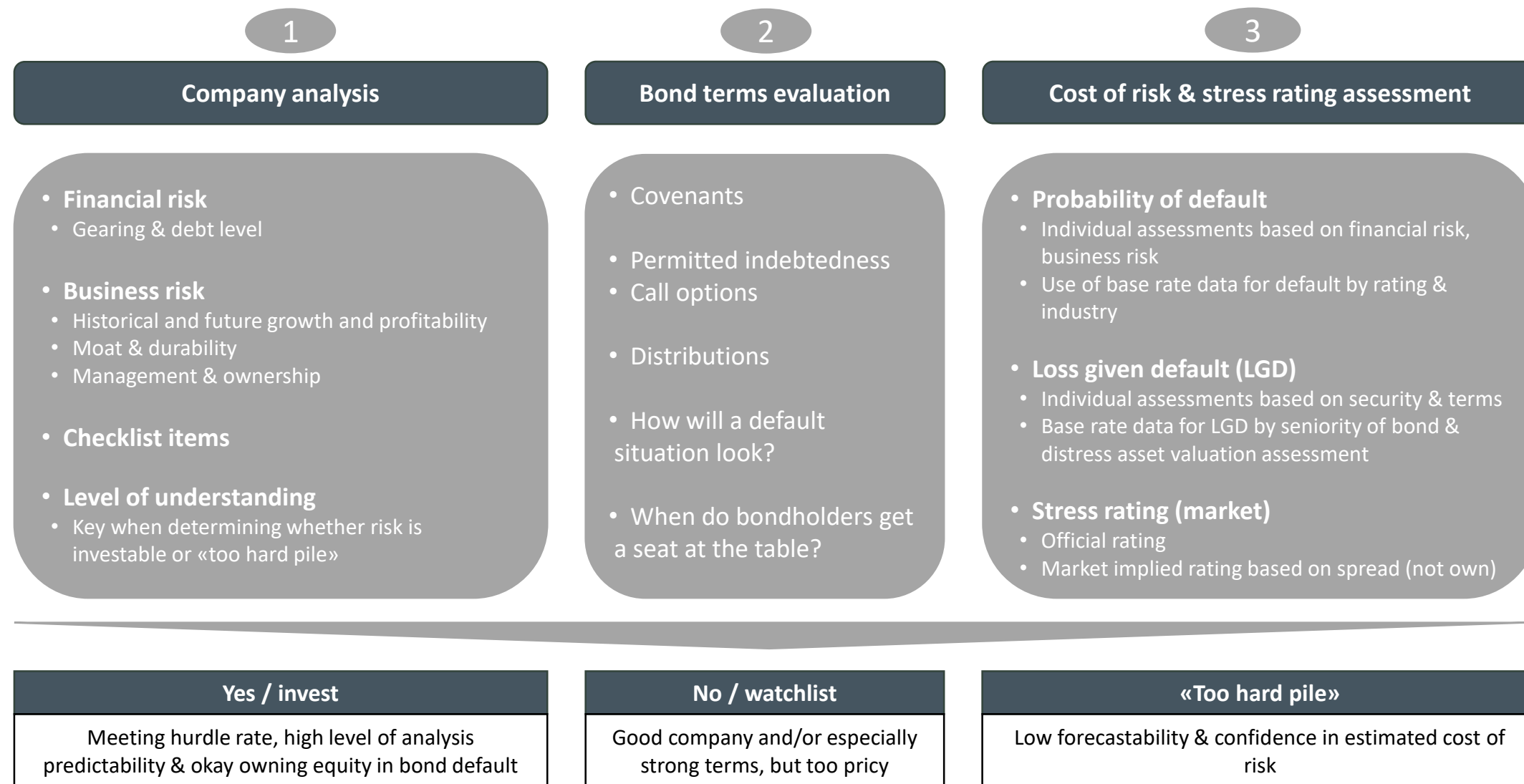
HTD outperformance at lower risk and capital consumption

