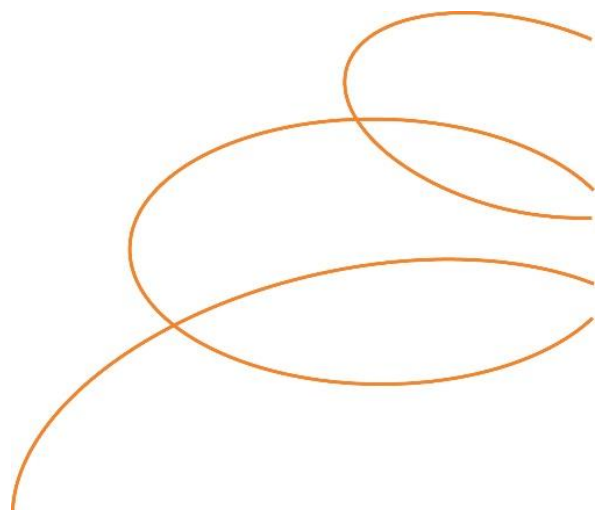




INTERIM REPORT Q1 2020

PROTECTOR FORSIKRING ASA

(UNAUDITED)
APRIL 29TH 2020



Highlights Q1 2020

CR 98,3% and poor return on investments

Protector Forsikring ASA recorded a loss of NOK – 384.9m (NOK 91.9m) for the quarter. The result is driven by poor return on investments as the financial markets have been extremely turbulent following the outbreak of COVID-19 coupled with a significant oil price decrease. The underwriting result was NOK 18.8m (NOK -54.7m) corresponding to a combined ratio of 98.3% (105.9%).

The underlying result improvement is even stronger as we have 0.3% in run-off gains this quarter compared to 6.9% in Q1 2019.

Volume has grown 4% (0% in local currency), supported by continued necessary price increases. Significant price increases in the Nordics has resulted in a higher than normal churn. In Q1 the average overall price increases in our Nordic insurance portfolio came in at 13.5%.

Q1 2020 shows following development compared to Q1 2019:

- Premium growth of 4% (16%)
- Net combined ratio 98.3% (105,9%)
- Net return on investments incl. COI NOK – 452.1m (NOK 111.3m) or -3.9% (1.1%)
- Profit for the quarter NOK-384.9m (NOK 91.9m)
- Solvency ratio of 142% (177%)

Financial highlights and key ratios

NOKm	Q1 2020	Q1 2019	FY 2019
Gross premiums written	2 828,0	2 713,4	5 100,5
Gross premiums earned	1 293,2	1 146,9	4 995,8
Gross claims incurred	(1 105,8)	(1 071,7)	(4 723,9)
Earned premiums, net of reinsurance	1 122,3	890,6	4 147,5
Other insurance related income	4,2	3,1	10,5
Claims incurred, net of reinsurance	(1 006,4)	(884,4)	(3 949,1)
Sales cost	(71,7)	(48,9)	(233,5)
Administration cost	(48,3)	(38,0)	(179,9)
Commission from reinsurer	23,0	28,0	57,2
Other insurance related expenses	(4,3)	(5,2)	(15,7)
Technical result	18,8	(54,7)	(163,0)
Other income/costs	(16,3)	(14,0)	(50,3)
Net financial income	(322,8)	81,2	141,4
Profit before tax	(320,3)	12,5	(71,9)
Tax	39,7	(3,0)	(4,1)
Discontinued operations	(114,7)	82,8	71,5
Net comprehensive income	10,4	(0,4)	(0,3)
Profit for the period	(384,9)	91,9	(4,9)
Claims ratio, net of ceded business	(1) 89,7 %	99,3 %	95,2 %
Expense ratio, net of ceded business	(2) 8,6 %	6,6 %	8,6 %
Combined ratio, net of ceded business	(3) 98,3 %	105,9 %	103,8 %
Gross claims ratio	(4) 85,5 %	93,4 %	94,6 %
Gross expense ratio	(5) 9,3 %	7,6 %	8,3 %
Gross combined ratio	(6) 94,8 %	101,0 %	102,8 %
Retention rate	(7) 86,8 %	77,7 %	83,0 %
Earnings per share	(8) (4,8)	1,1	(0,1)

(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

(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 4% or NOK 114.6m to a total of NOK 2,828.0m. In local currencies the growth was 0%. The renewal rate was 87,5% supported by price increases in the Nordics. The client churn in Q1 was somewhat too high.

