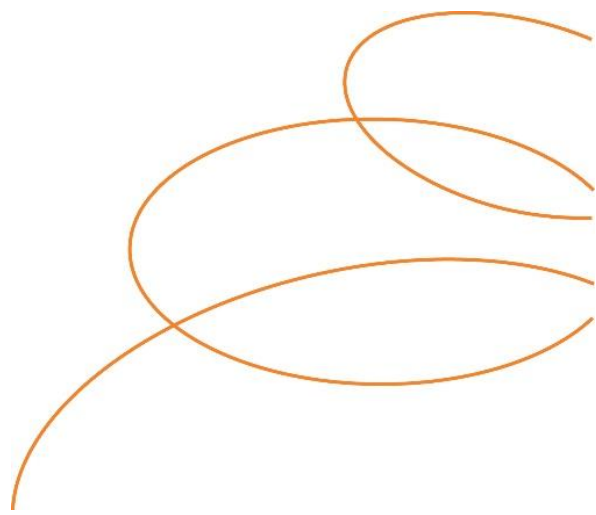




**INTERIM REPORT Q3 2018**  
PROTECTOR FORSIKRING ASA

(UNAUDITED)  
OCTOBER 2018



## Highlights Q3 2018

### 17.0% growth; combined ratio 117,6% – significant reserve loss in Change of Ownership

The operating profit in the third quarter of 2018 totalled to MNOK -112.8, which includes a significant reserve loss, as well as a strengthening of the provisions for claims for the first and second quarter in 2018, related to the Change of Ownership insurance.

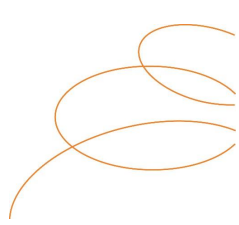
The loss is mainly related to the bug *Ctenolepisma longicaudata* (known as gray silverfish) and totals to MNOK 146. The background for the reserve is the increasing presence of the bug in Norwegian homes. Please see the investor presentation for more details on this matter.

The company has chosen to record reserve loss in accordance with the precautionary principle.

The premium growth continues with gross written premiums up 17.0 % compared to Q3-17. The growth for the quarter in local currencies totalled to 18.0%.

Q3-18 shows following development compared to Q3-17:

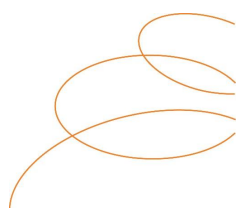
- Gross premiums written MNOK 754.6 up 17.0 % from MNOK 645.1
- Net combined ratio 117.6 %, up from 93.3 %
- Net financial income of MNOK 46.4 (0.5 %), down from MNOK 114.9 (1.2 %)
- Operating profit MNOK -112.8, down from MNOK 149.1
- Gross expense ratio unchanged at 7.3 % (7.3 %)



## Financial highlights and key ratios

[1.000.000 NOK]	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	
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)	
<b>Technical result</b>	<b>(143,6)</b>	<b>50,6</b>	<b>(105,5)</b>	<b>210,0</b>	<b>198,6</b>	
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	
<b>Profit before tax</b>	<b>(112,8)</b>	<b>149,1</b>	<b>9,2</b>	<b>426,0</b>	<b>562,2</b>	
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 %
<b>Combined ratio, net of ceded business</b>	(3)	<b>117,6 %</b>	<b>93,3 %</b>	<b>104,1 %</b>	<b>90,4 %</b>	<b>93,1 %</b>
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 %
<b>Gross combined ratio</b>	(6)	<b>114,5 %</b>	<b>115,5 %</b>	<b>104,0 %</b>	<b>119,6 %</b>	<b>113,9 %</b>
Retention rate	(7)	68,8 %	73,3 %	70,9 %	79,0 %	76,9 %
Earnings per share	(8)	(0,84)	1,46	0,07	3,97	5,53

- (1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance  
(2) Operating expenses in % of earned premiums, net of reinsurance  
(3) Net claims ratio + net expense ratio  
(4) Gross claims incurred in % of gross premiums earned  
(5) Sales and administration costs in % of gross premiums earned  
(6) Gross claims ratio + gross expense ratio  
(7) Earned premiums, net of reinsurance in % of gross earned premiums  
(8) Profit before other comprehensive income divided by weighted number of shares



## Protector's operations

Protector Forsikring ASA is a Norwegian general insurance company (P&C) operating in the Nordic region and in the UK.

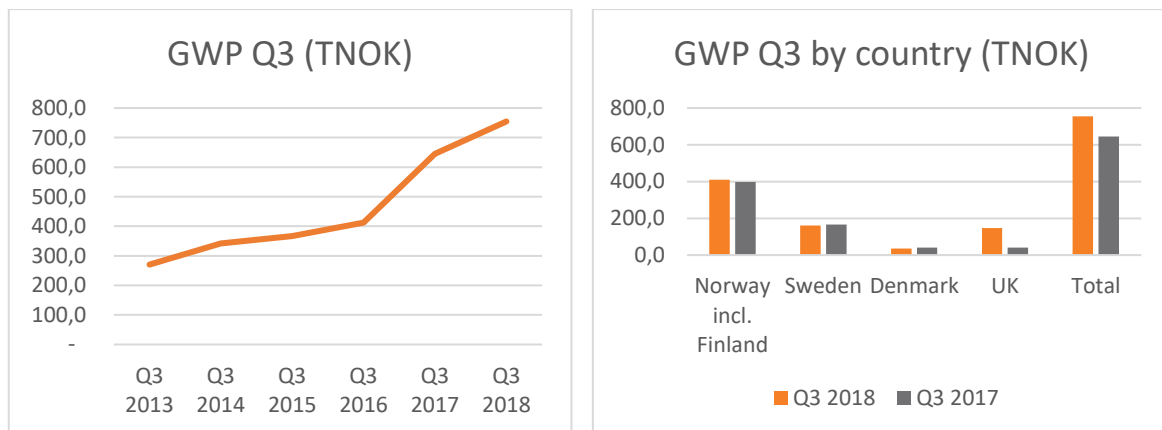
Protector entered the Swedish insurance market in 2011, the Danish insurance market in 2012 and Finland and UK in 2016.