¹ Carnegie Corp. Bond Fund as proxy for crossover bond fund

² Capital consumed in stress = after tax loss + capital consumption under SII

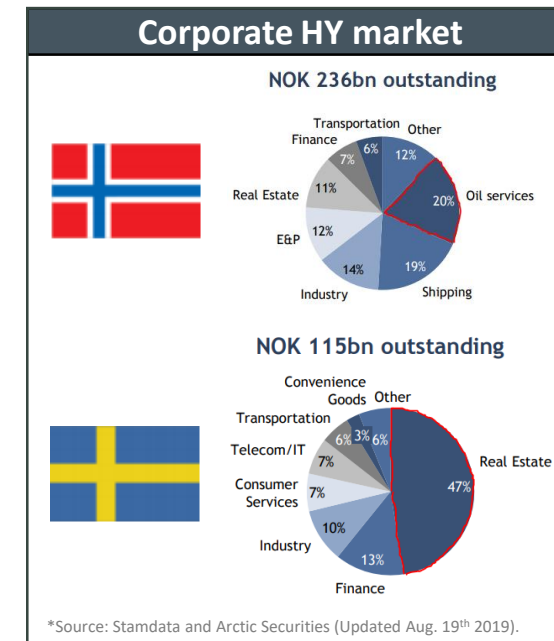
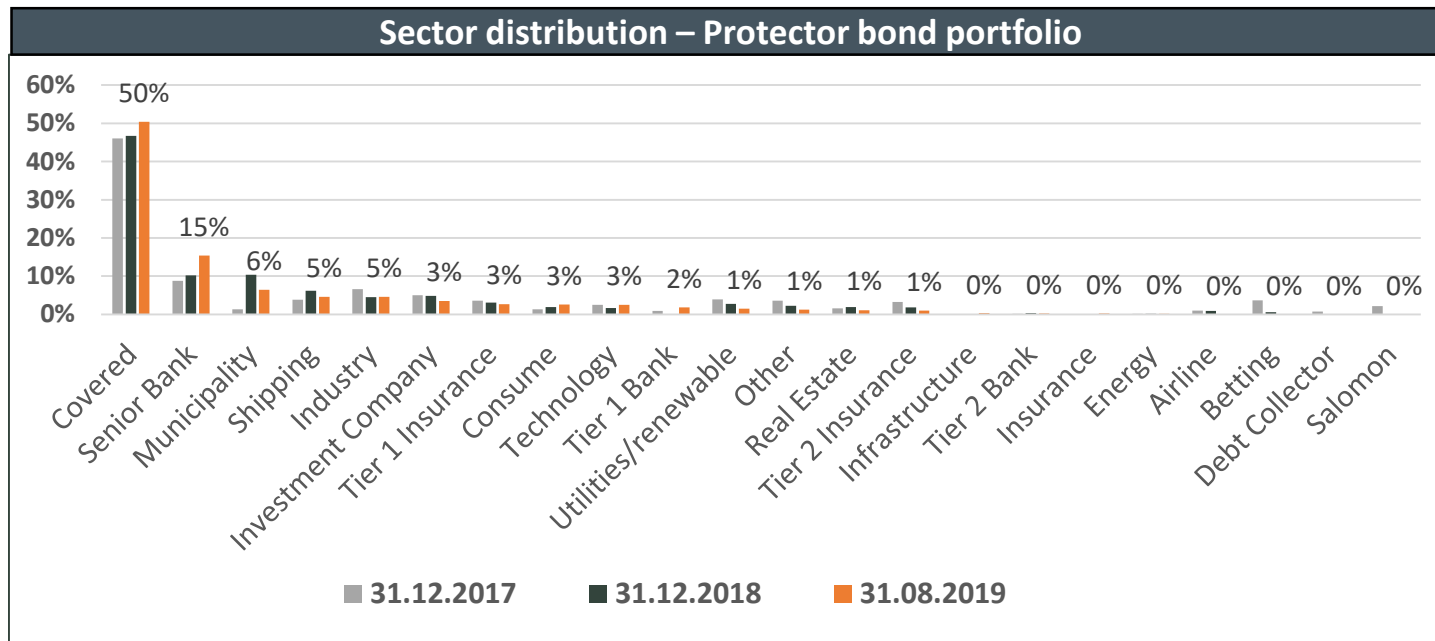
Illustrative investment process HY bonds

Probabilistic approach based on bottom-up company analysis incl. bond terms focus



