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# Q3 2020 Interim Results

Investor presentation

Oslo, October 30<sup>th</sup> 2020



Sverre Bjerke  
Chief Executive Officer



## 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

Innovative

Bold

Committed



# Result highlights Q3

**Combined ratio 93.4% - Profit after tax MNOK 344**

- Net combined ratio at 93.4% (91.6% in Q3 2019)
- GWP growth at -8% (-14% in local currency)<sup>1</sup>
- Price increases Nordics ≈ 14%
- Investment return of MNOK 334, or 2.6%
- Profit after tax of MNOK 344 (MNOK -8)
- Solvency Capital Ratio at 171%

<sup>1</sup> Biggest client ever (> MNOK 100) left for profitability reasons; adjusted GWP growth ≈ +6% in MNOK

# Volume update

**GWP down 8% in Q3 – up 5% YTD**

- MNOK 61 (-8%) GWP decline in Q3 (-14% in LCY)
  - Biggest client ever (>MNOK 100) left for profitability reasons
  - Adj. for this client, GWP growth is at approx. 6% (in NOK)
- Renewal rate at 72.9%; very high client churn
  - Churn will be more moderate going forward
- UK continuing on their (profitable) growth path

in MNOK

Business unit	Q3 '20	Q3 '19	YTD '20	YTD '19
Norway	162	307	1 249	1 444
Sweden	207	170	1 358	1 358
Denmark	58	67	913	868
UK	238	178	1 051	664
Finland	7	11	217	216
<b>Protector</b>	<b>671</b>	<b>732</b>	<b>4 787</b>	<b>4 552</b>

# Claims development

## Claims ratio at 83%

- Gross claims ratio at 80.6% (88.2%)
- Net claims ratio at 83.0% (84.1%)
- Run-off losses at 3.5% (gain at 1.9%)
- Large losses at 12.9% (7.6%), against normalized at 8%
- Slight negative COVID-19 effect due to business interruption UK in Q3 (< 1%)
- No positive effect from Motor in Q3; driving pattern back to normal
- Denmark; some large losses Property Public and reserve loss on WC/liability
  - Underlying reality not that bad, but further analysis must be done
- Norway; lucky on large losses

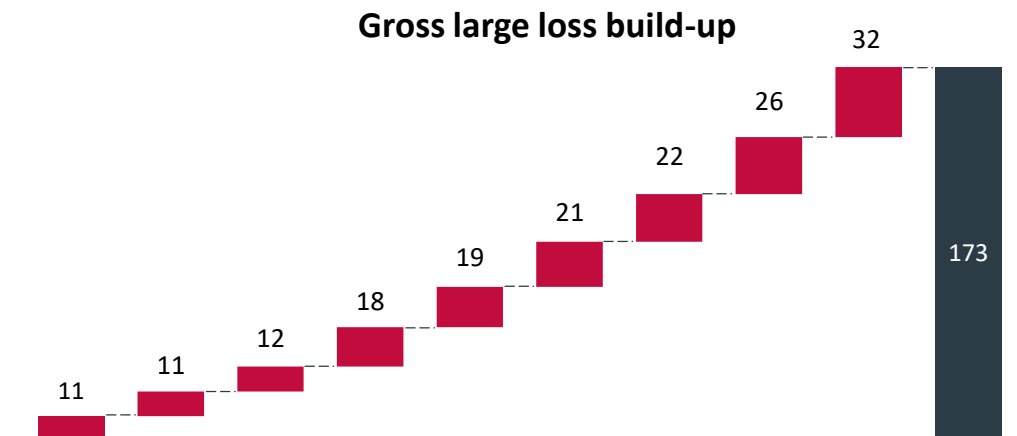
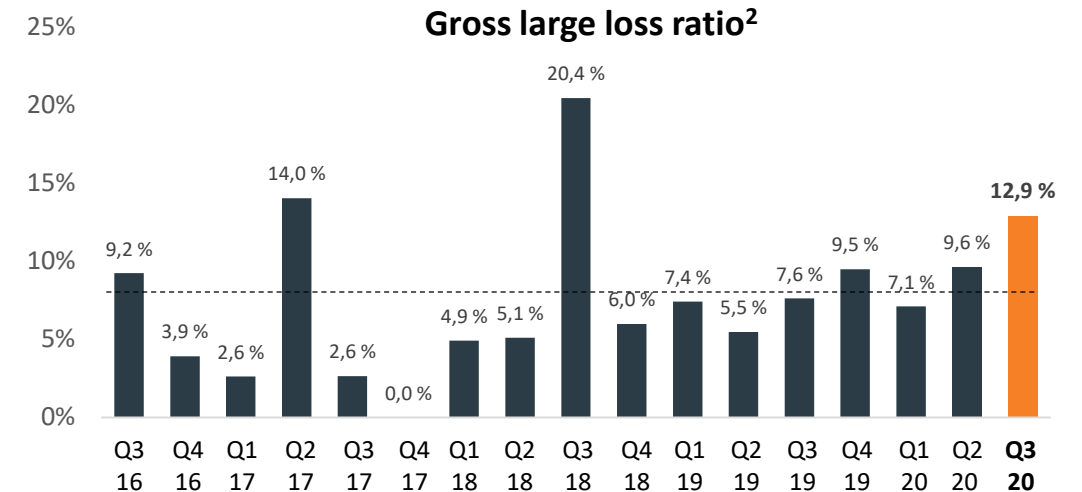
Business unit	Q3 '20 Gross	Q3 '20 Net	Q3 '19 Gross	Q3 '19 Net
Norway	75 %	72 %	97 %	96 %
Sweden	78 %	80 %	89 %	85 %
Denmark	116 %	117 %	83 %	86 %
UK	65 %	74 %	65 %	35 %
Finland	66 %	68 %	111 %	112 %
<b>Protector</b>	<b>80,6 %</b>	<b>83,0 %</b>	<b>88,2 %</b>	<b>84,1 %</b>

Business unit	YTD '20 Gross	YTD '20 Net	YTD '19 Gross	YTD '19 Net
Norway	83 %	83 %	90 %	94 %
Sweden	83 %	83 %	94 %	87 %
Denmark	106 %	109 %	97 %	100 %
UK	62 %	71 %	71 %	89 %
Finland	62 %	64 %	114 %	115 %
<b>Protector</b>	<b>82,2 %</b>	<b>84,8 %</b>	<b>91,3 %</b>	<b>93,5 %</b>

# Large losses and run-off

## Gross large losses<sup>1</sup> of MNOK 173 (12.9%)

- Gross large losses of MNOK 172.7 or 12.9%.
  - Normalized large loss rate approx. 8%
- Net run-off loss at 3.5% vs. run-off gain of 1.9% Q3 2019
  - Run-off losses mainly attributable to Denmark (MNOK 65)
  - Run-off gains in other countries
  - Some volatility in reserves must be expected.
- Reserves proven to be prudent HTD (figures available, on an annual basis, at our [webpage](#))



<sup>1</sup> Gross large losses defined as losses or loss adjustments > MNOK 10

<sup>2</sup> Two very large claims capped at MNOK 100

# Protector Combined Ratio

Net CR at 93.4% in Q3 – in line with long term target

## Quarter 3

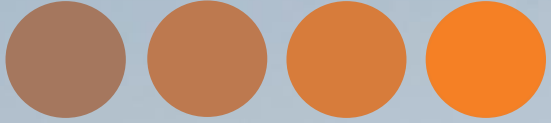
MNOK	Norway		Sweden		Denmark		UK		Finland		Protector	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Gross premium written	162	307	207	170	58	67	238	178	7	11	671	732
Gross premium earned	345	412	400	381	246	239	298	189	51	70	1 340	1 291
Net premium earned	314	360	349	348	216	206	224	135	45	63	1 147	1 112
Gross combined ratio	84,8 %	101,5 %	89,1 %	99,2 %	120,8 %	87,7 %	77,5 %	76,3 %	71,1 %	114,9 %	90,5 %	95,3 %
Net claims ratio	71,8 %	96,2 %	80,2 %	84,6 %	116,6 %	85,7 %	73,9 %	35,1 %	67,8 %	111,8 %	83,0 %	84,1 %
Net cost ratio	8,0 %	5,5 %	11,8 %	11,2 %	8,5 %	4,1 %	14,7 %	9,0 %	3,5 %	6,7 %	10,4 %	7,5 %
<b>Net combined ratio</b>	<b>79,7 %</b>	<b>101,7 %</b>	<b>91,9 %</b>	<b>95,8 %</b>	<b>125,1 %</b>	<b>89,8 %</b>	<b>88,6 %</b>	<b>44,0 %</b>	<b>71,3 %</b>	<b>118,4 %</b>	<b>93,4 %</b>	91,6 %

