

PRELIMINARY YEAR-END RESULTS 2015

Investor presentation

12th February 2016





Facts about Protector

- A focused Norwegian non-life insurance company
- Established Jan.1, 2004. (Listed Oslo Stock Exchange May 2007)
- Entered the Swedish market in 2011 and Denmark 1 Jan. 2012
- Ownership: Stenshagen Invest, Robur, ODIN, Ojada AS, Handelsbanken, CEO, MP Pensjon
- Strong results, average combined ratio 2004 - 2015, 88,5%
- GWP in 2015: MNOK 2.843
- Solvency capital of MNOK 2.158, investment portfolio ~ NOK 6,3 bn.
- Market cap. 10 February 2016, NOK 6,20 bn.

- Vision: “The challenger”
- Main targets:
 - Cost and quality leadership
 - Profitable growth
 - Top three in Protector’s defined business segments

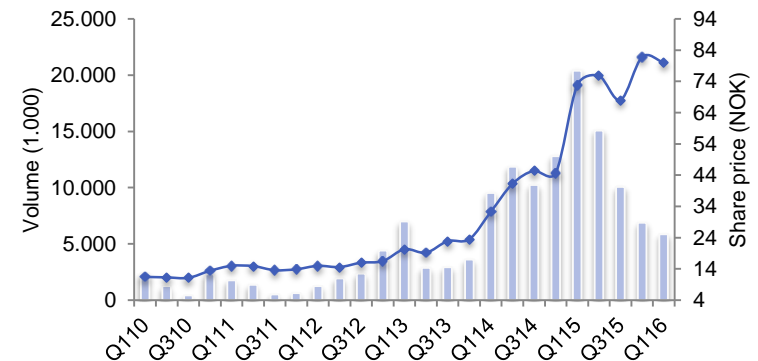
Outlook 2016:

GWP up 22 %
CR 90 %

Dividend policy:

30 – 50% of profit after tax
Target solvency margin > 250%

Protector share
Quarterly volume and share price end of quarter¹



¹ Share buy back/ sale not included in the volume figures
Share price adjusted for dividends
Data pr. 10.02.2016

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

(Troverdig) Credible

(Imøtekommende) Open

(Modig) Brave

(Engasjert) Committed





Highlights 2015

20% growth, “Best ever” result

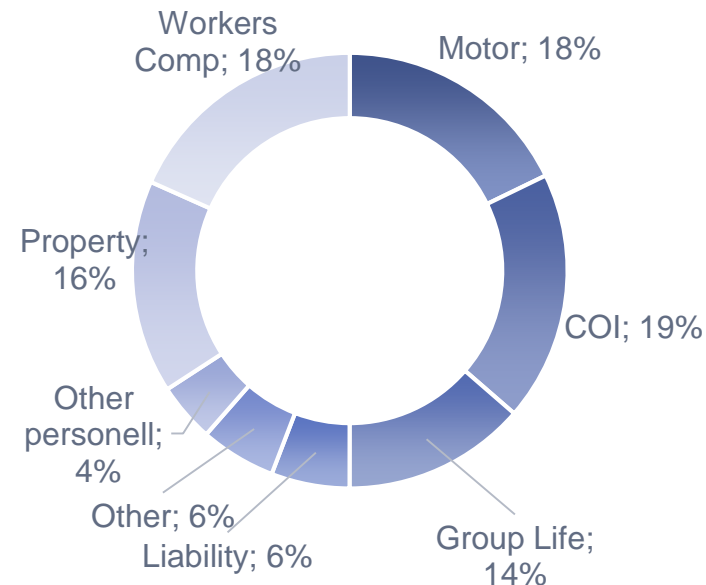
- GWP up 20%
 - 19% in local currency
 - Net combined ratio 88,7% (84,5%)
 - Gross cost ratio 7,5% (7,6%)
 - 5,2% return on the investment portfolio (5,3%)
 - Strong return on equity portfolio
 - Operating profit of NOK 536m (502m)
 - Sweden/Denmark same size as Norway
 - Compared to Norway Commercial/Public
 - UK – first 6 recruitments done – progressing on track
 - 2016 guiding; Volume up 22%, Combined Ratio 90%
 - Dividend of NOK 2,25 per share suggested
- Nr. 1 in Nordic market
- Nr 1 in Nordic market last 5 years
- Nr 1 in Nordic market
- Nr 1 in Nordic market