Bond portfolio - sector distribution analysis

No oil service, low oil (E&P) and very limited real estate



Sector distribution comments

- Well diversified portfolio
- Move towards higher rated bonds in period 2015-2019
- Low exposure to oil and oil services sector vs 32% of HY bonds in Norway
- Very low exposure to real estate vs 47% of HY bonds in Sweden

Highlights and P&L last 2 years



Highlights Q3 2019

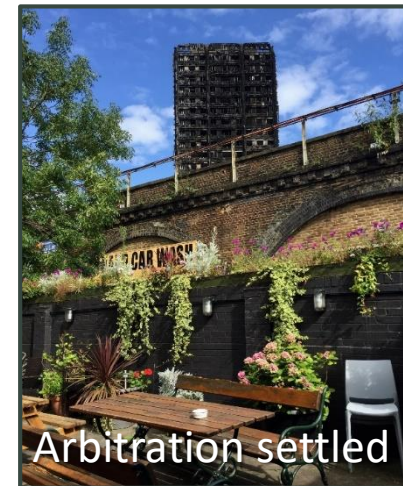
17% growth, combined ratio 91,6%



- GWP growth of 17% (16 % local currency)
- Net Combined ratio 91,6%
 - Run-off gains f.o.a amounted to 1,9% incl. Arbitration aftermath
- Profit before tax 54,1 MNOK
- Investment return -15,3 MNOK or -0,2%
- Solvency ratio of 164% (incl. COI)
- Poor profitability in Nordics - Price increases kicking in
- Strong UK development Q3 & YTD

Guiding 2019 – unchanged from Q2 19

Net combined ratio	100 %
Volume growth	18 %



Highlights Q3 2019 – incl. COI Norway

9% growth, combined ratio 92,1%



- GWP growth of 9% (8 % local currency)
- Net Combined ratio 92,1%
 - Run-off gains f.o.a amounted to 1,2% incl. Arbitration aftermath
- Profit before tax 18,6 MNOK
- Investment return -41,4 MNOK or -0,4%
- Solvency ratio of 164% (incl. COI)
- Poor profitability in Nordics - Price increases kicking in
- Strong UK development Q3 & YTD



Profit & loss Q3 2019

17% growth, Combined Ratio 91,6%



	Q3 2019	Q3 2018	YTD 2019	YTD 2018	FY 2018	
Gross premiums written	732,4	624,3	4 551,6	3 811,0	4 286,1	16 % LCY growth, Price incr. YTD 10,3 %
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	Solvency Reinsurance contract (SRI)
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)	-0,2 % return
Profit before tax	54,1	51,7	(50,4)	165,2	(23,9)	
Claims ratio, net of ceded business	84,1 %	88,9 %	93,5 %	93,2 %	94,3 %	
Expense ratio, net of ceded business	7,5 %	6,7 %	7,5 %	2,7 %	4,2 %	
Combined ratio, net of ceded business	91,6 %	95,7 %	101,1 %	95,9 %	98,6 %	Arbitration settled; 97,0% excl. GFT
Gross claims ratio	88,2 %	89,9 %	91,3 %	89,4 %	93,2 %	
Gross expense ratio	7,1 %	8,1 %	7,8 %	8,4 %	8,4 %	
Gross combined ratio	95,3 %	98,0 %	99,1 %	97,8 %	101,7 %	
Retention rate (premiums not ceded to Reinsurers)	86,1 %	66,2 %	81,9 %	68,3 %	68,1 %	Around 85 % going forward due to SRI

Highlights Q2 2019

32% growth, combined ratio 107,2% - 99,8% excl. Grenfell Tower



- GWP growth of 32% (33 % local currency)
- Net Combined ratio 107,2%
 - Run-off losses f.o.a amounted to -9,7 %
- Profit before tax -116,9 MNOK
- Investment return -31,7 MNOK or -0,4%
- Solvency ratio of 164,0% (incl. COI)
- New Reinsurance solution in place for COI
 - 50 % quota share on reserves
- Arbitration panel decided against Protector's view, P&L effect of -75 MNOK
 - Commercial dialogue initiated with Reinsurance broker