The company has three business segments: commercial lines of business, public lines of business and Change of Ownership insurance in Norway. Protector Forsikring ASA is listed on the Oslo Stock Exchange.

## Premiums

### Quarter

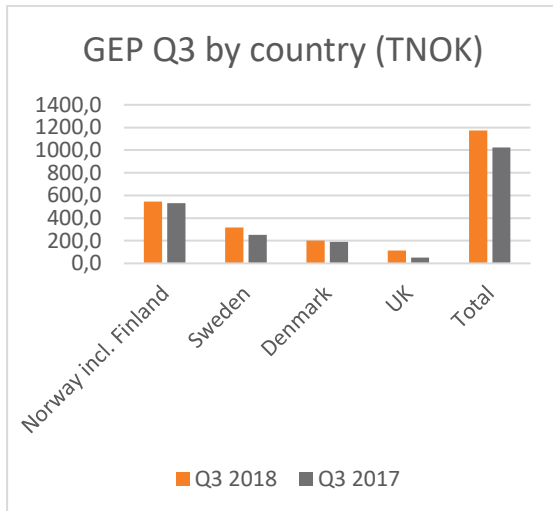
The premium growth continues:



The gross premiums written (GWP) totalled to MNOK 754.6, representing a 17.0 % growth (18.0 % in LCY) up from MNOK 645.1 in Q3-17.

The growth by country was:

Gross premiums written	Q3 2018	Q3 2017	Growth in quarter	
Norway incl. COI and Finland	410,8	397,1	13,6	3,4 %
Sweden	161,4	165,7	-4,3	-2,6 %
Denmark	36,1	41,0	-5,0	-12,1 %
UK	146,3	41,2	105,1	255,2 %
<b>Total</b>	<b>754,6</b>	<b>645,1</b>	<b>109,5</b>	<b>17,0 %</b>
Whereof Change of Ownership (COI)	130,3	158,9	-28,6	-18,0 %



Gross premiums earned (GEP) increased by 14.7 % from MNOK 1,022.2 to a total of MNOK 1,172.7 compared to Q3-17.

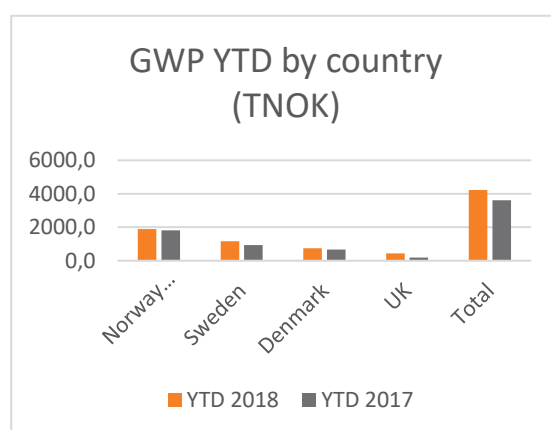
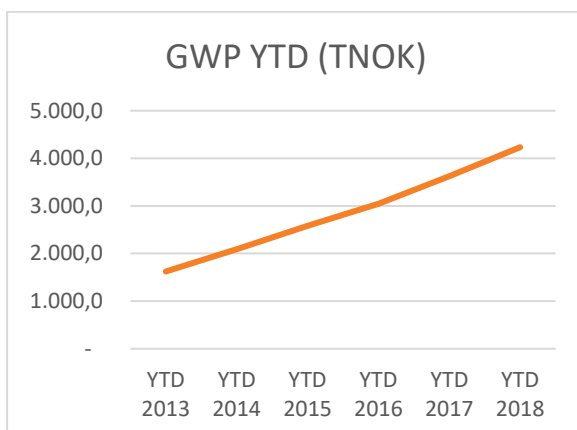
The growth in gross premiums earned by country was:

Gross premiums earned	Q3 2018	Q3 2017	Growth in quarter	
Norway incl. COI and Finland	544,9	531,5	13,4	2,5 %
Sweden	315,4	251,0	64,4	25,7 %
Denmark	200,3	188,5	11,8	6,3 %
UK	111,9	51,2	60,8	118,7 %
<b>Total</b>	<b>1172,7</b>	<b>1022,2</b>	<b>150,4</b>	<b>14,7 %</b>

The premiums earned for own account (NEP) totalled to MNOK 806.9, an increase of 7.7 % compared to Q3 2017.

Net premiums earned	Q3 2018	Q3 2017	Growth in quarter	
Norway incl. COI and Finland	435,1	428,6	6,5	1,5 %
Sweden	203,4	171,2	32,3	18,8 %
Denmark	131,2	123,0	8,2	6,7 %
UK	37,2	26,8	10,4	38,7 %
<b>Total</b>	<b>806,9</b>	<b>749,6</b>	<b>57,3</b>	<b>7,7 %</b>

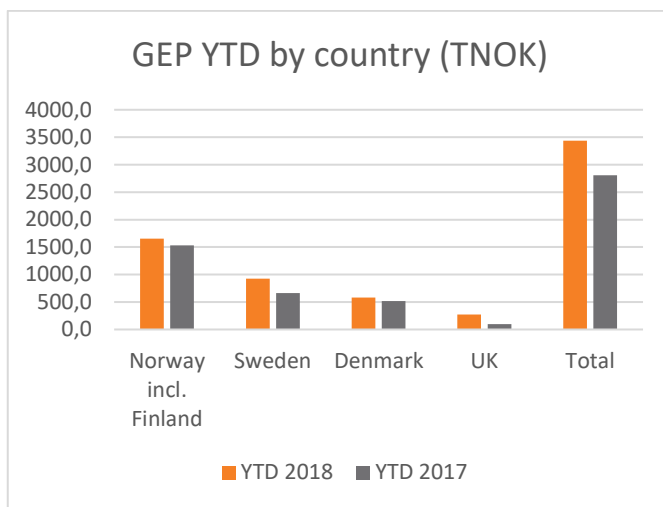
### Year to date



The gross premiums written (GWP) year to date totalled to MNOK 4,233.1, representing a 16.8 % growth (16,1 % in LCY) up from MNOK 3,623.0 in YTD-17.