- Large losses higher than normal in Q3, and slightly higher than normal YTD (9.8% vs. 8%)
- Some reserve losses in Q3 (3.5%) and YTD (1.6%)

## Year to date

MNOK	Norway		Sweden		Denmark		UK		Finland		Protector	
	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Gross premium written	1 249	1 444	1 358	1 358	913	868	1 051	664	217	216	4 787	4 552
Gross premium earned	1 085	1 193	1 194	1 101	731	674	805	521	160	190	3 975	3 680
Net premium earned	973	1 022	1 045	917	640	572	625	334	143	169	3 425	3 015
Gross combined ratio	91,7 %	94,8 %	94,6 %	105,5 %	112,4 %	103,0 %	75,0 %	83,0 %	67,3 %	119,5 %	92,0 %	99,1 %
Net claims ratio	82,8 %	93,6 %	82,9 %	87,3 %	109,0 %	99,6 %	71,3 %	89,3 %	63,9 %	115,1 %	84,8 %	93,5 %
Net cost ratio	6,6 %	4,8 %	12,0 %	10,6 %	8,5 %	5,0 %	13,6 %	12,0 %	2,2 %	7,2 %	9,7 %	7,5 %
<b>Net combined ratio</b>	<b>89,4 %</b>	<b>98,3 %</b>	<b>94,9 %</b>	<b>97,9 %</b>	<b>117,5 %</b>	<b>104,6 %</b>	<b>84,9 %</b>	<b>101,3 %</b>	<b>66,1 %</b>	<b>122,3 %</b>	<b>94,5 %</b>	101,1 %





## A wider perspective

Volume development and combined ratio

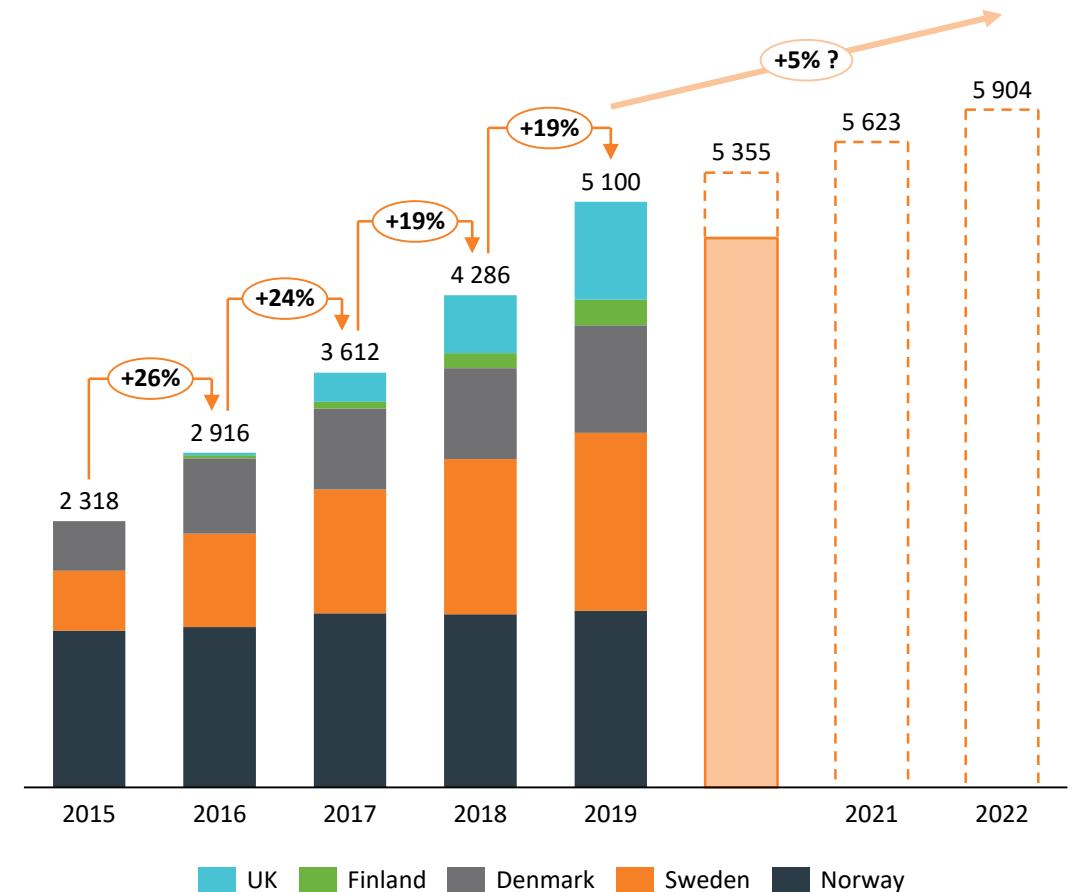


**PROTECTOR**

# Volume development in the longer run

## Future growth expected

- Change of long-term volume guiding February 6th 2020 – from 10-15% to 5% annual volume growth
  - Our communication: *Entering 2020 historical high price increases will make Nordic client churn rise and reduce new sales, while UK will continue to deliver growth.*
    - ...and that's what happened
- More moderate price increases in Nordics will reduce churn
- Internal refocus from price increases to profitable growth
- UK continue on it's growth path
- WC the only remaining “clean-up issue” of some size
- Competitive position remaining very strong
  - No reason why growth should not continue



# Underlying profitability

## Improved position entering 2021

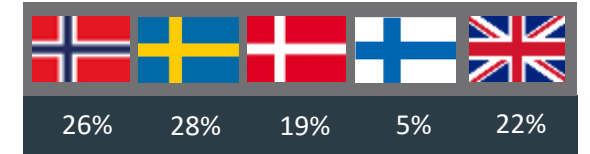
- Nordic price increases at 14% YTD
  - Earned premium “tail” from Q2-Q4 2020 price increases supporting 2021 margin.
- Nordic price increases > claims inflation in 2021
- Expect large losses and run-offs to normalize
- Product mix changes towards more property and motor; historically more profitable products
- Some negative surprises will occur, we are in the insurance industry

# Product mix development

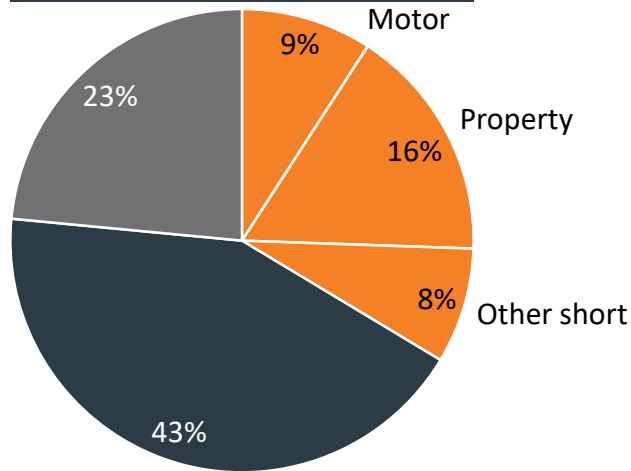
## Reduced risk profile and reduced capital consumption

- Short tail from **34%** in 2008 to **74%** now
- Geographical diversification increased further
- Motor increasing from 9% to 35%
- Capital consumption per GWP at 32% in 2020, versus 46% in 2014