The growth per country was;

Gross premiums written (NOKm)	Q1 2020	Q1 2019	Growth in quarter	
Norway	820,4	804,0	16,5	2 %
Sweden	788,9	785,7	3,2	0 %
Denmark	813,4	761,3	52,1	7 %
UK	192,4	175,4	16,9	10 %
Finland	212,8	187,0	25,9	14 %
Total	2828,0	2713,4	114,6	4 %

Gross premiums earned increased by NOK 146.3m or by 13% to a total of NOK 1,293.2m.

The growth per country was;

Gross premiums earned (NOKm)	Q1 2020	Q1 2019	Growth in quarter	
Norway	366,9	375,6	-8,7	-2 %
Sweden	397,4	345,8	51,6	15 %
Denmark	233,9	207,6	26,3	13 %
UK	227,2	153,4	73,7	48 %
Finland	67,9	64,5	3,4	5 %
Total	1293,2	1146,9	146,3	13 %

Premiums earned for own account amounted to NOK 1,122.3m, an increase of 26% compared to Q1 2019. The strong growth is due to an increased retention rate due to changes in the reinsurance structure in 2019 (from Surplus to Risk XL on property).

The growth in net premiums earned per country was;

Net premiums earned (NOKm)	Q1 2020	Q1 2019	Growth in quarter	
Norway excl. COI	327,9	314,5	13,4	4 %
Sweden	348,6	261,8	86,8	33 %
Denmark	204,1	173,9	30,3	17 %
UK	181,0	83,6	97,4	116 %
Finland	60,8	56,9	3,9	7 %
Total	1122,3	890,6	231,7	26 %

In Q2, the company expects negative growth in the Nordics due to client churn and COVID-19. UK has a very good start on Q2 with GBP 10m volume growth on the inception date April 1st.

Results

The profit before tax totalled NOK -320.3m (NOK 12.5m), while the profit after tax and discontinued operations was NOK -384.9m (NOK 91.9m). The result is driven by a poor investment result. The technical result improved by NOK 73.5m from NOK -54.7m in Q1 2019 to 18.8m in Q1 2020. Underlying improvement in technical result is even stronger as we had run-off gains of NOK 60.6m (6.9%) in Q1 2019 against NOK 3.5m (0.3%) in run-off gains this quarter.

In Q1, the net combined ratio was 98.3% (105.9 %).

The net combined ratio by country is provided in the table below:

Net combined ratio	Q1 2020	Q1 2019
Norway	100,8 %	101,9 %
Sweden	90,1 %	99,5 %
Denmark	121,0 %	116,8 %
UK	93,5 %	119,0 %
Finland	70,0 %	105,1 %
Total	98,3 %	105,9 %

The claims ratio for own account decreased from 99.3% in Q1 2019 to 89.7 % in Q1 2020. Denmark had in Q1 run-off losses of NOK 31m and Finland run-off gains of NOK 28m . In the other countries the run-off was +/- 0. In Q1 2020 the large loss rate was slightly above a normal level.

The net claims ratio by country is provided in the table below:

Net claims ratio	Q1 2020	Q1 2019
Norway	96,1 %	95,1 %
Sweden	78,8 %	93,0 %
Denmark	112,7 %	112,4 %
UK	80,1 %	107,1 %
Finland	69,0 %	100,2 %
Total	89,7 %	99,3 %

The expense ratio for own account amounted to 8.6 %, up from 6.6 % in Q1 2019. The increase is mainly due to an increase in broker commissions. Going forward the company expects higher broker commission due to growth coming from UK.

The net expense ratio by country is provided in the table below:

Net expense ratio	Q1 2020	Q1 2019
Norway	4,8 %	6,9 %
Sweden	11,3 %	6,5 %
Denmark	8,3 %	4,3 %
UK	13,5 %	11,9 %
Finland	1,0 %	4,9 %
Total	8,6 %	6,6 %

The technical result for discontinued operations (change of ownership insurance) was NOK 0.3m (82.6m) and the profit for the quarter was NOK -114.5m (82.8m). In Q1, the company continued to sell change of ownership insurance due to existing agreements with some real estate brokers. The strong technical result in Q1 last year is due to run-off gains of NOK 61m as a result of a win in the court of appeal regarding grey silverfish.

Investment return

The net investment portfolio amounted to a total of NOK 12,152m at 31 March 2020, up 14.7 % compared to the portfolio end of Q1 2019.

The investment return on the company's total investment portfolio totalled NOK -452,1m or -3.9% compared to a return of NOK 111.3m or 1.1% in Q1 2019. Equities accounted for a NOK -330.9 loss (-28.8%) against a NOK 52.3m gain (4.2%) in Q1 2019. The return on the fixed income portfolio totalled NOK -121.1m or -1.1% against a gain of NOK 59.0m or 0.6% in Q1 2019.