The growth by country was:

Gross premiums written	YTD 2018	YTD 2017	Growth YTD	
Norway incl. COI and Finland	1897,5	1817,3	80,2	4,4 %
Sweden	1158,4	939,3	219,2	23,3 %
Denmark	740,5	668,0	72,4	10,8 %
UK	436,7	198,3	238,3	120,2 %
<b>Total</b>	<b>4233,1</b>	<b>3623,0</b>	<b>610,1</b>	<b>16,8 %</b>
Whereof Change of Ownership	426,0	434,8	-8,8	-2,0 %



Gross premiums earned (GEP) increased by 22.4 % from MNOK 2,808.1 to a total of MNOK 3,438.5 compared to YTD-17.

The growth in gross premiums earned by country was:

Gross premiums earned	YTD 2018	YTD 2017	Growth YTD	
Norway incl. COI and Finland	1655,0	1529,7	125,4	8,2 %
Sweden	925,7	661,5	264,1	39,9 %
Denmark	583,5	518,3	65,2	12,6 %
UK	274,3	98,5	175,7	178,4 %
<b>Total</b>	<b>3438,5</b>	<b>2808,1</b>	<b>630,4</b>	<b>22,4 %</b>

The premiums earned for own account (NEP) totalled to MNOK 2.438.7, an increase of 10.0 % compared to YTD 2017.

Net premiums earned	YTD 2018	YTD 2017	Growth YTD	
Norway incl. COI and Finland	1322,9	1320,2	2,7	0,2 %
Sweden	617,2	487,4	129,8	26,6 %
Denmark	385,2	357,3	27,9	7,8 %
UK	113,3	52,6	60,7	115,3 %
<b>Total</b>	<b>2438,7</b>	<b>2217,6</b>	<b>221,1</b>	<b>10,0 %</b>

## Results

### Quarter

The operating profit before tax totalled MNOK -112.8, down from 149.1m in Q3-17. The Q3 result is driven by a significant reserve loss, as well as a strengthening of the provisions for claims for the first and second quarter in 2018, related to the Change of Ownership insurance. The reserve loss is offset by reserve gains in Commercial Norway, Sweden and Denmark amounting to appr. MNOK 60, mainly related to motor for own account.

The net profit for the quarter totalled to MNOK -65.1 compared to MNOK 112.6 in Q3-17.

The net combined ratio was 117.6 %, 24.3 percentage points higher than the 93.3 % reported in Q3-17.

The net combined ratio by country was:

Net combined ratio	Q3 2018	Q3 2017
Norway incl. COI and Finland	128,5 %	94,7 %
Sweden	95,6 %	88,8 %
Denmark	95,6 %	97,9 %
UK	188,6 %	79,3 %
<b>Total</b>	<b>117,6 %</b>	<b>93,3 %</b>

The net combined ratio by segment was:

Net combined ratio	Q3 2018	Q3 2017
Change of Ownership	246,9 %	121,5 %
Commercial Norway incl. Finland	84,8 %	81,2 %
Commercial all countries	95,7 %	86,7 %
<b>Total Protector Forsikring ASA</b>	<b>117,6 %</b>	<b>93,3 %</b>

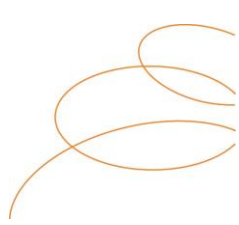
The net claims ratio was 111.7 %, up from 86.2 % in Q3-17, while the net expense ratio was 5.9 %, down from 7.1 %.

In Q3 the company had run-off losses of 9.7 % primarily driven by Change of Ownership.

The gross combined ratio was 114.5 %, down from 115.5 % in Q3-17 which was mainly driven by the Grenfell Tower fire in London. The gross claims ratio was 107.2 % down from 108.3 %, the gross claims ratio by country was:

Gross claims ratio	Q3 2018	Q3 2017
Norway incl. COI and Finland	132,6 %	89,2 %
Sweden	90,4 %	72,8 %
Denmark	81,6 %	85,9 %
UK	77,0 %	562,1 %
<b>Total</b>	<b>107,2 %</b>	<b>108,3 %</b>

The poor claims ratio in Norway is driven by Change of Ownership.



The gross expense ratio was 7.3 % unchanged from Q3-17. The gross expense ratio by country was:

Gross expense ratio	Q3 2018	Q3 2017
Norway incl. COI and Finland	3,0 %	3,9 %
Sweden	11,7 %	13,0 %
Denmark	5,1 %	4,9 %
UK	19,7 %	23,4 %
<b>Total</b>	<b>7,3 %</b>	<b>7,3 %</b>

### Year to date

The operating profit before tax totalled MNOK 9.2, down from 426.0m in YTD-17. The YTD-18 result is driven by a weak technical result in the period.

The net profit year to date totalled to MNOK -13.7 compared to MNOK 358.6 in YTD-17.

The net combined ratio was 104.1 %, 13.7 percentage points higher than the 90.4 % reported in YTD-17.

The net combined ratio by country was:

Net combined ratio	YTD 2018	YTD 2017
Norway incl. COI and Finland	113,9 %	86,8 %
Sweden	84,4 %	86,0 %
Denmark	96,4 %	101,7 %
UK	123,8 %	146,1 %
<b>Total</b>	<b>104,1 %</b>	<b>90,4 %</b>

The net combined ratio by segment was:

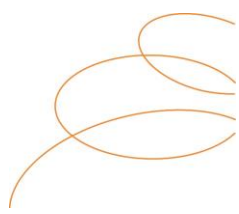
Net combined ratio	YTD 2018	YTD 2017
Change of Ownership	148,9 %	91,0 %
Commercial Norway incl. Finland	99,8 %	85,0 %
Commercial all countries	95,9 %	90,3 %
<b>Total Protector Forsikring ASA</b>	<b>104,1 %</b>	<b>90,4 %</b>

The net claims ratio was 101.4 %, up from 89.3 % in YTD-17, while the net expense ratio was 2.8 %, up from 1.1 %.

YTD the company had run-off losses of 5.1 % primarily driven by Change of Ownership.