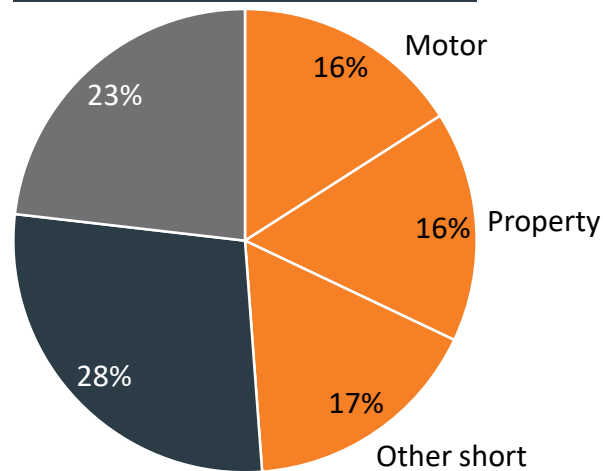
**PROTECTOR**  
insurance



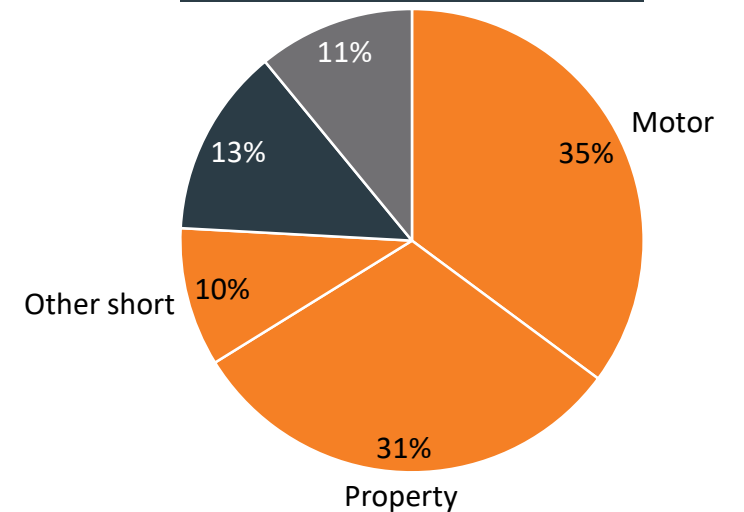
2008 – 100% in Norway



2014 - 72% in Norway



2020 – 26% in Norway



■ Short-tail (1 year)    
 ■ Medium-tail (2-5 years)    
 ■ Long-tail (>5 years)

# Sweden

Biggest country in Protector



Hans Didring  
Country Manager Sweden



# Implementing a winning formula

Respecting historical performance and working hard to be the best.

2014



2015-16



2018



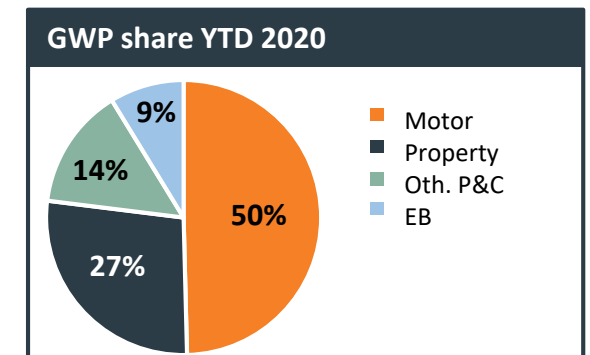
- Implementing a winning formula through;
  - DNA: Vision, Business Idea, Targets and Values.
- Recruit, develop and retain the right people
- Cost leadership in four years
- Quality leadership in 18 months
- Three times cultural leader
  - Built around more and more key people.

# The largest country in the Nordics and in Protector

Ready for profitable growth in 2021.



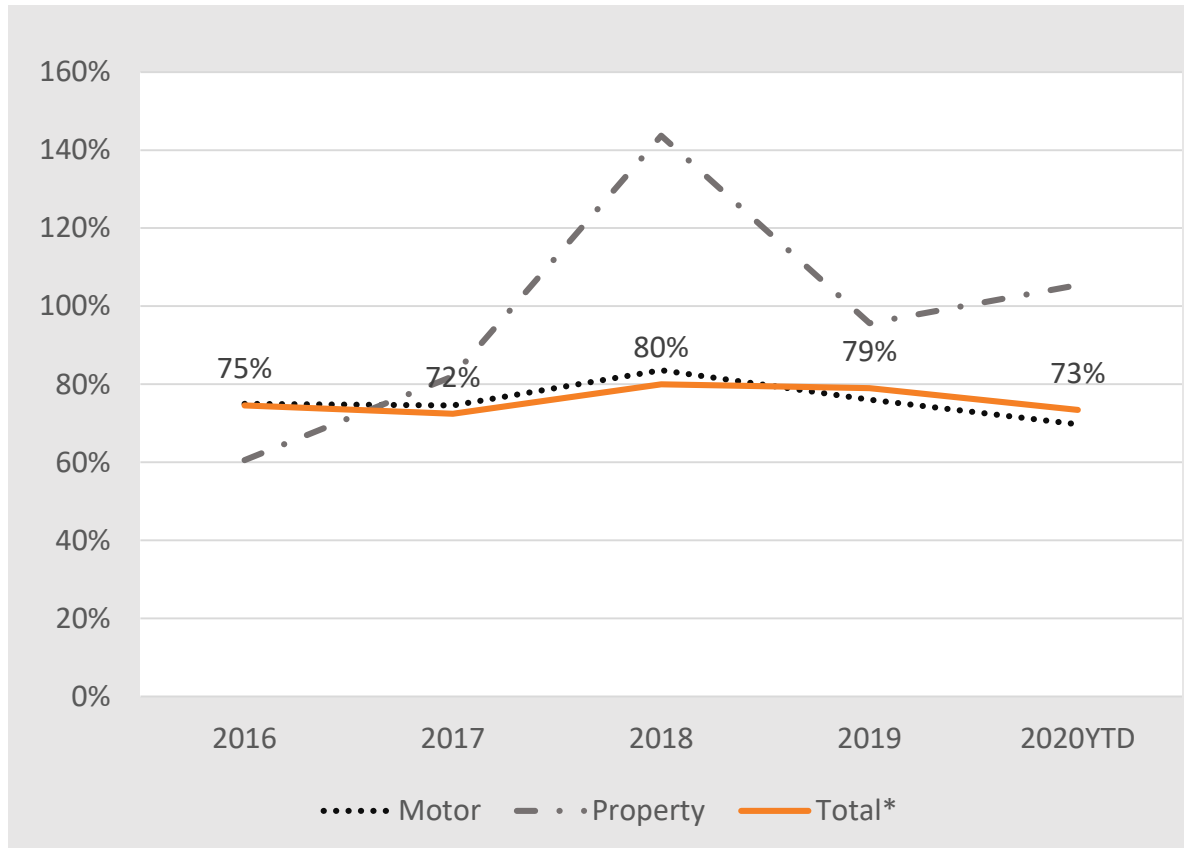
in MNOK	2012	2013	2014	2015	2016	2017	2018	2019	2020
GWP	69	147	325	521	815	1078	1350	1550	1358
% of PRF portfolio	6 %	10 %	17 %	22 %	28 %	30 %	32 %	30 %	28 %
% Motor	45 %	52 %	54 %	52 %	52 %	50 %	45 %	49 %	50 %
Gross Cost	19 %	19 %	16 %	13 %	16 %	13 %	11 %	11 %	12 %
Net CR	154 %	121 %	98 %	87 %	88 %	87 %	95 %	95 %	95 %
Accumulated profits	-20	-35	-21	43	133	255	309	414	500



- 6 years to reach 1 bNOK
- Profit the fourth year.
- Short tailed business (no long tail)
- Motor largest product – stable at ~50%
- Norway 10 years
- High ROE
- Great claims handling