Among our investments, both in equities and bonds, there are very little exposure towards industries and companies directly affected by the corona virus disease and the oil price collapse (e.g. travel-, oil- and oil service companies)

At the end of 2019 about 16% of our total financial positions were allocated to High Yield (HY). By the end of Q1 2020 we have increased this allocation to 28%.

At the end of Q1, 7% of Protector's net financial assets were invested in equities, against 10.1% year end 2019.

Equity and capital position

The company's equity amounted to NOK 1,630m at the end of the quarter (NOK 2,019 at the end of 2019). Equity was negatively impacted by the net loss for the quarter driven by extraordinarily negative development in the financial markets.

End of Q1, the volatility adjusted solvency ratio using the standard formula was 142 %, down from 172% year end 2019. The company's long term objective is to maintain a SCR-ratio (calculated according to the Solvency II regulations) above 150 %.

Protector has a solvency based reinsurance contract where we have the possibility of increasing the cession rate in stressed situations. We have not utilized this opportunity. Furthermore, the company holds stock market put options which are "in the money" as of 31.3.2020, and which give a good downside protection if stock market turmoil continue.

Prospects

The COVID-19 situation has to this point had limited effect on the company's insurance business. Products in our portfolio that may be adversely affected by COVID-19 is limited. The situation may lead to some increased pay-outs within products like other illness and business interruption, but at the same time reduced economic activity has led to stronger profitability expectations on other products.

In Q1 the price increases, were 13.5%. In Q2, the company expects a negative growth in the Nordics due to client churn and COVID-19. Growth will come from the UK which has had a very good start to Q2.

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 2020.

Oslo, 29th April 2020

The Board of Directors of Protector Forsikring ASA

Income statement

NOKm	Q1 2020	Q1 2019	FY 2019
Premium income			
Gross written premiums	2 828,0	2 713,4	5 100,5
Change in provisions for unearned premiums	(1 534,7)	(1 566,4)	(104,7)
Gross premiums earned	1 293,2	1 146,9	4 995,8
Reinsurers' share of earned premiums	(170,9)	(256,3)	(848,2)
Earned premiums, net of reinsurance	1 122,3	890,6	4 147,5
Other insurance-related income	4,2	3,1	10,5
Gross claims incurred	(1 105,8)	(1 071,7)	(4 723,9)
Reinsurers' share of claims incurred	99,4	187,4	774,8
Claims incurred, net of reinsurance	(1 006,4)	(884,4)	(3 949,1)
Operating expenses			
Sales costs	(71,7)	(48,9)	(233,5)
Administration costs	(48,3)	(38,0)	(179,9)
Commission from reinsurers	23,0	28,0	57,2
Total operating expenses, net of reinsurance	(97,1)	(58,9)	(356,2)
Other insurance-related expenses	(4,3)	(5,2)	(15,7)
Technical result	18,8	(54,7)	(163,0)
Net income from financial assets	(322,8)	81,2	141,4
Other income	0,0	0,3	1,7
Other expenses	(16,3)	(14,3)	(52,1)
Other income/expenses	(16,3)	(14,0)	(50,3)
Non-technical result	(339,1)	67,2	91,1
Profit before tax	(320,3)	12,5	(71,9)
Tax	39,7	(3,0)	(4,1)
Discontinued operations	(114,7)	82,8	71,5
Profit before components of comprehensive income	(395,3)	92,3	(4,5)
Actuarial gain and loss from defined benefit pension plans	-	-	(1,8)
Currency changes from foreign enterprise	13,9	(0,6)	1,3
Taxes on components of comprehensive income	(3,5)	0,1	0,1
Profit for the period	(384,9)	91,9	(4,9)
Earnings per share	(4,83)	1,13	(0,1)
Earnings per share, diluted	(4,83)	1,13	(0,1)