The gross combined ratio was 104.1 %, up from 90.4 % in YTD-17. The gross claims ratio was 96.3 % down from 112.3 %, the gross claims ratio by country was:

Gross claims ratio	YTD 2018	YTD 2017
Norway incl. COI and Finland	112,6 %	82,5 %
Sweden	77,3 %	81,3 %
Denmark	94,3 %	93,3 %
UK	66,9 %	883,4 %
<b>Total</b>	<b>96,3 %</b>	<b>112,3 %</b>





The gross expense ratio was 7.6 % up from 7.3 % YTD-17. The gross expense ratio by country was:

Gross expense ratio	YTD 2018	YTD 2017
Norway incl. COI and Finland	4,6 %	3,4 %
Sweden	11,0 %	13,7 %
Denmark	5,9 %	6,3 %
UK	18,4 %	31,4 %
<b>Total</b>	<b>7,6 %</b>	<b>7,3 %</b>

### Profitability

Profitability measures have been implemented the year including non-renewal of a large distribution deal (MNOK 120) and a smaller (MNOK 15) with combined ratios above 100% within Change of Ownership in Norway. Additional measures will be taken in the light of the gray silverfish estimates.

Workman's compensation in Denmark has been/will be priced up or out. Price increases in several product lines in Norway have been and are being implemented. Most profitability measures will have limited effect in 2018, but full effect from 01.01.2019.

### Investment return

The net investment portfolio amounted to a total of MNOK 10,195 at September 30th, 2018, up 9.6% compared to the portfolio end of Q3-17.

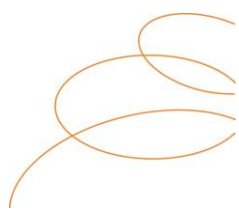
Investment activities yielded a total return of MNOK 46.4 or 0.5 % compared to a return of MNOK 114.9 or 1.2 % in Q3-17. Equities accounted for a MNOK 9.5 gain (0.7%) against a MNOK 52.1 gain (3.3 %) in Q3-17. Return on the fixed income portfolio totalled to MNOK 36.9 (0.4 %) against MNOK 62.8 (0.9 %) in Q3-17.

In YTD, the investment result was NOK 161.2 (1.6%) against NOK 257.5 (3,0%) in YTD 2017. Equities accounted for a NOK 42.3 gain (2,6%) against NOK 67.6 gain (4,3%) in YTD 2017. Return on the fixed income portfolio totalled NOK 118.9 or 1.4% against NOK 189.9 (2.7%) in YTD 2017.

At the end of Q3-18, 11.1 % of Protector's financial assets were invested in equities, against 17.6 % at the yearend of 2017.

### Capital and shareholder matters

The company is well capitalized under the Solvency II regime. Solvency capital requirement (SCR) ratio using standard formula is 183 % as of September 30<sup>th</sup>, 2018. The company's goal is to maintain a solvency coverage ratio (calculated according to the Solvency II regulations) above 150%.



## Prospects

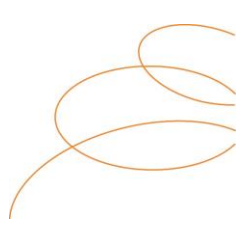
Due to the reported reserve losses within Change of Ownership Insurance, the company has implemented significant changes in the terms and conditions for new business written as from November this year. The changes will reduce risk going forward and aim at restoring profitability in the segment in the course of 2019.

Price increases within commercial segment are well under way, and an acceptable technical profitability is expected for this sector in 2019.

The profitability measures taken will have limited effect for 2018.

Oslo, 25th October 2018

*The Board of Directors of Protector Forsikring ASA*

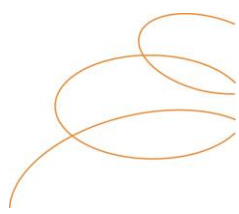


## Income statement

	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
<b>Premium income</b>					
Gross premiums earned	1.172,7	1.022,2	3.438,5	2.808,1	3.805,5
Reinsurers' share of earned premiums	(365,7)	(272,6)	(999,8)	(590,5)	(879,7)
<b>Earned premiums, net of reinsurance</b>	<b>806,9</b>	<b>749,6</b>	<b>2.438,7</b>	<b>2.217,6</b>	<b>2.925,9</b>
<b>Other insurance-related income</b>	<b>9,5</b>	<b>2,3</b>	<b>13,6</b>	<b>4,3</b>	<b>5,1</b>
<b>Claims incurred</b>					
Gross claims incurred	(1.257,2)	(1.106,6)	(3.312,5)	(3.152,9)	(4.054,2)
Reinsurers' share of claims incurred	355,9	460,6	840,0	1.172,9	1.406,7
<b>Claims incurred, net of reinsurance</b>	<b>(901,4)</b>	<b>(646,0)</b>	<b>(2.472,5)</b>	<b>(1.980,0)</b>	<b>(2.647,5)</b>
<b>Operating expenses</b>					
Sales costs	(56,6)	(18,8)	(160,6)	(59,0)	(158,1)
Administration costs	(28,9)	(55,7)	(102,0)	(146,9)	(122,5)
Commission from reinsurers	37,7	21,1	195,5	181,0	204,1
<b>Total operating expenses, net of reinsurance</b>	<b>(47,8)</b>	<b>(53,4)</b>	<b>(67,1)</b>	<b>(24,8)</b>	<b>(76,5)</b>
Other insurance-related expenses	(10,8)	(1,9)	(18,1)	(7,1)	(8,4)
<b>Technical result</b>	<b>(143,6)</b>	<b>50,6</b>	<b>(105,5)</b>	<b>210,0</b>	<b>198,6</b>
Net income from financial assets	46,4	114,9	161,2	257,5	419,5
Other income/expenses	(15,6)	(16,3)	(46,5)	(41,5)	(55,9)
<b>Non-technical result</b>	<b>30,8</b>	<b>98,6</b>	<b>114,7</b>	<b>216,0</b>	<b>363,6</b>
<b>Profit before tax</b>	<b>(112,8)</b>	<b>149,1</b>	<b>9,2</b>	<b>426,0</b>	<b>562,2</b>
Tax	44,2	(23,1)	(3,5)	(83,6)	(85,5)
<b>Profit before components of comprehensive income</b>	<b>(68,6)</b>	<b>126,0</b>	<b>5,7</b>	<b>342,4</b>	<b>476,7</b>
Actuarial gain and loss from defined benefit pension plans	-	-	-	-	(8,4)
Currency changes from foreign enterprise	4,5	(17,9)	(25,9)	21,6	61,5
Taxes on components of comprehensive income	(1,1)	4,5	6,5	(5,4)	(13,3)
<b>Profit for the period</b>	<b>(65,1)</b>	<b>112,6</b>	<b>(13,7)</b>	<b>358,6</b>	<b>516,5</b>
Earnings per share	-0,84	1,46	0,07	3,97	5,53
Earnings per share, diluted	-0,84	1,46	0,07	3,97	5,53