# Motor back on track

## Some issues left on property



- Great improvement on Motor. Stable volume.
  - Real price increases YTD 2020 at 8.2%
  - Index corresponding to high claims inflation.
  - Good renewal selection – keeping the right customers.
- Very poor claims result on Property. Decreasing volume.
  - Poor risk selection and pricing.
  - Too soft renewals for several years.
  - Poor claims cost control.
- Focus in 2019-2020 on improving risk selection data quality and claims cost control.
  - Very good KPI results



# UK and COVID-19

1<sup>st</sup> billion in GWP reached



Henrik Høye  
Director Commercial & Public lines



Stuart Winter  
Country Manager UK



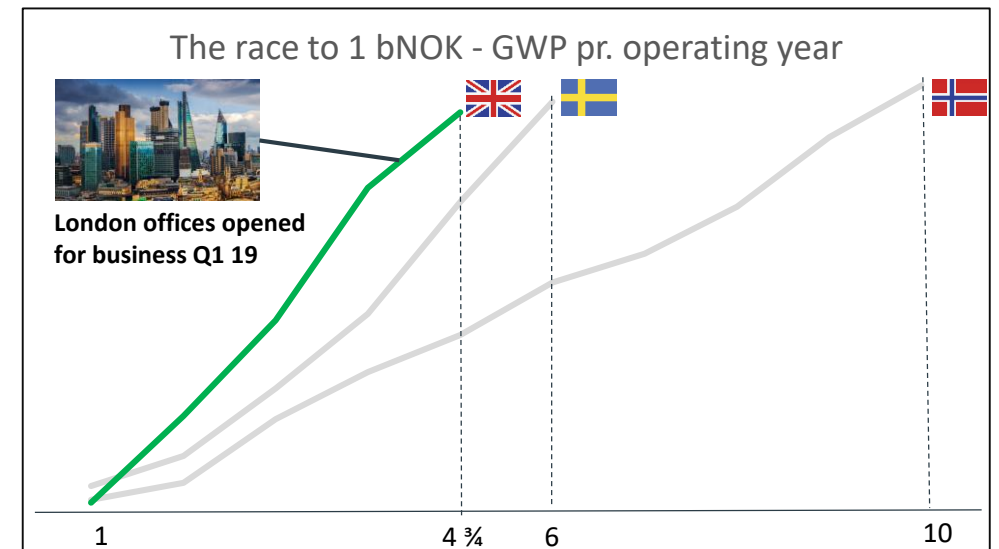
# Update UK

## Disciplined growth in a very large market

- Established as a top 3 carrier in Public sector
  - Reduction in tenders '20 and '21 due to C-19
    - Procurement regulation ensures balance in future
- Selective growth in Housing sector
  - Low hit-ratio due to price
  - Low deductibles should lead to disciplined market behaviour in the long run
- Significant increase in opportunities, despite C-19, in Commercial sector
  - Broadening relationships with existing brokers
  - More opportunities YTD '20 than FY '19
    - Despite hesitance in marketing insurance due to C-19

In MNOK	2016	2017	2018	2019	2020*
Public	18	128	177	237	342
Housing	0	60	123	155	167
Commercial	7	65	204	461	543
<b>Protector UK</b>	<b>25</b>	<b>253</b>	<b>505</b>	<b>853</b>	<b>1 051</b>
- Property	16	108	192	313	522
- Motor	7	71	184	378	320
- Other (EL/PL)	2	74	129	162	209

\*YTD pr. Q3 2020



# UK Public Sector & Commercial Landscape

A disciplined total market, but with variations



- Rates increasing
- Capacity reducing
- Markets exit (MS Amlin / TFM)
- Reinsurance restrictions and price increases
- Re-emergence of co-insurance



- Rates stable
- Capacity remains committed
- Pricing hard to challenge



- Rates stable
- Some new capacity entering market (ANDE / BH / Chubb)
- Retention strong – Covid impact...?

## The Challenger

- Commercial sector:
  - Maintain discipline, but act on opportunities
  - Select the right clients
- Public / Housing:
  - Consistent and disciplined UW
  - Small market share vs appetite
- Team of 70, preparing for the future

# UK Fiscal Outlook

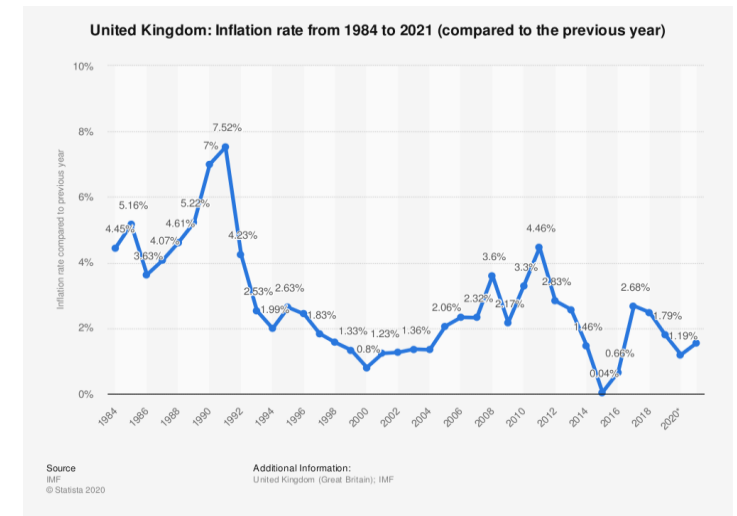
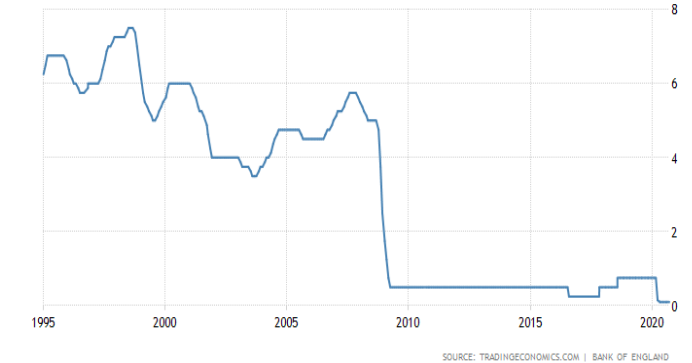
## Insurance risk is counter-cyclical

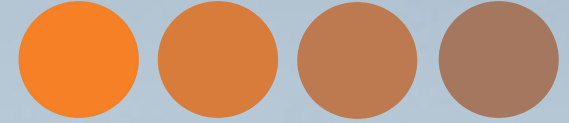
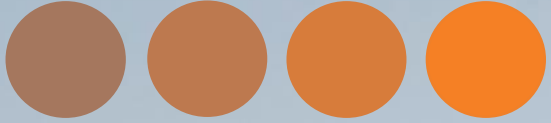
### Key factors

- Impact of Covid 19 estimated @ £210bn (YTD) – Total cost of Furlough and Business recovery schemes increasing
- Covid restrictions (Tier 1-3) anticipated until spring
- Interest rates remain at 0.1% - Negative outlook
- Economy slowing, Inflation low but starting to rise
- No deal Brexit likely / inevitable?

### Key consequences

- + Reduced traffic, strengthened haulage sector – improved profitability in core segment
- + Competitors hit by capacity stretch and clash – space made for strong entrants
- + Insurance sector focus on infrastructure and distribution consolidation – Not required for us
- + Insurance rates continue to rise in Property, Casualty likely to follow
- + Brexit may challenge exports, but will strengthen GDP – Local business improve
- Increased capital consumption due to low interest rates
- Higher default-rate – do we have the right clients





# COVID-19

FCA Test Case

**PROTECTOR**

# COVID 19 – Coverage position

Pandemic cover was not intended, but maybe not excluded...