Guiding 2019 – old

Net combined ratio	96 %
Volume growth	14 %

Guiding 2019 – changed

Net combined ratio	100 %
Volume growth	18 %

Highlights Q2 2019

19% growth, combined ratio 104,0% - 97,0% excl. Grenfell Tower



- GWP growth of 19% (20 % local currency)
- Net Combined ratio 104,0%
 - Run-off losses f.o.a amounted to -9,0 %
- Profit before tax -127,8 MNOK
- Investment return -69,3 MNOK or -0,6%
- Solvency ratio of 164,0% (incl. COI)
- New Reinsurance solution in place for COI
 - 50 % quota share on reserves
- Arbitration panel decision against Protector's view, P&L effect of -75 MNOK
 - Commercial dispute initiated with Reinsurance broker

Profit & loss Q2 2019

32% growth, Combined Ratio 107,2% - 99,8 % excl. Grenfell Tower



in millions	Q2 2019	Q2 2018	H1 2019	H1 2018	FY 2018	
Gross premiums written	1 105,9	838,3	3 819,2	3 186,7	4 286,1	33 % LCY, Sweden, UK & price increases
Gross premiums earned	1 241,9	1 015,7	2 388,8	1 974,0	4 139,6	
Gross claims incurred	(1 150,0)	(889,3)	(2 221,7)	(1 760,5)	(3 859,3)	
Earned premiums, net of reinsurance	1 011,9	699,8	1 902,5	1 369,1	2 817,8	
Other insurance related income	3,2	2,9	6,4	4,1	25,5	
Claims incurred, net of reinsurance	(999,8)	(670,5)	(1 884,2)	(1 305,8)	(2 658,3)	
Sales cost	(65,6)	(49,3)	(114,6)	(100,9)	(205,6)	
Administration cost	(42,9)	(35,0)	(80,9)	(68,2)	(143,1)	
Commission from reinsurer	23,1	61,0	51,1	160,3	229,2	~0 going forward
Other insurance related expenses	(1,9)	(6,0)	(7,1)	(7,3)	(20,2)	
Technical result	(72,0)	2,8	(126,6)	51,4	45,3	
Other income/costs	(13,2)	(12,6)	(27,4)	(24,5)	(49,4)	
Net financial income	(31,7)	78,7	49,5	86,6	(19,8)	-0,4 % return
Profit before tax	(116,9)	68,9	(104,5)	113,5	(23,9)	
Claims ratio, net of ceded business	98,8 %	95,8 %	99,0 %	95,4 %	94,3 %	
Expense ratio, net of ceded business	8,4 %	3,3 %	7,6 %	0,6 %	4,2 %	
Combined ratio, net of ceded business	107,2 %	99,2 %	106,6 %	96,0 %	98,6 %	99,8% excl. GFT
Gross claims ratio	92,6 %	87,5 %	93,0 %	89,2 %	93,2 %	More price increases to come
Gross expense ratio	8,7 %	8,3 %	8,2 %	8,6 %	8,4 %	
Gross combined ratio	101,3 %	95,8 %	101,2 %	97,7 %	101,7 %	
Retention rate (premiums not ceded to Reinsurers)	81,5 %	68,9 %	68,9 %	79,6 %	68,1 %	Will increase

Highlights Q1 2019

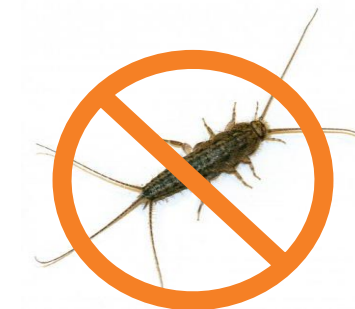
16% growth, combined ratio 105,9% and...



- GWP growth of 16% (16 % local currency)
- Net Combined ratio 105,9%
 - Run-off gains f.o.a amounted to 6,9 %
 - Net CR 92 % “with old Reinsurance contract”
- Profit before tax 12,5 MNOK
- Investment return 81,2 MNOK or 0,9%
- Earnings per share 1,13 NOK
- Solvency ratio of 174,7 % (incl. COI)

Guiding 2019 – maintained

Net combined ratio	96 %
Volume growth	14 %



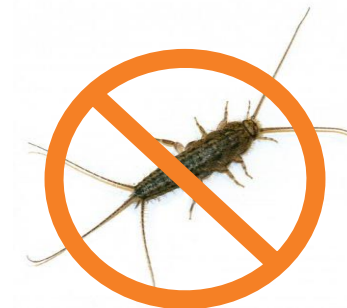
... The Court of Appeal concluded in our favor

Highlights Q1 2019

14% growth, combined ratio 96,9% and...