Statement of financial position

NOKm	31.03.2020	31.03.2019	31.12.2019
Assets			
Intangible fixed assets			
Other intangible fixed assets	40,6	25,5	34,6
Total intangible fixed assets	40,6	25,5	34,6
Buildings and other real estates			
Owner-occupied property	12,7	13,3	12,8
Total buildings and other real estates	12,7	13,3	12,8
Financial assets			
Shares	776,8	1 001,1	916,9
Securities, bonds etc	7 430,4	6 998,0	6 773,5
Financial derivatives	300,9	14,6	32,6
Bank deposits	2 130,4	817,4	1 529,4
Total financial assets	10 638,5	8 831,0	9 252,5
Reinsurers share of gross technical provisions			
Reinsurers share of gross premium provisions	303,7	355,4	130,3
Reinsurers share of gross claims provisions	1 684,8	1 802,4	1 686,9
Total reinsurers share of gross technical provisions	1 988,5	2 157,8	1 817,2
Receivables			
Policyholders	508,0	567,2	416,2
Intermediaries	2,7	6,9	5,1
Other receivables	28,0	17,4	48,3
Total receivables	538,7	591,5	469,7
Other assets			
Tangible fixed assets	35,0	31,8	34,1
Cash and bank deposits	182,9	152,1	343,3
Total other assets	217,9	183,9	377,4
Total prepaid expenses	877,6	515,4	349,7
Assets discontinued operations	2 301,9	2 134,2	2 428,5
Total assets	16 616,4	14 452,6	14 742,2

Statement of financial position

NOKm	31.03.2020	31.03.2019	31.12.2019
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	349,5	349,4	349,4
Earned equity			
Natural perils fund	80,8	79,1	76,9
Guarantee scheme	88,5	89,0	89,2
Other equity	1 111,7	1 596,9	1 503,8
Total earned equity	1 280,9	1 765,0	1 669,9
Total equity	1 630,4	2 114,5	2 019,3
Subordinated loan capital	1 243,3	1 243,3	1 243,3
Technical provisions			
Provisions for unearned premiums	2 936,6	2 645,6	1 211,5
Provisions for claims	7 725,5	6 088,6	7 127,7
Total technical provisions	10 662,0	8 734,2	8 339,2
Provisions for other risks and liabilities			
Pension liabilities	16,0	13,0	16,0
Current tax liability	12,9	-	-
Deferred tax liability	18,1	129,1	103,1
Total provisions for other risks and liabilities	47,0	142,1	119,2
Liabilities			
Liabilities in connection with insurance	200,9	146,6	70,5
Liabilities in connection with reinsurance	789,1	386,9	727,7
Financial derivatives	150,6	9,4	45,5
Other liabilities	289,3	397,4	325,7
Total liabilities	1 429,8	940,3	1 169,4
Incurred expenses and prepaid income			
Other incurred expenses and prepaid income	88,1	141,8	299,6
Total incurred expenses and prepaid income	88,1	141,8	299,6
Liabilities discontinued operations	1 515,7	1 136,5	1 552,2
Total equity and liabilities	16 616,4	14 452,6	14 742,2

Cash flow statement

[NOKm]	Q1 2020	Q1 2019	FY 2019
<u>Cash flow from operations</u>			
Premiums paid	2 515,5	2 204,5	5 343,9
Claims paid	(1 260,5)	(1 004,8)	(4 004,0)
Paid reinsurance	(168,4)	(40,4)	659,2
Paid operating expenses including commissions	(42,0)	(232,7)	(581,5)
Interest / dividend income	60,6	57,6	268,9
Net payments from financial instruments	(623,2)	(672,3)	(278,3)
Payable tax	9,5	21,0	4,2
Net cash flow from operations	491,5	332,9	1 412,5
<u>Cash flow from investment activities</u>			
Investments in fixed assets	(10,7)	(14,0)	(47,8)
Net cash flow from investment activities	(10,7)	(14,0)	(47,8)
<u>Cash flow from financial activities</u>			
Interest payments on subordinated loan capital	(17,9)	(15,8)	(66,6)
Net cash flow from financial activities	(17,9)	(15,8)	(66,6)
Net cash flow for the period	462,8	303,1	1 298,1
Net change in cash and cash equivalents	462,8	303,1	1 298,1
Cash and cash equivalents opening balance	859,5	859,5	859,5
Effects of exchange rate changes on cash and cash equivalents	1 337,4	(7,3)	(2,5)
Cash and cash equivalents closing balance	2 659,7	1 155,3	2 155,1

Statement of changes in equity

NOKm	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
Equity at 31.12.2018	86,2	(4,4)	267,7	54,8	88,5	1 540,4	2 033,0
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	1 597,0	2 114,5
Profit for the period				(11,3)	0,2	(114,6)	(125,7)
Currency changes						(0,8)	(0,8)
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				5,2	0,2	(13,8)	(8,3)
Currency changes						(1,2)	(1,2)
Equity at 30.09.2019	86,2	(4,4)	267,7	73,0	89,5	1 466,6	1 978,5
Profit for the period				3,9	(0,3)	33,7	37,3
Currency changes						3,6	3,6
Equity at 31.12.2019	86,2	(4,4)	267,7	76,9	89,2	1 503,8	2 019,3
Profit for the period				3,9	(0,7)	(388,1)	(384,9)
Currency changes						(4,1)	(4,1)
Equity at 31.03.2020	86,2	(4,4)	267,7	80,8	88,5	1 111,7	1 630,4