## Property Damage / Business Interruption

- Not a 'Damage' event (ex clean up) so no BI Trigger
- Non Damage wordings with sub limited cover for:
  - Infectious and contagious disease
  - Action of competent authority (government)
  - Denial of access

## Employers Liability

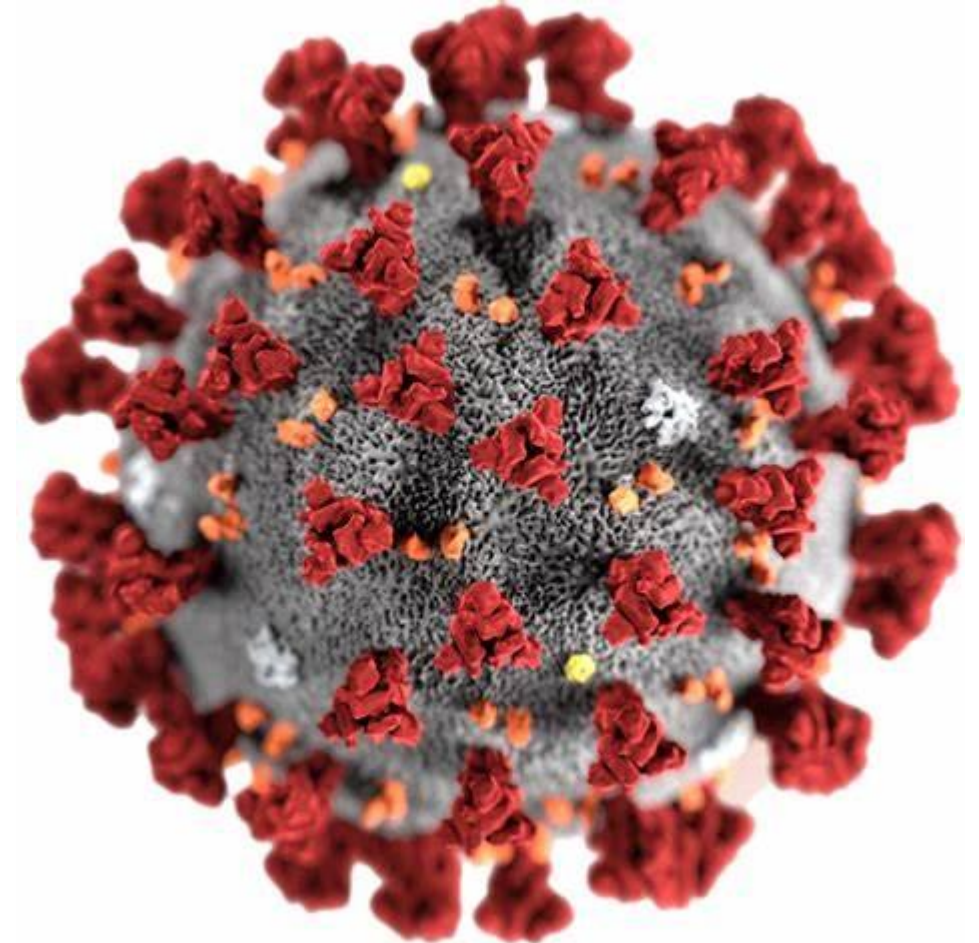
- Compulsory Insurance. Cannot be excluded below £5m
- Trigger is 'Breach of Duty'

## Public Liability

- Non compulsory cover. Can be excluded
- Trigger is 'Breach of Duty'

## Motor

- No cover – Indirect impact through vehicle usage reduction



# FCA Test Case

## The need for clarity?

The action:

- FCA represented multiple claimants, including groups (000's)
- 8 Specimen cases (specific wording examples)
- 8 Insurer Defendants
- 14 Insurers (including Protector – coinsurance basis)

Key areas considered:

- Infectious disease – Proximity / Vicinity defence
- Denial of Access – Enforced closure challenge
  - Emergency defence
  - Incident Vicinity defence
- Action of Competent Authorities – as above

## BUSINESS INTERRUPTION TEST CASE

High Court Judgement Received

# FCA Test Case

## The provisional judgement – subsequent to appeal

Complex judgement (162 pages) which is wrong to summarise, but in general:

1. COVID 19 was prevalent in the UK – Therefore vicinity defence on Infectious Disease cover fails.
2. Government Lockdown = Enforced Closure
3. COVID 19 = Emergency
4. COVID 19 is not 'an incident' within the context of the cover – Defence stands

Widely portrayed as a victory for Insured's and for providing clarity in relation to cover

However, COVID 19 Exclusions / Clarifications were being provided from March onwards.



# Protector Position

Some exposure, certainly unintended but well managed

## Policy cover:

- Legal guidance taken at early stage
- COVID 19 Exclusions drafted
- Applied to all renewals (PDBI) to ensure clarity (ex LTA)
- PL Exclusions being applied

## Claims:

- Low exposure relative to market share
- Case-based reserves posted in Q3



# COVID 19 – Preventative measures

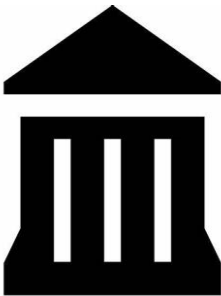
Support the customers, manage the risk, reduce the exposure



- Unoccupied Property – special acceptance
- Change of use guidance (Leisure and health)
- H&S at work guidance



- Risk Management Bulletins
- Underwriting guidance
- Return to work planning



- Coronavirus Act guidance
- Cover extensions – Devolved responsibilities



- SORN – Vehicle rebates
- Change of use – special acceptances
- Return to vehicle guidance

# Investments

Investment is core

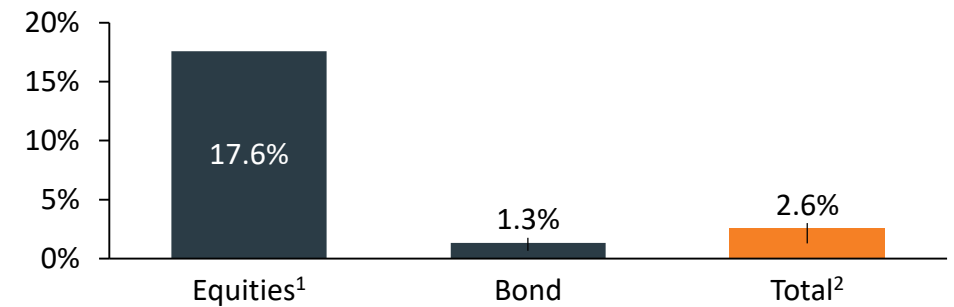


# Investment performance

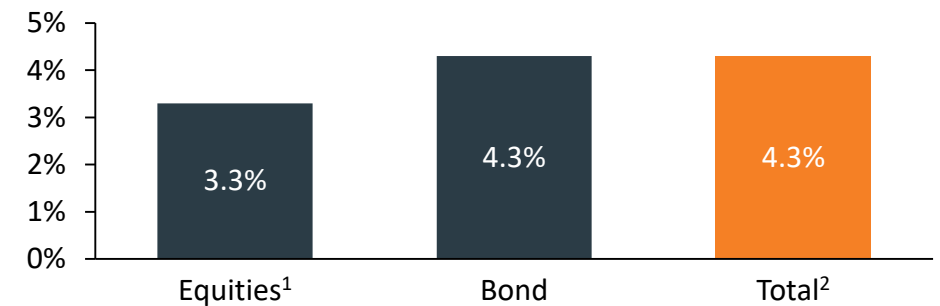
## Gain of MNOK 334 in quarter

- Return on investment portfolio at 2.6%, a gain of MNOK 334
- Equity return at 17.6%, or MNOK 195
  - Incl. put options: 16%, or MNOK 176
- Bond portfolio return at 1.3%, or MNOK 158
  - HY Bond Funds returning 3.9%, or MNOK 29
- YTD return on investment portfolio at 4.3%, or MNOK 521
  - Equity portfolio 3.3%, ex. put options
  - Bond portfolio has gained 4.3%
- Remember that we invest for the long run; quarterly gains or losses will to a great extent be unrealized.