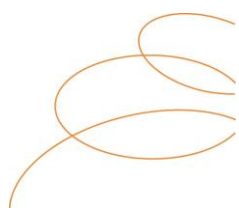
## Statement of financial position

[1.000.000 NOK]	30.09.2018	30.09.2017	31.12.2017
<b>Assets</b>			
<b>Intangible fixed assets</b>			
Other intangible fixed assets	25,7	19,2	20,9
<b>Total intangible fixed assets</b>	<b>25,7</b>	<b>19,2</b>	<b>20,9</b>
<b>Buildings and other real estates</b>			
Owner-occupied property	13,6	13,6	13,5
<b>Total buildings and other real estates</b>	<b>13,6</b>	<b>13,6</b>	<b>13,5</b>
<b>Financial assets</b>			
Shares	1.128,4	1.599,4	1.649,3
Securities, bonds etc	8.853,0	7.592,1	7.519,9
Financial derivatives	11,6	6,0	2,5
Bank deposits	246,3	106,8	210,2
<b>Total financial assets</b>	<b>10.239,2</b>	<b>9.304,4</b>	<b>9.381,9</b>
<b>Reinsurers share of gross technical provisions</b>			
Reinsurers share of gross premium provisions	518,4	368,8	228,6
Reinsurers share of gross claims provisions	1.840,8	1.852,6	1.829,4
<b>Total reinsurers share of gross technical provisions</b>	<b>2.359,2</b>	<b>2.221,4</b>	<b>2.058,0</b>
<b>Receivables</b>			
Policyholders	224,7	143,0	207,6
Intermediaries	108,4	123,3	81,6
Other receivables	24,3	19,4	10,3
<b>Total receivables</b>	<b>357,4</b>	<b>285,7</b>	<b>299,5</b>
<b>Other assets</b>			
Tangible fixed assets	25,9	16,0	15,7
Cash and bank deposits	112,6	268,1	327,5
<b>Total other assets</b>	<b>138,5</b>	<b>284,1</b>	<b>343,2</b>
<b>Total prepaid expenses</b>	<b>151,7</b>	<b>234,7</b>	<b>155,2</b>
<b>Total assets</b>	<b>13.285,4</b>	<b>12.362,9</b>	<b>12.272,1</b>



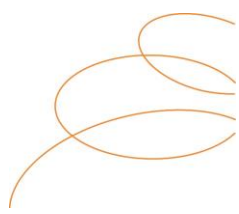
## Statement of financial position

[1.000.000 NOK]	30.09.2018	30.09.2017	31.12.2017
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital [86.155.605 shares]	86,2	86,2	86,2
Own shares	(4,4)	(0,1)	(0,0)
Other paid-in equity	267,7	267,7	267,7
<b>Total paid-in equity</b>	<b>349,4</b>	<b>353,7</b>	<b>353,8</b>
<b>Earned equity</b>			
Natural perils fund	55,0	29,2	22,7
Guarantee scheme	58,9	85,7	85,9
Other equity	1.841,7	1.964,7	2.128,8
<b>Total earned equity</b>	<b>1.955,6</b>	<b>2.079,6</b>	<b>2.237,4</b>
<b>Total equity</b>	<b>2.305,0</b>	<b>2.433,3</b>	<b>2.591,3</b>
<b>Subordinated loan capital</b>	<b>1.243,3</b>	<b>1.243,3</b>	<b>1.243,3</b>
<b>Technical provisions</b>			
Provisions for unearned premiums	1.720,8	1.413,3	964,7
Provisions for claims	6.723,4	5.951,6	6.084,7
<b>Total technical provisions</b>	<b>8.444,1</b>	<b>7.364,9</b>	<b>7.049,4</b>
<b>Provisions for other risks and liabilities</b>			
Pension liabilities	12,1	10,9	12,1
Current tax liability	(8,2)	16,4	42,7
Deferred tax liability	153,9	151,9	151,0
<b>Total provisions for other risks and liabilities</b>	<b>157,8</b>	<b>179,2</b>	<b>205,8</b>
<b>Liabilities</b>			
Liabilities in connection with insurance	95,8	61,4	59,2
Liabilities in connection with reinsurance	717,2	884,5	671,6
Financial derivatives	19,7	6,1	9,2
Other liabilities	161,8	46,6	57,4
<b>Total liabilities</b>	<b>994,4</b>	<b>998,6</b>	<b>797,5</b>
<b>Incurred expenses and prepaid income</b>			
Other incurred expenses and prepaid income	140,8	143,6	384,9
<b>Total incurred expenses and prepaid income</b>	<b>140,8</b>	<b>143,6</b>	<b>384,9</b>
<b>Total equity and liabilities</b>	<b>13.285,4</b>	<b>12.362,9</b>	<b>12.272,1</b>