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 2019. 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 2019 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 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	
Gross premiums written	820,4	804,0	788,9	785,7	813,4	761,3	192,4	175,4	212,8	187,0	
Gross premiums earned	366,9	375,6	397,4	345,8	233,9	207,6	227,2	153,4	67,9	64,5	
Gross claims incurred	(346,1)	(332,5)	(319,0)	(326,2)	(245,6)	(222,5)	(149,1)	(125,6)	(45,9)	(65,0)	
Earned premiums, net of reinsurance	327,9	314,5	348,6	261,8	204,1	173,9	181,0	83,6	60,8	56,9	
Other insurance related income	0,4	0,5	0,5	0,1	0,8	0,2	0,8	1,4	1,7	0,9	
Claims incurred, net of reinsurance	(314,9)	(299,0)	(274,6)	(243,4)	(230,0)	(195,5)	(144,9)	(89,6)	(41,9)	(57,0)	
Sales cost	(14,1)	(10,8)	(34,9)	(24,9)	(4,6)	(7,0)	(17,2)	(5,3)	(0,9)	(0,9)	
Administration cost	(13,7)	(12,4)	(13,0)	(10,7)	(8,8)	(6,4)	(11,1)	(5,7)	(1,7)	(2,8)	
Commission from reinsurer	12,2	1,5	8,5	18,6	(3,6)	5,9	3,8	1,1	2,0	0,9	
Other insurance related expenses	(1,2)	(1,2)	(0,4)	(2,4)	(1,5)	(0,4)	(0,6)	(0,4)	(0,7)	(0,7)	
Technical result	(3,4)	(6,8)	34,8	(0,9)	(43,6)	(29,4)	11,9	(14,9)	19,1	(2,7)	
Other income/costs	(16,3)	(14,0)	(0,0)	(0,0)	-	0,1	0,0	-	(0,0)	(0,2)	
Net financial income	(227,5)	68,2	(49,1)	8,1	(13,9)	1,8	1,6	2,7	(33,9)	0,4	
Profit before tax	(247,2)	47,4	(14,3)	7,1	(57,5)	(27,4)	13,6	(12,2)	(14,8)	(2,4)	
Claims ratio, net of ceded business	(1)	96,1 %	95,1 %	78,8 %	93,0 %	112,7 %	112,4 %	80,1 %	107,1 %	69,0 %	100,2 %
Expense ratio, net of ceded business	(2)	4,8 %	6,9 %	11,3 %	6,5 %	8,3 %	4,3 %	13,5 %	11,9 %	1,0 %	4,9 %
Combined ratio, net of ceded business	(3)	100,8 %	101,9 %	90,1 %	99,5 %	121,0 %	116,8 %	93,5 %	119,0 %	70,0 %	105,1 %
Gross claims ratio	(4)	94,3 %	88,5 %	80,3 %	94,3 %	105,0 %	107,2 %	65,7 %	81,9 %	67,6 %	100,7 %
Gross expense ratio	(5)	7,6 %	6,2 %	12,1 %	10,3 %	5,7 %	6,5 %	12,4 %	7,2 %	3,9 %	5,7 %
Gross combined ratio	(6)	101,9 %	94,7 %	92,3 %	104,6 %	110,8 %	113,7 %	78,1 %	89,1 %	71,5 %	106,4 %

(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.

Protector has entered into a 50% quota share agreement (reinsurance) for the entire COI portfolio. The quota share agreement includes the historical portfolio as well as new business written. Premium income in 2020 is due to some continued agreements with real estate brokers.

Income statement discontinued operations

NOKm	Q1 2020	Q1 2019	YTD 2019
Gross premiums earned	62,9	88,8	356,1
Reinsurers' share of earned premiums	(29,0)	(8,9)	(132,0)
Earned premiums, net of reinsurance	33,9	79,9	224,1
Gross claims incurred	(58,2)	(1,2)	(269,8)
Reinsurers' share of claims incurred	26,6	0,1	139,8
Claims incurred, net of reinsurance	(31,6)	(1,1)	(130,0)
Total operating expenses, net of reinsurance	0,2	3,9	3,5
Other insurance-related income/expenses	(2,1)	(0,0)	(6,6)
Technical result	0,3	82,6	90,9
Net income from financial assets	(129,3)	30,1	15,7
Other income/expenses	(1,9)	(3,3)	(11,3)
Non-technical result	(131,2)	26,8	4,5
Profit before tax	(130,9)	109,4	95,4
Tax	16,2	(26,6)	(23,8)
Profit for the period	(114,7)	82,8	71,5