### Q3 investment results



### YTD investment results



<sup>1</sup> Equity return excludes return on put options

<sup>2</sup> Total return includes return on put options

# Bond portfolio – quarterly statistics

## Yield at 2.1% and avg. IG-rated portfolio

- Bond portfolio returning 1.3%, or MNOK 158 in quarter
- Yield down to 2.1% (2.5% in Q2 '20), before cost of risk.
  - Spread down 30bps, underlying ref. rate down 9bps
- HY portfolio totalling BNOK 3.6
  - Net increase of MNOK 85 in quarter
  - HY fund investment totalling MNOK 514
- Cost of risk expectations improved in Q3.
- High activity in primary market in Nordic HY in quarter

Portfolio data	30.06.20	30.09.20
Size bond & cash eq. (MNOK) <sup>1</sup>	11 857	11 788
Avg. ref. rate (NIBOR, STIBOR, etc.)	0.2%	0.1%
Avg. spread/risk premium (bps)	235	205
Yield	2.5%	2.1%
Duration	0.4	0.3
Credit duration <sup>2</sup>	1.9	1.6
Avg. rating <sup>3</sup>	A	A

<sup>1</sup> Size excludes forward foreign currency contracts

<sup>2</sup> Avg. includes bank deposits

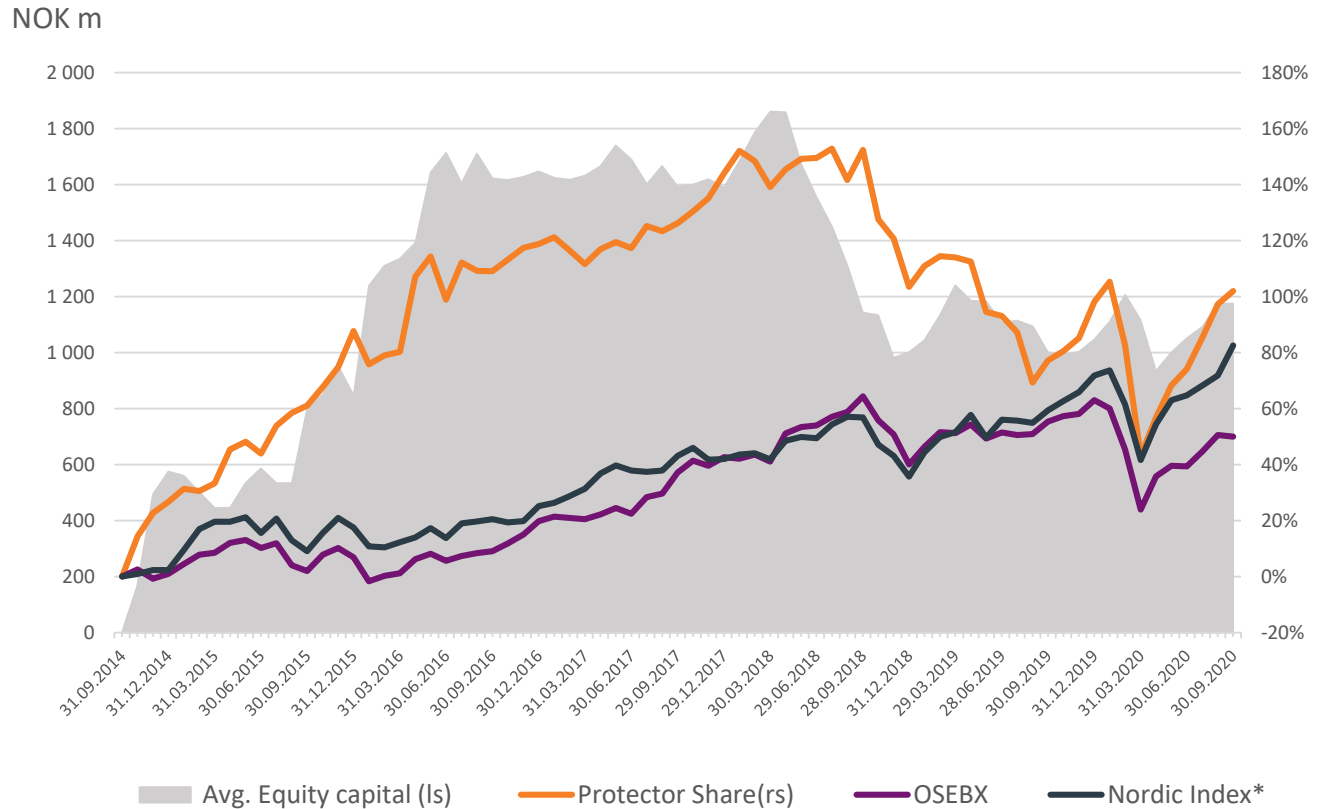
<sup>3</sup> Avg. based on official rating (>60%) and 'Protector rating' (<40%) & is based on linear rating (as usual). WARF methodology would give a somewhat lower rating.

# Equity portfolio – quarterly statistics

Portfolio returning 17.6% in quarter

- Equities gaining 17.6% in Q3, following a strong Q2.
- Equity share at 9.8%, up from 8.6% in Q2 '20
- Discount to estimated intrinsic value at 42%
  - Portfolio intrinsic value upward adjusted with 5%-points following Q2 reporting
- Currently 17 companies in the portfolio

Cumulative TWR in % – Equity portfolio vs. benchmarks (08.10.2014 – 30.09.2020)



\*40% Stockholm, 20% Copenhagen, Helsinki and Oslo

## Our DNA

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The Challenger

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

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Cost and quality leadership

Profitable growth

Top 3

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# Profit & loss

After-tax profit at MNOK 344 – YTD result historically high

in MNOK	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	FY '19
Gross premiums written	671,4	732,4	4 787,4	4 551,6	5 100,5
Gross premiums earned	1 339,6	1 291,3	3 975,1	3 680,2	4 995,8
Gross claims incurred	(1 080,2)	(1 139,0)	(3 269,3)	(3 360,8)	(4 723,9)
Earned premiums, net of reinsurance	1 147,3	1 112,0	3 424,5	3 014,6	4 147,5
Other insurance related income	3,9	2,2	12,1	8,6	10,5
Claims incurred, net of reinsurance	(952,3)	(935,2)	(2 905,0)	(2 819,4)	(3 949,1)
Sales cost	(86,5)	(53,7)	(238,0)	(168,2)	(233,5)
Administration cost	(46,0)	(38,0)	(150,3)	(118,9)	(179,9)
Commission from reinsurer	13,6	8,4	55,4	59,5	57,2
Other insurance related expenses	4,9	(9,4)	6,4	(10,1)	(5,2)
<b>Technical result</b>	<b>80,9</b>	<b>84,2</b>	<b>193,0</b>	<b>(42,5)</b>	<b>(163,0)</b>
Other income/costs	(14,4)	(14,7)	(47,8)	(42,1)	(50,3)
Net financial income	264,7	(15,3)	451,6	34,1	141,4
<b>Profit before tax</b>	<b>331,2</b>	<b>54,1</b>	<b>596,9</b>	<b>(50,4)</b>	<b>(71,9)</b>
Tax	(25,7)	(33,4)	(123,7)	(33,6)	(4,1)
<b>Discontinued operations</b>	<b>41,6</b>	<b>(26,6)</b>	<b>63,4</b>	<b>42,5</b>	<b>71,5</b>
Net comprehensive income	(3,3)	(2,4)	2,8	(0,6)	(0,3)
<b>Profit for the period</b>	<b>343,8</b>	<b>(8,3)</b>	<b>539,3</b>	<b>(42,1)</b>	<b>(4,9)</b>

Earned premium effect from previous price increases

Relatively more volume from markets with higher broker/agent costs

Claims ratio, net of ceded business	(1)	83,0 %	84,1 %	84,8 %	93,5 %	95,2 %
Expense ratio, net of ceded business	(2)	10,4 %	7,5 %	9,7 %	7,5 %	8,6 %
<b>Combined ratio, net of ceded business</b>	<b>(3)</b>	<b>93,4 %</b>	<b>91,6 %</b>	<b>94,5 %</b>	<b>101,1 %</b>	<b>103,8 %</b>
Gross claims ratio	(4)	80,6 %	88,2 %	82,2 %	91,3 %	94,6 %
Gross expense ratio	(5)	9,9 %	7,1 %	9,8 %	7,8 %	8,3 %
<b>Gross combined ratio</b>	<b>(6)</b>	<b>90,5 %</b>	<b>95,3 %</b>	<b>92,0 %</b>	<b>99,1 %</b>	<b>102,8 %</b>
Retention rate	(7)	85,6 %	86,1 %	86,1 %	81,9 %	83,0 %
Earnings per share	(8)	4,2	(0.07)	6,6	(0.51)	(0,1)