## Cash flow statement

[1.000.000 NOK]	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY2017
<b>Cash flow from operations</b>					
Premiums paid	1.000,7	793,7	3.976,3	3.264,2	3.962,8
Claims paid	(929,0)	(547,5)	(2.500,5)	(1.757,1)	(2.574,0)
Paid reinsurance	(93,3)	34,5	(191,8)	(71,7)	(13,7)
Paid operating expenses including commissions	(131,3)	(208,5)	(310,0)	(244,5)	(227,7)
Interest / dividend income	64,4	64,1	183,6	176,1	273,1
Net payments from financial instruments	43,7	(318,4)	(934,4)	(2.223,1)	(2.055,6)
Payable tax	21,8	48,3	(47,1)	22,8	(33,2)
<b>Net cash flow from operations</b>	(23,1)	(133,8)	176,1	(833,4)	(668,4)
<b>Cash flow from investment activities</b>					
Net investments in equities	-	3,6	-	-	-
Investments in fixed assets	(5,5)	(5,9)	(31,0)	(19,5)	(25,1)
<b>Net cash flow from investment activities</b>	(5,5)	(2,3)	(31,0)	(19,5)	(25,1)
<b>Cash flow from financial activities</b>					
Dividend paid	-	-	-	(193,8)	(193,8)
Net payment on subordinated loan capital	-	1,9	-	597,4	597,4
Interest payments on subordinated loan capital	(15,3)	(14,9)	(45,6)	(41,7)	(56,3)
Repayment of equity	(259,0)	(3,6)	(259,0)	(3,6)	-
<b>Net cash flow from financial activities</b>	(274,4)	(16,6)	(304,6)	358,3	347,2
<b>Net cash flow for the period</b>	(303,0)	(152,7)	(159,5)	(494,6)	(346,3)
Net change in cash and cash equivalents	(303,0)	(152,7)	(159,5)	(494,6)	(346,3)
Cash and cash equivalents opening balance	661,6	516,6	537,7	856,1	856,1
Effects of exchange rate changes on cash and cash equivalents	0,2	11,1	(19,3)	13,4	27,9
<b>Cash and cash equivalents closing balance</b>	358,9	374,9	358,9	374,9	537,7

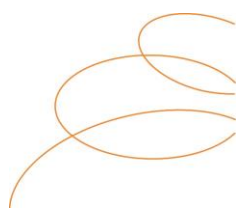


## Statement of changes in equity

	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
Equity at 31.12.2016	86,2	-	267,7	8,3	83,3	1.822,7	2.268,2
Profit for the period	-		-	8,5	1,4	71,1	81,0
Own shares		(3,6)					(3,6)
Equity at 31.03.2017	86,2	(3,6)	267,7	16,9	84,7	1.893,8	2.345,6
Profit for the period	-	0,0	-	6,9	6,1	152,0	165,0
Dividend pay out						(193,8)	(193,8)
Equity at 30.06.2017	86,2	(3,6)	267,7	23,8	90,8	1.852,4	2.317,2
Profit for the period	-		-	5,4	(5,1)	114,1	114,4
Own shares		3,5					3,5
Equity at 30.09.2017	86,2	(0,1)	267,7	29,2	85,7	1.966,5	2.435,2
Profit for the period	-		-	(6,5)	0,2	162,4	156,1
Own shares		0,1				(0,1)	(0,0)
Equity at 31.12.2017	86,2	(0,0)	267,7	22,7	85,9	2.128,8	2.591,3
Profit for the period	-		-	15,7	(28,5)	10,3	(2,4)
Currency changes						(15,5)	(15,5)
Own shares		(0,0)					(0,0)
Equity at 31.03.2018	86,2	(0,0)	267,7	38,4	57,4	2.123,7	2.573,3
Profit for the period	-		-	8,2	0,8	45,1	54,1
Currency changes						(5,4)	(5,4)
Own shares		-				0,1	0,1
Equity at 30.06.2018	86,2	(0,0)	267,7	46,6	58,3	2.163,5	2.622,2
Profit for the period	-		-	8,4	0,6	(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

## Accounting principles

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



## Segment information

### Quarter

	Norway incl. COI & Finland		Sweden		Denmark		UK	
[1.000.000 NOK]	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017
<b>Gross premiums written</b>	<b>410,8</b>	<b>397,1</b>	<b>161,4</b>	<b>165,7</b>	<b>36,1</b>	<b>41,0</b>	<b>146,3</b>	<b>41,2</b>
Gross premiums earned	544,9	531,5	315,4	251,0	200,3	188,5	111,9	51,2
Gross claims incurred	(722,5)	(474,2)	(285,2)	(182,8)	(163,4)	(162,0)	(86,1)	(287,6)
Earned premiums, net of reinsurance	435,1	428,6	203,4	171,2	131,2	123,0	37,2	26,8
Other insurance related income	8,6	1,4	0,3	0,0	0,1	0,9	0,5	0,0
Claims incurred, net of reinsurance	(553,2)	(384,3)	(166,7)	(128,6)	(120,2)	(117,1)	(61,3)	(16,1)
Sales cost	(12,4)	1,3	(26,5)	(18,0)	(3,2)	-	(14,5)	(2,1)
Administration cost	(3,8)	(21,9)	(10,5)	(14,6)	(7,1)	(9,3)	(7,6)	(9,9)
Commission from reinsurer	10,4	(0,8)	9,2	9,3	4,9	5,8	13,3	6,8
Other insurance related expenses	(7,7)	(1,8)	(0,1)	(0,1)	(0,6)	(0,0)	(2,3)	(0,0)
<b>Technical result</b>	<b>(123,0)</b>	<b>22,6</b>	<b>9,0</b>	<b>19,0</b>	<b>5,1</b>	<b>3,4</b>	<b>(34,7)</b>	<b>5,5</b>
Other income/costs	(15,6)	(16,2)	(0,0)	(0,0)	(0,0)	(0,0)	-	-
Net financial income	35,9	100,4	9,9	16,5	(0,2)	(1,9)	0,8	-
<b>Profit before tax</b>	<b>(102,7)</b>	<b>106,7</b>	<b>18,9</b>	<b>35,5</b>	<b>4,9</b>	<b>1,5</b>	<b>(33,9)</b>	<b>5,5</b>

Claims ratio, net of ceded business	(1)	<b>127,1 %</b>	89,7 %	81,9 %	75,2 %	91,6 %	95,1 %	165,0 %	60,0 %
Expense ratio, net of ceded business	(2)	<b>1,3 %</b>	<b>5,0 %</b>	<b>13,7 %</b>	<b>13,7 %</b>	<b>4,1 %</b>	<b>2,8 %</b>	<b>23,6 %</b>	<b>19,3 %</b>
<b>Combined ratio, net of ceded business</b>	(3)	<b>128,5 %</b>	<b>94,7 %</b>	<b>95,6 %</b>	<b>88,8 %</b>	<b>95,6 %</b>	<b>97,9 %</b>	<b>188,6 %</b>	<b>79,3 %</b>
Gross claims ratio	(4)	<b>132,6 %</b>	89,2 %	90,4 %	72,8 %	81,6 %	85,9 %	77,0 %	562,1 %
Gross expense ratio	(5)	<b>3,0 %</b>	<b>3,9 %</b>	<b>11,7 %</b>	<b>13,0 %</b>	<b>5,1 %</b>	<b>4,9 %</b>	<b>19,7 %</b>	<b>23,4 %</b>
<b>Gross combined ratio</b>	(6)	<b>135,6 %</b>	<b>93,1 %</b>	<b>102,2 %</b>	<b>85,9 %</b>	<b>86,7 %</b>	<b>90,8 %</b>	<b>96,6 %</b>	<b>585,5 %</b>