Financial assets, fair value estimation

Financial assets through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	225,9	659,9	16,8	902,6
Bonds and other fixed income securities	NOK	0,0	8 601,4	0,0	8 601,4
Cash and cash equivalents	NOK	2 508,2	0,0	0,0	2 508,2
<i>Derivatives:</i>					
Foreign currency contracts	NOK		309,6		309,6
Options	NOK		40,1		40,1
Total assets 31.03.2020	NOK	2 734,0	9 610,9	16,8	12 361,8
Total assets 31.03.2019	NOK	1 143,5	9 601,8	36,8	10 782,1

Financial liabilities at fair value through profit or loss [NOKm]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK		(150,6)		(150,6)
Other financial liabilities	NOK	(59,3)			(59,3)
Total financial liabilities 31.03.2020	NOK	(59,3)	(150,6)		(209,9)
Total financial liabilities 31.03.2019	NOK	(181,0)	(9,4)		(190,4)

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

Volatility adjusted solvency margin

(NOKm)	31.03.2020	31.03.2019	31.12.2019
Total solvency capital requirement	1 818	1 758	1 726
Total eligible own funds to meet SCR	2 583	3 119	2 967
Ratio of eligible own funds to SCR	142 %	177 %	172 %
Total minimum capital requirement	818	791	777
Ratio of eligible own funds to MCR	225 %	303 %	291 %

* Use of volatility adjustment (VA) from and including Q1 2020; historical results recalculated to include VA

Solvency margin exclusive volatility adjustment

NOKm	31.03.2020	31.03.2019	31.12.2019
Total solvency capital requirement	1 840	1 756	1 733
Total eligible own funds to meet SCR	2 400	3 068	2 911
Ratio of eligible own funds to SCR	130 %	175 %	168 %
Total minimum capital requirement	818	790	780
Ratio of eligible own funds to MCR	199 %	297 %	282 %

* Solvency ratio development excluding volatility adjustment

Alternative performance measures and key figures

		Q1 2020	Q1 2019	1.1-31.12.2019
Gross premiums written¹				
Norway	NOKm	820,4	804,0	1 540,5
Sweden	NOKm	788,9	785,7	1 549,5
Denmark	NOKm	813,4	761,3	937,1
UK	NOKm	192,4	175,4	852,7
Finland	NOKm	212,8	187,0	220,7
Total premiums written	NOKm	2 828,0	2 713,4	5 100,5
Gross premiums earned				
Norway	NOKm	366,9	375,6	1 583,9
Sweden	NOKm	397,4	345,8	1 491,9
Denmark	NOKm	233,9	207,6	921,5
UK	NOKm	227,2	153,4	744,4
Finland	NOKm	67,9	64,5	254,0
Total gross premiums earned	NOKm	1 293,2	1 146,9	4 995,8
Earned premiums, net of reinsurance				
Norway	NOKm	327,9	314,5	1 367,1
Sweden	NOKm	348,6	261,8	1 264,8
Denmark	NOKm	204,1	173,9	786,0
UK	NOKm	181,0	83,6	504,9
Finland	NOKm	60,8	56,9	224,6
Total earned premiums, net of reinsurance	NOKm	1 122,3	890,6	4 147,5
Gross claims incurred				
Norway	NOKm	(346,1)	(332,5)	(1 591,5)
Sweden	NOKm	(319,0)	(326,2)	(1 343,3)
Denmark	NOKm	(245,6)	(222,5)	(885,1)
UK	NOKm	(149,1)	(125,6)	(543,9)
Finland	NOKm	(45,9)	(65,0)	(360,1)
Total gross claims incurred	NOKm	(1 105,8)	(1 071,7)	(4 723,9)
Claims incurred, net of reinsurance				
Norway	NOKm	(314,9)	(299,0)	(1 356,6)
Sweden	NOKm	(274,6)	(243,4)	(1 058,1)
Denmark	NOKm	(230,0)	(195,5)	(776,5)
UK	NOKm	(144,9)	(89,6)	(436,4)
Finland	NOKm	(41,9)	(57,0)	(321,5)
Total claims incurred, net of reinsurance	NOKm	(1 006,4)	(884,4)	(3 949,1)