Increased cost:

Commissions to brokers/agents, long term bonus plan, and increased underlying cost



# Balance sheet

SCR-ratio at 171%

In millions	30.09.2020	30.09.2019	31.12.2019
Owner-occupied property	0.0	13.0	12.8
Financial assets	11,757.0	9,318.4	9,219.8
Derivatives	99.3	21.2	32.6
Bank deposits	65.5	103.5	343.3
Other assets	2,679.3	2,812.8	2,705.2
Discontinued operations	2,132.2	2,660.9	2,428.5
<b>Total assets</b>	<b>16,733.4</b>	<b>14,929.8</b>	<b>14,742.2</b>
Total equity	2,574.6	1,978.5	2,019.3
Subordinated loan capital	1,243.3	1,243.3	1,243.3
Total reserves	10,052.7	8,696.2	8,339.2
Derivatives	47.6	19.8	45.5
Other liabilities	1,554.6	1,417.4	1,542.6
Discontinued operations	1,260.6	1,574.6	1,552.2
<b>Total equity and liabilities</b>	<b>16,733.4</b>	<b>14,929.8</b>	<b>14,742.2</b>

- SCR-ratio at 171%
  - Limited effect of movements in volatility adjustment
- Good investment result
- Technical results improving
- Options and Solvency-based reinsurance agreement protecting downside

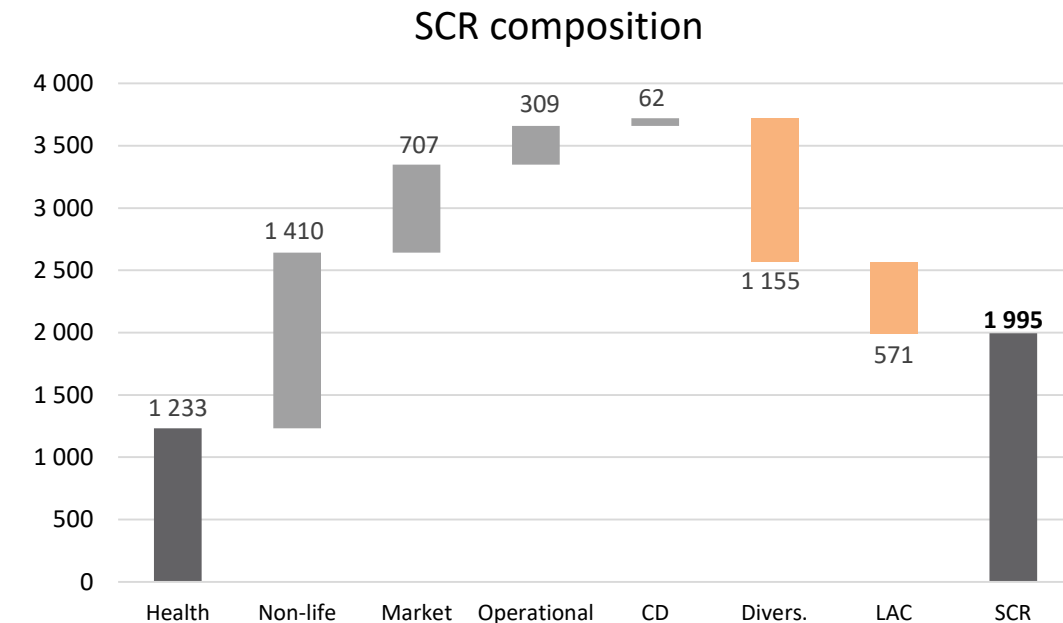
SCR-ratio composition



# Solvency II

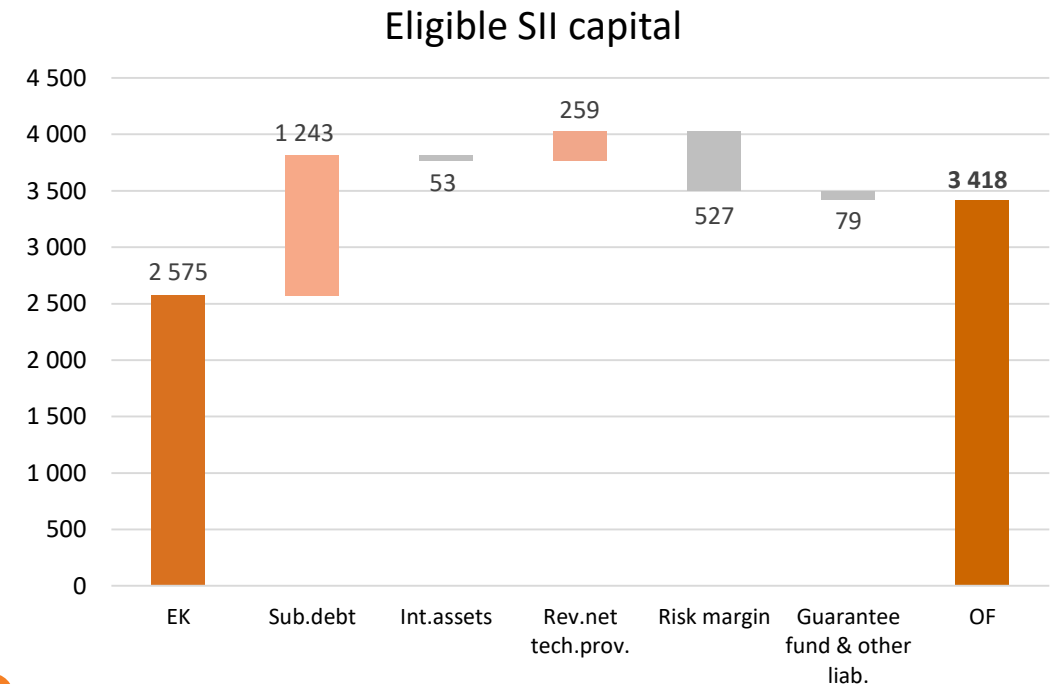
## Composition of SCR:

- Net insurance risk 71%
- Net market risk 19%
- Other risks 10%



## Eligible SII capital:

- No dividend
- Guarantee provision subtracted from own funds



# Shareholders' matters

As of 30.09.2020

SHAREHOLDER NAME	# SHARES	%
AWILHELMOSEN CAPITAL HOLDINGS AS	7 435 437	8,63 %
STENSHAGEN INVEST AS	7 126 353	8,27 %
VERDIPAPIRFOND ODIN NORDEN	6 747 599	7,83 %
CITIBANK EUROPE PLC	4 616 123	5,36 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 550 082	4,12 %
HVALER INVEST AS*	3 186 809	3,70 %
CLEARSTREAM BANKING S.A.	2 290 098	2,66 %
ARTEL AS	1 800 000	2,09 %
VERDIPAPIRFONDET ALFRED BERG NORGE	1 742 016	2,02 %
UTMOST PANEUROPE DAC - GP11940006	1 565 405	1,82 %
PERSHING LLC	1 546 110	1,79 %
AS TANJA	1 228 942	1,43 %
JOHAN VINJE AS	1 187 841	1,38 %
VERDIPAPIRFONDET ALFRED BERG AKTIV	1 161 943	1,35 %
UBS AG	1 135 431	1,32 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 135 000	1,32 %
DYVI INVEST AS	1 040 933	1,21 %
NORE-INVEST AS	1 030 637	1,20 %
FROGNES AS	899 916	1,04 %
AVANZA BANK AB	871 062	1,01 %
<b>20 LARGEST</b>	<b>54 696 051</b>	<b>63,49 %</b>
TREASURY SHARES	4 269 376	4,96%
OTHER	27 190 178	31,56%
<b>TOTAL SHARES</b>	<b>86 155 605</b>	<b>100,00%</b>