(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





## Segment information

### Year to date

	Norway incl. COI & Finland			Sweden			Denmark			UK		
[1.000.000 NOK]	YTD 2018	YTD 2017	FY 2017	YTD 2018	YTD 2017	FY 2017	YTD 2018	YTD 2017	FY 2017	YTD 2018	YTD 2017	FY 2017
<b>Gross premiums written</b>	<b>1.897,5</b>	<b>1.817,3</b>	<b>2.128,3</b>	<b>1.158,4</b>	<b>939,3</b>	<b>1.078,3</b>	<b>740,5</b>	<b>668,0</b>	<b>703,6</b>	<b>436,7</b>	<b>198,3</b>	<b>252,9</b>
Gross premiums earned	1.655,0	1.529,7	2.035,1	925,7	661,5	915,8	583,5	518,3	700,0	274,3	98,5	154,7
Gross claims incurred	(1.863,3)	(1.261,5)	(1.702,0)	(715,7)	(537,6)	(719,7)	(550,1)	(483,5)	(676,5)	(183,4)	(870,3)	(956,0)
Earned premiums, net of reinsurance	1.322,9	1.320,2	1.719,9	617,2	487,4	663,9	385,2	357,3	467,4	113,3	52,6	74,6
Other insurance related income	10,9	2,9	3,7	0,5	0,1	0,1	1,2	0,9	0,9	1,0	0,4	0,4
Claims incurred, net of reinsurance	(1.472,1)	(1.131,4)	(1.502,9)	(491,8)	(390,0)	(523,1)	(377,8)	(390,9)	(524,0)	(130,9)	(67,7)	(97,5)
Sales cost	(41,6)	(0,1)	(44,0)	(75,7)	(51,7)	(84,3)	(10,8)	-	(16,2)	(32,5)	(7,1)	(13,6)
Administration cost	(34,2)	(51,7)	(37,0)	(26,4)	(38,9)	(38,6)	(23,5)	(32,5)	(26,5)	(18,0)	(23,8)	(20,5)
Commission from reinsurer	41,1	37,8	53,2	72,6	61,5	68,8	40,7	59,9	57,5	41,1	21,8	24,6
Other insurance related expenses	(3,7)	(6,8)	(7,9)	(12,8)	(0,2)	(0,2)	0,5	(0,0)	(0,1)	(2,1)	(0,1)	(0,2)
<b>Technical result</b>	<b>(176,7)</b>	<b>171,0</b>	<b>185,1</b>	<b>83,7</b>	<b>68,1</b>	<b>86,5</b>	<b>15,5</b>	<b>(5,2)</b>	<b>(40,8)</b>	<b>(28,0)</b>	<b>(24,0)</b>	<b>(32,3)</b>
Other income/costs	(46,3)	(41,1)	(55,6)	(0,1)	(0,3)	(0,3)	(0,0)	(0,1)	0,0	0,0	-	-
Net financial income	128,1	214,3	373,0	29,0	27,6	35,3	3,3	<b>15,6</b>	11,2	0,8	-	0,0
<b>Profit before tax</b>	<b>(94,9)</b>	<b>344,2</b>	<b>502,6</b>	<b>112,6</b>	<b>95,5</b>	<b>121,5</b>	<b>18,7</b>	<b>10,2</b>	<b>(29,6)</b>	<b>(27,2)</b>	<b>(24,0)</b>	<b>(32,3)</b>

Claims ratio, net of ceded business	111,3 %	85,7 %	87,4 %	79,7 %	80,0 %	78,8 %	98,1 %	109,4 %	112,1 %	115,5 %	128,6 %	130,7 %
Expense ratio, net of ceded business	<b>2,6 %</b>	<b>1,1 %</b>	<b>1,6 %</b>	<b>4,8 %</b>	<b>6,0 %</b>	<b>8,2 %</b>	<b>-1,7 %</b>	<b>-7,7 %</b>	<b>-3,2 %</b>	<b>8,3 %</b>	<b>17,4 %</b>	<b>12,7 %</b>
<b>Combined ratio, net of ceded business</b>	<b>113,9 %</b>	<b>86,8 %</b>	<b>89,0 %</b>	<b>84,4 %</b>	<b>86,0 %</b>	<b>87,0 %</b>	<b>96,4 %</b>	<b>101,7 %</b>	<b>108,9 %</b>	<b>123,8 %</b>	<b>146,1 %</b>	<b>143,4 %</b>
Gross claims ratio	112,6 %	82,5 %	83,6 %	77,3 %	81,3 %	78,6 %	94,3 %	93,3 %	96,6 %	66,9 %	883,4 %	618,0 %
Gross expense ratio	<b>4,6 %</b>	<b>3,4 %</b>	<b>4,0 %</b>	<b>11,0 %</b>	<b>13,7 %</b>	<b>13,4 %</b>	<b>5,9 %</b>	<b>6,3 %</b>	<b>6,1 %</b>	<b>18,4 %</b>	<b>31,4 %</b>	<b>22,1 %</b>
<b>Gross combined ratio</b>	<b>117,2 %</b>	<b>85,9 %</b>	<b>87,6 %</b>	<b>88,3 %</b>	<b>95,0 %</b>	<b>92,0 %</b>	<b>100,1 %</b>	<b>99,6 %</b>	<b>102,7 %</b>	<b>85,3 %</b>	<b>914,8 %</b>	<b>640,0 %</b>