		Q1 2020	Q1 2019	1.1-31.12.2019
Gross expenses				
Norway	NOKm	(27,8)	(23,2)	(83,4)
Sweden	NOKm	(47,9)	(35,6)	(170,5)
Denmark	NOKm	(13,4)	(13,4)	(59,2)
UK	NOKm	(28,2)	(11,0)	(86,7)
Finland	NOKm	(2,6)	(3,7)	(13,5)
Total gross expenses	NOKm	(120,0)	(86,9)	(413,4)
Net expenses				
Norway	NOKm	(15,6)	(21,7)	(82,9)
Sweden	NOKm	(39,4)	(17,0)	(139,2)
Denmark	NOKm	(17,0)	(7,6)	(46,3)
UK	NOKm	(24,4)	(9,9)	(64,1)
Finland	NOKm	(0,6)	(2,8)	(23,8)
Total net expenses	NOKm	(97,1)	(58,9)	(356,2)
Gross claims ratio				
Norway	%	94,3 %	88,5 %	100,5 %
Sweden	%	80,3 %	94,3 %	90,0 %
Denmark	%	105,0 %	107,2 %	96,0 %
UK	%	65,7 %	81,9 %	73,1 %
Finland	%	67,6 %	100,7 %	141,8 %
Total gross claims ratio	%	85,5 %	93,4 %	94,6 %
Claims ratio, net of ceded business ¹				
Norway	%	96,1 %	95,1 %	99,2 %
Sweden	%	78,8 %	93,0 %	83,7 %
Denmark	%	112,7 %	112,4 %	98,8 %
UK	%	80,1 %	107,1 %	86,4 %
Finland	%	69,0 %	100,2 %	143,1 %
Total claims ratio, net of ceded business	%	89,7 %	99,3 %	95,2 %
Gross expense ratio				
Norway	%	7,6 %	6,2 %	5,3 %
Sweden	%	12,1 %	10,3 %	11,4 %
Denmark	%	5,7 %	6,5 %	6,4 %
UK	%	12,4 %	7,2 %	11,7 %
Finland	%	3,9 %	5,7 %	5,3 %
Total gross expense ratio	%	9,3 %	7,6 %	8,3 %
Expense ratio, net of ceded business ¹				
Norway	%	4,8 %	6,9 %	6,1 %
Sweden	%	11,3 %	6,5 %	11,0 %
Denmark	%	8,3 %	4,3 %	5,9 %
UK	%	13,5 %	11,9 %	12,7 %
Finland	%	1,0 %	4,9 %	10,6 %
Total expense ratio, net of ceded business	%	8,6 %	6,6 %	8,6 %
Gross combined ratio				
Norway	%	101,9 %	94,7 %	105,7 %
Sweden	%	92,3 %	104,6 %	101,5 %
Denmark	%	110,8 %	113,7 %	102,5 %
UK	%	78,1 %	89,1 %	84,7 %
Finland	%	71,5 %	106,4 %	147,1 %
Total gross combined ratio	%	94,8 %	101,0 %	102,8 %
Combined ratio, net of ceded business ¹				
Norway	%	100,8 %	101,9 %	105,3 %
Sweden	%	90,1 %	99,5 %	94,7 %
Denmark	%	121,0 %	116,8 %	104,7 %
UK	%	93,5 %	119,0 %	99,1 %
Finland	%	70,0 %	105,1 %	153,7 %
Total combined ratio, net of ceded business	%	98,3 %	105,9 %	103,8 %
Retention rate ¹				
Norway	%	89,4 %	83,7 %	86,3 %
Sweden	%	87,7 %	75,7 %	84,8 %
Denmark	%	87,3 %	83,8 %	85,3 %
UK	%	79,7 %	54,5 %	67,8 %
Finland	%	89,5 %	88,1 %	88,4 %
Total retention rate	%	86,8 %	77,7 %	83,0 %
Run-off gains/(losses)				
Net run-off-gains/losses	NOKm	3,5	61,4	-49,8
Net run-off-gains/losses	%	0,3 %	6,9 %	-1,2 %