\*CEO Sverre Bjerkeli

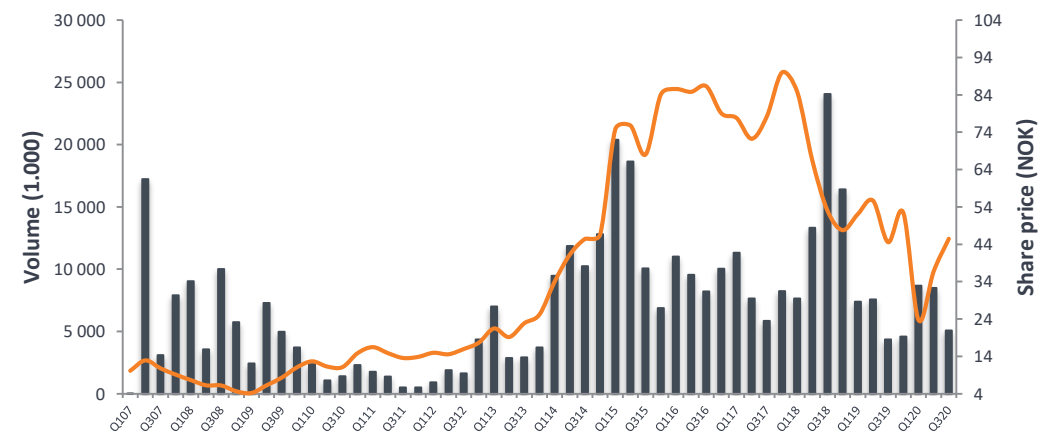
## Related parties shareholding

- Management's direct and indirect shareholding totals 3.7m shares or 4% of current outstanding shares
- Board members represent a total of 15.7m shares or 18.2% of current outstanding shares.

## Primary insider trades this quarter

- Chairman of the Board, Jostein Sørvoll, has sold 500,000 shares
- Deputy Employee Representative of the Board, Line Engelmann-Kokkim, has sold 1,091 shares

Protector share (PROTCT)  
Quarterly volume and share price end of quarter<sup>1</sup>



<sup>1</sup> Share price adjusted for dividends, no reinvestment of dividends.  
Data pr. 30.09.2020

# Summary Q3

Best ever 9 months result – profit after tax NOK 539m

- Competitive position remaining very strong
- Short- and medium term products continuing to dominate our portfolio
  - Lower risk – lower capital consumption
  - Float less important in current interest rate situation
- Underlying profitability strong entering 2021
- Sweden our biggest country – UK soon about to challenge that position
- The Board is now starting the recruitment process for a new CEO
  - As previously noticed CEO Sverre Bjerkeli is scheduled to retire in September 2021
- Improved position entering 2021

## 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

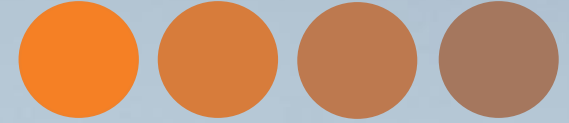
Innovative

Bold

Committed







# Appendix

**PROTECTOR**

# Discontinued business

Protector incl. COI CR at 93%

in MNOK

	COI		Protector incl. COI	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Gross premium written	64	89	735	821
Gross premium earned	64	89	1 404	1 380
Net premium earned	56	48	1 203	1 160
Gross combined ratio	98,1 %	107,5 %	90,9 %	96,1 %
Net claims ratio	88,8 %	103,6 %	83,3 %	84,9 %
Net cost ratio	-3,1 %	0,2 %	9,7 %	7,2 %
Net combined ratio	85,7 %	103,9 %	93,0 %	92,1 %

- Volume somewhat higher than expected – will exceed MNOK 200 in 2020

- Net CR 93.0% incl. discontinued business

in MNOK

	COI		Protector incl. COI	
	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Gross premium written	191	287	4 978	4 839
Gross premium earned	191	287	4 166	3 967
Net premium earned	125	187	3 549	3 201
Gross combined ratio	89,3 %	62,0 %	91,9 %	91,6 %
Net claims ratio	84,3 %	44,0 %	84,8 %	90,6 %
Net cost ratio	-2,4 %	-3,3 %	9,3 %	6,9 %
Net combined ratio	81,8 %	40,7 %	94,1 %	97,6 %

- Discontinuation progressing in a good way and according to plan.



# Profit & loss – incl. discontinued business

After-tax profit at MNOK 344 – YTD result historically high

in MNOK	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019	FY '19
Gross premiums written	735.4	820.9	4 978.5	4 838.8	5 456.6
Gross premiums earned	1 403.5	1 379.8	4 166.2	3 967.3	5 351.9
Gross claims incurred	(1 142.9)	(1 233.4)	(3 440.0)	(3 533.3)	(4 993.7)
Earned premiums, net of reinsurance	1 203.4	1 159.7	3 549.1	3 201.5	4 371.6
Other insurance related income	3.9	2.2	12.1	8.6	10.5
Claims incurred, net of reinsurance	(1 002.1)	(984.6)	(3 010.0)	(2 901.6)	(4 079.1)
Sales cost	(86.5)	(57.1)	(238.0)	(32.5)	(79.1)
Administration cost	(46.0)	(35.4)	(150.3)	(70.1)	(93.8)
Commission from reinsurer	15.3	9.1	58.5	(118.9)	(179.9)
Other insurance related expenses	(1.2)	(16.1)	(12.0)	(23.1)	(22.3)
<b>Technical result</b>	<b>86.8</b>	<b>77.8</b>	<b>209.4</b>	<b>63.8</b>	<b>(72.1)</b>
Other income/costs	(15.6)	(17.8)	(53.6)	(51.6)	(61.6)
Net financial income	334.4	(41.4)	521.1	0.6	157.2
<b>Profit before tax</b>	<b>405.6</b>	<b>18.6</b>	<b>676.8</b>	<b>12.8</b>	<b>23.5</b>
Tax	(58.5)	(24.6)	(140.3)	(54.3)	(28.0)
<b>Profit before components of comprehensive income</b>	<b>347.2</b>	<b>(5.9)</b>	<b>536.5</b>	<b>(41.5)</b>	<b>(4.5)</b>
Components of comprehensive income	(3.3)	(2.4)	2.8	(0.6)	(0.3)
<b>Profit for the period</b>	<b>343.8</b>	<b>(8.3)</b>	<b>539.3</b>	<b>(42.1)</b>	<b>(4.9)</b>
Claims ratio, net of ceded business	(1) 83.3 %	84.9 %	84.8 %	90.6 %	93.3 %
Expense ratio, net of ceded business	(2) 9.7 %	7.2 %	9.3 %	6.9 %	8.1 %
<b>Combined ratio, net of ceded business</b>	<b>(3) 93.0 %</b>	<b>92.1 %</b>	<b>94.1 %</b>	<b>97.6 %</b>	<b>101.4 %</b>
Gross claims ratio	(4) 81.4 %	89.4 %	82.6 %	89.1 %	93.3 %
Gross expense ratio	(5) 9.4 %	6.7 %	9.3 %	2.6 %	3.2 %
<b>Gross combined ratio</b>	<b>(6) 90.9 %</b>	<b>96.1 %</b>	<b>91.9 %</b>	<b>91.6 %</b>	<b>96.5 %</b>
Retention rate	(7) 85.7 %	84.0 %	85.2 %	80.7 %	81.7 %
Earnings per share	(8) 4.2	(0.1)	6.6	(0.5)	(0.1)

# Key ratio description

## Ratio

- (1) Claims ratio, net of ceded business
- (2) Expense ratio, net of ceded business
- (3) Combined ratio, net of ceded business
- (4) Gross claims ratio
- (5) Gross expense ratio
- (6) Gross combined ratio
- (7) Retention rate
- (8) Earning per share

## Ratio calculation

- (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