(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



## Quarterly outline

[1.000.000 NOK]	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
<b>Gross premiums written</b>	<b>754,6</b>	<b>1.017,5</b>	<b>2.461,0</b>	<b>540,2</b>	<b>645,1</b>	<b>890,5</b>	<b>2.087,4</b>	<b>392,3</b>	<b>412,8</b>
Gross premiums earned	1.172,7	1.195,0	1.070,9	997,5	1.022,2	927,3	858,6	768,6	825,9
Gross claims incurred	(1.257,2)	(1.064,7)	(990,6)	(901,2)	(1.106,6)	(1.262,0)	(784,4)	(740,3)	(775,5)
Earned premiums, net of reinsurance	806,9	861,1	770,7	708,3	749,6	757,8	710,2	624,7	692,3
Claims incurred, net of reinsurance	(901,4)	(828,4)	(742,7)	(667,5)	(646,0)	(675,7)	(658,3)	(632,6)	(618,8)
Net commission income	24,6	30,4	67,9	(57,6)	20,2	51,1	86,6	(9,7)	8,6
Internal sales cost	(43,5)	(21,8)	(22,7)	(18,4)	(17,9)	(17,9)	(16,8)	(20,7)	(14,4)
Operating expenses	(28,9)	(37,4)	(35,8)	24,4	(55,7)	(44,9)	(29,5)	(20,4)	(47,6)
Other insurance-related income/expenses	(1,3)	(3,1)	(0,2)	(0,5)	0,4	(0,8)	(2,4)	(11,8)	(1,4)
<b>Technical result</b>	<b>(143,6)</b>	<b>0,8</b>	<b>37,2</b>	<b>(11,4)</b>	<b>50,6</b>	<b>69,6</b>	<b>89,8</b>	<b>(70,4)</b>	<b>18,6</b>
Other income/costs	(15,6)	(15,7)	(15,1)	(14,4)	(16,3)	(16,2)	(9,0)	(9,0)	(8,9)
Net financial income	46,4	112,3	2,5	161,9	114,9	116,1	26,6	149,9	160,7
<b>Profit before tax</b>	<b>(112,8)</b>	<b>97,4</b>	<b>24,6</b>	<b>136,2</b>	<b>149,1</b>	<b>169,5</b>	<b>107,3</b>	<b>70,5</b>	<b>170,5</b>
Tax	44,2	(25,0)	(22,8)	(1,9)	(23,1)	(22,9)	(37,5)	(1,4)	(27,3)
<b>Profit before components of comp.income</b>	<b>(68,6)</b>	<b>72,4</b>	<b>1,8</b>	<b>134,3</b>	<b>126,0</b>	<b>146,6</b>	<b>69,8</b>	<b>69,1</b>	<b>143,2</b>
Components of comprehensive income	4,5	(24,7)	(5,7)	31,4	(17,9)	24,5	15,0	19,2	(13,0)
Taxes on components of comprehensive income	(1,1)	6,2	1,4	(7,9)	4,5	(6,1)	(3,7)	(4,9)	3,4
<b>Profit for the period</b>	<b>(65,1)</b>	<b>53,8</b>	<b>(2,4)</b>	<b>157,9</b>	<b>112,6</b>	<b>165,0</b>	<b>81,0</b>	<b>83,3</b>	<b>133,6</b>

Claims ratio, net of ceded business	(1)	111,7 %	96,2 %	96,4 %	94,2 %	86,2 %	89,2 %	92,7 %	101,3 %	89,4 %
Expense ratio, net of ceded business	(2)	5,9 %	3,3 %	-1,2 %	7,3 %	7,1 %	1,5 %	-5,7 %	8,1 %	7,7 %
<b>Combined ratio, net of ceded business</b>	<b>(3)</b>	<b>117,6 %</b>	<b>99,5 %</b>	<b>95,1 %</b>	<b>101,5 %</b>	<b>93,3 %</b>	<b>90,7 %</b>	<b>87,0 %</b>	<b>109,4 %</b>	<b>97,1 %</b>
Gross claims ratio	(4)	107,2 %	89,1 %	92,5 %	90,4 %	108,3 %	136,1 %	91,4 %	96,3 %	93,9 %
Gross expense ratio	(5)	7,3 %	7,4 %	8,3 %	7,5 %	7,3 %	7,5 %	7,1 %	6,9 %	9,1 %
<b>Gross combined ratio</b>	<b>(6)</b>	<b>114,5 %</b>	<b>96,5 %</b>	<b>100,8 %</b>	<b>97,8 %</b>	<b>115,5 %</b>	<b>143,6 %</b>	<b>98,5 %</b>	<b>103,3 %</b>	<b>103,0 %</b>

(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



## Financial assets, fair value estimation

Financial assets through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	99	993	37	1.128
Bonds and other fixed income securities	NOK		8.853		8.853
Cash and cash equivalents	NOK	246			246
Foreign currency contracts	NOK		12		12
<b>Total assets 30.09.2018</b>	<b>NOK</b>	<b>345</b>	<b>9.858</b>		<b>10.239</b>
<b>Total assets 30.09.2017</b>	<b>NOK</b>	<b>6.876</b>	<b>2.428</b>		<b>9.304</b>

Financial liabilities at fair value through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK		-20		-20
<b>Total financial liabilities 30.09.2018</b>	<b>NOK</b>		<b>-20</b>		<b>-20</b>
<b>Total financial liabilities 30.09.2017</b>	<b>NOK</b>		<b>-6</b>		<b>-6</b>

### Valuation of financial assets and liabilities

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

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

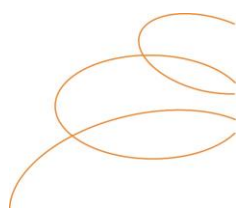
This category encompasses listed equities that over the previous three months have experienced average daily trading equivalent to approximately MNOK 20 or more. Based on this, the equities are regarded as sufficiently liquid to be included at this level. Bonds, certificates or equivalent instruments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

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

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

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

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



## Capital Ratio and Solvency Margin

[1.000.000 NOK]	30.09.2018	30.09.2017	31.12.2017
Total solvency capital requirement	<b>1.838</b>	1.757	1.834
Total eligible own funds to meet SCR	<b>3.359</b>	3.383	3.656
<b>Ratio of eligible own funds to SCR</b>	<b>183 %</b>	<b>193 %</b>	<b>199 %</b>
Totalt minimum capital requirement	<b>827</b>	783	773
Ratio of eligible own funds to MCR	<b>315 %</b>	340 %	374 %