- GWP growth of 14% (14 % local currency)
- Net Combined ratio 96,9%
 - Run-off gains f.o.a amounted to 12,6 %
 - Net CR 83 % “with old Reinsurance contract”
- Profit before tax 121,9 MNOK
- Investment return 111,3 MNOK or 1,1%
- Earnings per share 1,13
- Solvency ratio of 174,7 % (incl. COI)

... The Court of Appeal concluded in our favor



Profit & loss Q1 2019

16% growth, Combined Ratio 105,9%



in millions	Q1 2019	Q1 2018	FY 2018	
Gross premiums written	2 713,4	2 348,4	4 286,1	Sweden & UK
Gross premiums earned	1 146,9	958,3	4 139,6	
Gross claims incurred	(1 071,7)	(871,2)	(3 859,3)	Poor motor quarter
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	Primarily profit sharing previous year
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)	0,9% return
Profit before tax	12,5	44,6	(23,9)	
Claims ratio, net of ceded business	99,3 %	94,9 %	94,3 %	
Expense ratio, net of ceded business	6,6 %	-2,2 %	4,2 %	
Combined ratio, net of ceded business	105,9 %	92,7 %	98,6 %	
Gross claims ratio	93,4 %	90,9 %	93,2 %	
Gross expense ratio	7,6 %	8,8 %	8,4 %	
Gross combined ratio	101,0 %	99,8 %	101,7 %	
Retention rate (premiums not ceded to Reinsurers)	77,7 %	69,9 %	68,1 %	Will continue to increase

Highlights 2018 results

19% growth – combined ratio 98,6%, and...

- GWP growth of 19% (18 % local currency)
- Net Combined ratio 98,6% up from 93,6%
- Profit before tax -23,9 MNOK down from 441,0 MNOK
- Investment return -19,8 MNOK or -0,3%
- AUM 9,5 bnNOK, float 6,3 bnNOK (both incl. COI)
- Solvency ratio of 174,4 % (incl. COI) - A.M. Best BBB+ maintained

...strong competitive position maintained



Guiding 2019

Net combined ratio **96 %**

Volume growth **14 %**



Highlights 2018 results

15% growth – combined ratio 106,9%, and...



- GWP growth of 15% (15 % local currency)
- Net Combined ratio 106,9% up from 93,1%
- Profit before tax -340,6 MNOK down from 562,2 MNOK
- Investment return -56,2 MNOK or -0,6%
- AUM 9,5 bnNOK, float 6,3 bnNOK (both incl. COI)
- Solvency ratio of 174,4 % (incl. COI) - A.M. Best BBB+ maintained

...strong competitive position maintained



Profit & loss 2018

19% growth, Combined Ratio 98,6%



in millions	Q4 2018	Q4 2017	FY 2018	FY 2017	
Gross premiums written	475,1	424,5	4 286,1	3 612,7	19 % growth
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	
Other insurance related income	12,0	0,8	25,5	5,1	
Claims incurred, net of reinsurance	(739,3)	(575,9)	(2 658,3)	(2 193,8)	
Sales cost	(49,4)	(97,5)	(205,6)	(151,5)	Growing due to UK & SE
Administration cost	(46,1)	31,0	(143,1)	(108,8)	
Commission from reinsurer	31,1	22,7	229,2	204,4	Close to 0 in 2019
Other insurance related expenses	(2,1)	(1,3)	(20,2)	(8,2)	
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	Volatility must be expected
Profit before tax	(189,1)	96,7	(23,9)	441,0	
Claims ratio, net of ceded business	97,4 %	95,3 %	94,3 %	91,3 %	
Expense ratio, net of ceded business	8,5 %	7,3 %	4,2 %	2,3 %	
Combined ratio, net of ceded business	105,9 %	102,6 %	98,6 %	93,6 %	
Gross claims ratio	103,4 %	90,7 %	93,2 %	109,8 %	
Gross expense ratio	8,5 %	7,5 %	8,4 %	8,0 %	Cost the real way decreasing (9,4%)
Gross combined ratio	111,9 %	98,2 %	101,7 %	117,8 %	