		Q1 2020	Q1 2019	1.1-31.12.2019
Return on investments ¹				
Total net income from investments, continued business	NOKm	(322,8)	81,2	141,4
Total net income from investments, discontinued business	NOKm	(129,3)	30,1	15,7
Total net income from investments	NOKm	(452,1)	111,3	157,1
Average investments, continued business	NOKm	9 869,4	8 639,9	8 455,1
Average investments, discontinued business	NOKm	1 865,8	1 951,8	2 369,9
Total average investments	NOKm	11 735,2	10 591,7	10 825,0
Return on investments, continued business	%	-3,3 %	0,9 %	1,7 %
Return investments, discontinued business	%	-6,9 %	1,5 %	0,7 %
Total return on investments	%	-3,9 %	1,1 %	1,5 %
Total net income from shares	NOKm	(330,9)	52,3	(44,5)
Total net income from interests	NOKm	(121,1)	59,0	201,7
Total net income from investments	NOKm	(452,1)	111,3	157,1
Average investments shares	NOKm	1 148	1 234	1 146,8
Average investments interests	NOKm	10 587	9 358	9 678,1
Total average investments	NOKm	11 735,2	10 591,7	10 825,0
Return on investments, shares	%	-28,8 %	4,2 %	-3,9 %
Return investments, interests	%	-1,1 %	0,6 %	2,1 %
Total return on investments	%	-3,9 %	1,1 %	1,5 %
Return on equity, annualised ¹				
Profit before comprehensive income	NOKm	(395,3)	92,3	(4,5)
Average shareholders equity	NOKm	1872,4	2073,8	2026,2
Return on equity, annualised	%	-84,4 %	17,8 %	-0,2 %
Equity	NOKm	1 630,4	2 114,5	2 019,3
Equity per share	NOK	19,9	25,9	24,7
Earnings per share in the period, basic and diluted ²	NOK	-4,83	1,13	-0,06
Issued shares (excl. own shares), at the end of the period	No.	81 775 167	81 754 459	81 761 926

¹ Defined as alternative performance measure (APM). APMs are described on www.protectorforsikring.no in document named APMs Protector Forsikring Q1 2020

² Earnings per share from continuing and discontinued operations, basic and diluted = the shareholders' share of the profit (or loss from continuing and discontinued operations in the period/average number of outstanding shares in the period

Quarterly outline

[NOKm]	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Gross premiums written	2 828,0	548,8	732,5	1 105,9	2 713,4	475,1	624,3	838,3	2 348,4
Gross premiums earned	1 293,2	1 315,6	1 291,4	1 241,9	1 146,9	1 123,2	1 042,4	1 015,7	958,3
Gross claims incurred	(1 105,8)	(1 363,2)	(1 139,0)	(1 150,0)	(1 071,7)	(1 161,7)	(937,1)	(889,3)	(871,2)
Earned premiums, net of reinsurance	1 122,3	1 132,9	1 112,1	1 011,9	890,6	759,0	689,7	699,8	669,4
Other insurance related income	4,2	2,0	2,2	3,2	3,1	12,0	9,5	2,9	1,2
Claims incurred, net of reinsurance	(1 006,4)	(1 129,7)	(935,2)	(999,8)	(884,4)	(739,3)	(613,2)	(670,5)	(635,3)
Sales cost	(71,7)	(65,3)	(53,7)	(65,6)	(48,9)	(49,4)	(55,4)	(49,3)	(51,6)
Administration cost	(48,3)	(61,0)	(38,0)	(42,9)	(38,0)	(46,1)	(28,9)	(35,0)	(33,2)
Commission from reinsurer	23,0	(2,3)	8,4	23,1	28,0	31,1	37,7	61,0	99,4
Other insurance related expenses	(4,3)	2,9	(11,5)	(1,9)	(5,2)	(2,1)	(10,8)	(6,0)	(1,3)
Technical result	18,8	(120,6)	84,2	(72,0)	(54,7)	(34,8)	28,6	2,8	48,5
Other income/costs	(16,3)	(8,3)	(14,7)	(13,2)	(14,0)	(12,3)	(12,5)	(12,6)	(12,0)
Net financial income	(322,8)	107,3	(15,3)	(31,7)	81,2	(141,9)	35,5	78,7	8,0
Profit before tax	(320,3)	(21,5)	54,2	(116,9)	12,5	(189,1)	51,7	68,9	44,6
Claims ratio, net of ceded business	(1)	89,7 %	99,7 %	84,1 %	98,8 %	99,3 %	97,4 %	88,9 %	94,9 %
Expense ratio, net of ceded business	(2)	8,6 %	11,4 %	7,5 %	8,4 %	6,6 %	8,5 %	6,7 %	3,3 %
Combined ratio, net of ceded business	(3)	98,3 %	111,1 %	91,6 %	107,2 %	105,9 %	105,9 %	95,7 %	99,2 %
Gross claims ratio	(4)	85,5 %	103,6 %	88,2 %	92,6 %	93,4 %	103,4 %	89,9 %	87,5 %
Gross expense ratio	(5)	9,3 %	9,6 %	7,1 %	8,7 %	7,6 %	8,5 %	8,1 %	8,3 %
Gross combined ratio	(6)	94,8 %	113,2 %	95,3 %	101,3 %	101,0 %	111,9 %	98,0 %	99,8 %

(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