Highlights Q3 2018

17,0 % growth, Combined Ratio 117,6 % - reserve loss Gray silverfish



- Growth of 17,0 % (18,0 % local currency)
- Net Combined ratio 117,6 % up from 93,3%
 - COI 246,9 % in Q3 2018 (148,9 % YTD)
- Profit before tax of NOK -112,7m down from NOK 135,4m
- Gray Silverfish excluded from new COI policies from 1st Nov. 2018

Guiding 2018 – unchanged

Net combined ratio	significant higher than 94 %
Volume growth	16 %
Cost ratio	≈ 7,5 %



- **Net combined ex. COI 95,7 % (95,9 % ex COI YTD)**
- Investment return 0,5 %, NOK 46,4m
- AUM NOK 10,2 bn, float NOK 6,6 bn.
- Solvency Capital Ratio of 182,8 %

Profit & loss Q3 2018

17 % growth, Combined Ratio 117,6 % (95,7 % ex. COI)



in millions	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017	
Gross premiums written	754,6	645,1	4 233,1	3 623,0	4 163,2	16,8 % growth YTD
Gross premiums earned	1 172,7	1 022,2	3 438,5	2 808,1	3 805,5	
Gross claims incurred	-1 257,2	-1 106,6	-3 312,5	-3 152,9	-4 054,2	
Earned premiums, net of reinsurance	806,9	749,6	2 438,7	2 217,6	2 925,9	
Claims incurred, net of reinsurance	-901,4	-646,0	-2 472,5	-1 980,0	-2 647,5	
Net commission income	1,9	20,2	100,2	140,5	117,0	
Internal sales cost	-20,8	-17,9	-65,3	-18,4	-71,0	
Operating expenses	-28,9	-55,7	-102,0	-146,9	-122,5	
Other insurance-related income/expenses	-1,3	0,4	-4,6	-2,8	-3,3	
Technical result	-143,6	50,6	-105,5	210,0	198,6	
Other income/costs	-15,6	-16,3	-46,5	-41,5	-55,9	
Net financial income	46,4	114,9	161,2	257,5	419,5	
Profit before tax	-112,8	149,1	9,2	426,0	562,2	
Tax	44,2	-23,1	-3,5	-83,6	-85,5	
Profit before components of comprehensive income	-68,6	126,0	5,7	342,4	476,7	
Components of comprehensive income	3,4	-13,4	-19,4	16,2	39,8	
Profit for the period	-65,1	112,6	-13,7	358,6	516,5	
Claims ratio, net of ceded business	(1) 111,7 %	86,2 %	101,4 %	89,3 %	90,5 %	
Expense ratio, net of ceded business	(2) 5,9 %	7,1 %	2,8 %	1,1 %	2,6 %	
Combined ratio, net of ceded business	(3) 117,6 %	93,3 %	104,1 %	90,4 %	93,1 %	Poor profitability 2018
Gross claims ratio	(4) 107,2 %	108,3 %	96,3 %	112,3 %	106,5 %	
Gross expense ratio	(5) 7,3 %	7,3 %	7,6 %	7,3 %	7,4 %	
Gross combined ratio	(6) 114,5 %	115,5 %	104,0 %	119,6 %	113,9 %	

Highlights Q2 2018

14,3% growth, Combined Ratio 99,5%



- Growth of 14,3% (16,4 % local currency)
- Gross cost ratio 7,4% down from 7,5%
- Net Combined ratio 99,5% up from 90,7%
- Profit before tax of NOK 97,4m down from NOK 169,4m
- Investment return 1,1 %, NOK 112,3m
- AUM NOK 10,5 bn, float NOK 6,6 bn.
- Solvency ratio of 196,5 %

Guiding 2018 – old

Net combined ratio	>94 %
Volume growth	20 %
Cost ratio	≈7,5 %

Guiding 2018 – changed

Net combined ratio	significantly higher than 94 %
Volume growth	16 %
Cost ratio	≈7,5 %

Profit & loss Q2 2018

14,3 % growth, Combined Ratio 99,5%



[1.000.000 NOK]	Q2 2018	Q2 2017	H1 2018	H1 2017	FY 2017	
Gross premiums written	1 017,5	890,5	3 478,5	2 977,9	4 163,2	Growth of 14,3% (16,4% LCY)
Gross premiums earned	1 195,0	927,3	2 265,8	1 785,9	3 805,5	
Gross claims incurred	(1 064,7)	(1 262,0)	(2 055,3)	(2 046,3)	(4 054,2)	
Earned premiums, net of reinsurance	861,1	757,8	1 631,8	1 468,0	2 925,9	
Claims incurred, net of reinsurance	(828,4)	(675,7)	(1 571,1)	(1 334,0)	(2 647,5)	
Net commission income	30,4	51,1	98,3	137,6	100,2	
Internal sales cost	(21,8)	(17,9)	(44,5)	(34,6)	(70,9)	
Operating expenses	(37,4)	(44,9)	(73,1)	(74,4)	(105,7)	
Other income/costs	(15,7)	(16,2)	(30,6)	(25,2)	(55,9)	
Net financial income	112,3	116,1	114,8	142,6	419,5	ROI 1,1%
Profit before tax	97,4	169,5	122,3	276,8	562,2	
Tax	(25,0)	(22,9)	(2,5)	(60,5)	(85,5)	
Profit before components of comp.income	72,4	146,6	119,8	216,4	476,7	
Components of comprehensive income	(24,7)	24,5	(30,1)	39,5	53,1	
Profit for the period	53,8	165,0	89,7	246,0	516,5	
Claims ratio, net of ceded business	(1) 96,2 %	89,2 %	96,3 %	90,9 %	90,5 %	
Expense ratio, net of ceded business	(2) 3,3 %	1,5 %	1,2 %	-2,0 %	2,6 %	
Combined ratio, net of ceded business	(3) 99,5 %	90,7 %	97,5 %	88,9 %	93,1 %	
Gross claims ratio	(4) 89,1 %	136,1 %	90,7 %	114,6 %	106,5 %	
Gross expense ratio	(5) 7,4 %	7,5 %	7,8 %	7,4 %	7,4 %	
Gross combined ratio	(6) 96,5 %	143,6 %	98,5 %	121,9 %	113,9 %	

Highlights Q1 2018

17,9 % growth, poor claims quarter



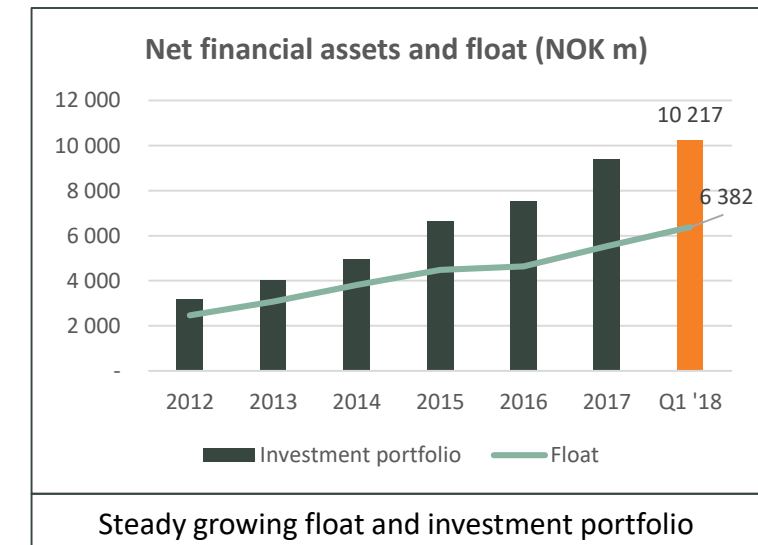
- Growth of 17,9% (15,2 % local currency)
- Gross cost ratio 8,3% up from 7,1%
 - Underlying cost ratio better
- Net Combined ratio 95,1% up from 87,0%
- Profit after tax of NOK 1,8m down from NOK 69,8m
 - Profit before tax NOK 24,6m
- Investment return 0,0 %, NOK 2,5m
- AUM NOK 10,2 bn, float NOK 6,4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

New Guiding 2018

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

Volume growth **20 %**

Cost ratio **≈7,5 %**



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	

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