Gross written premium 2015

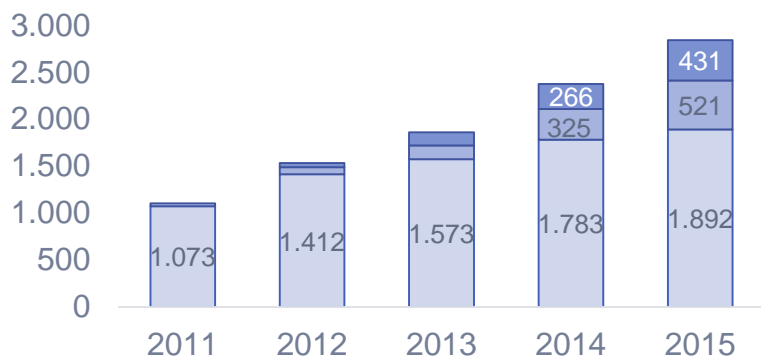
GWP up 20%, from NOK 2.374 m to NOK 2.843 m

- Commercial sector Scandinavia: 26% growth
 - Norway: 8% growth within commercial/public
 - Sweden: 60% growth
 - Denmark: 62% growth
- Change of ownership insurance: 3% growth
 - Lower number of sales, prices up 7,2%
- Continued product and geographical diversification



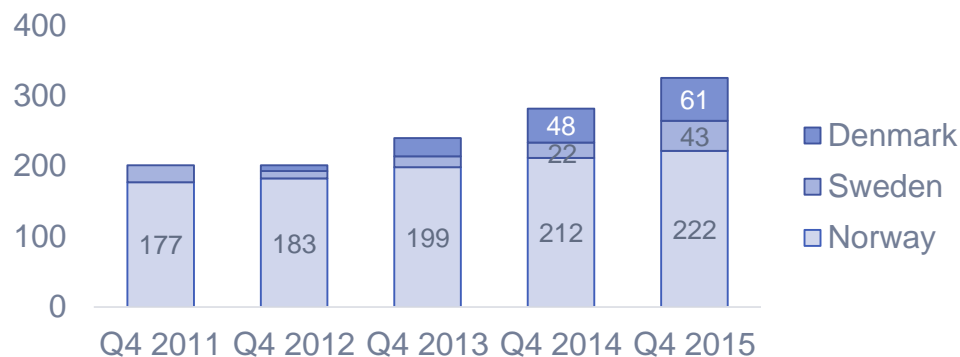
GWP YTD 2011-2015

(MNOK)



GWP Q4 2011-2015

(MNOK)

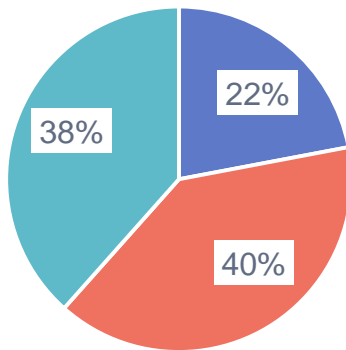




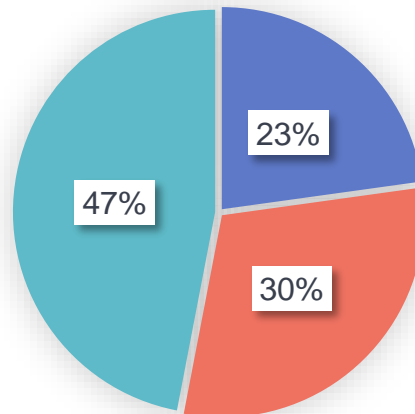
Increased diversification and reduced risk

- Short tail from 38 % in 2011 to 54 % in 2015
- Medium tail significantly reduced from 40 % in 2011 to 23 % in 2015
- Growth in Sweden and Denmark drives Property and Auto from 18 % of GWP in 2011 to 34 % in 2015

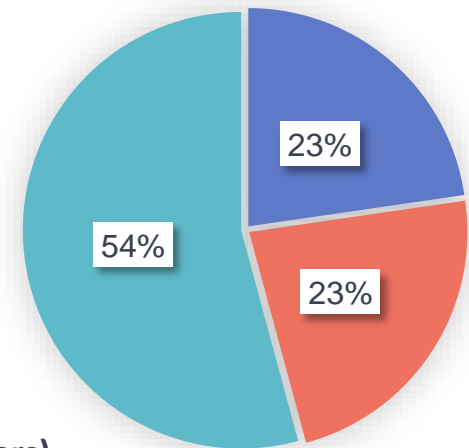
2011



2013



2015

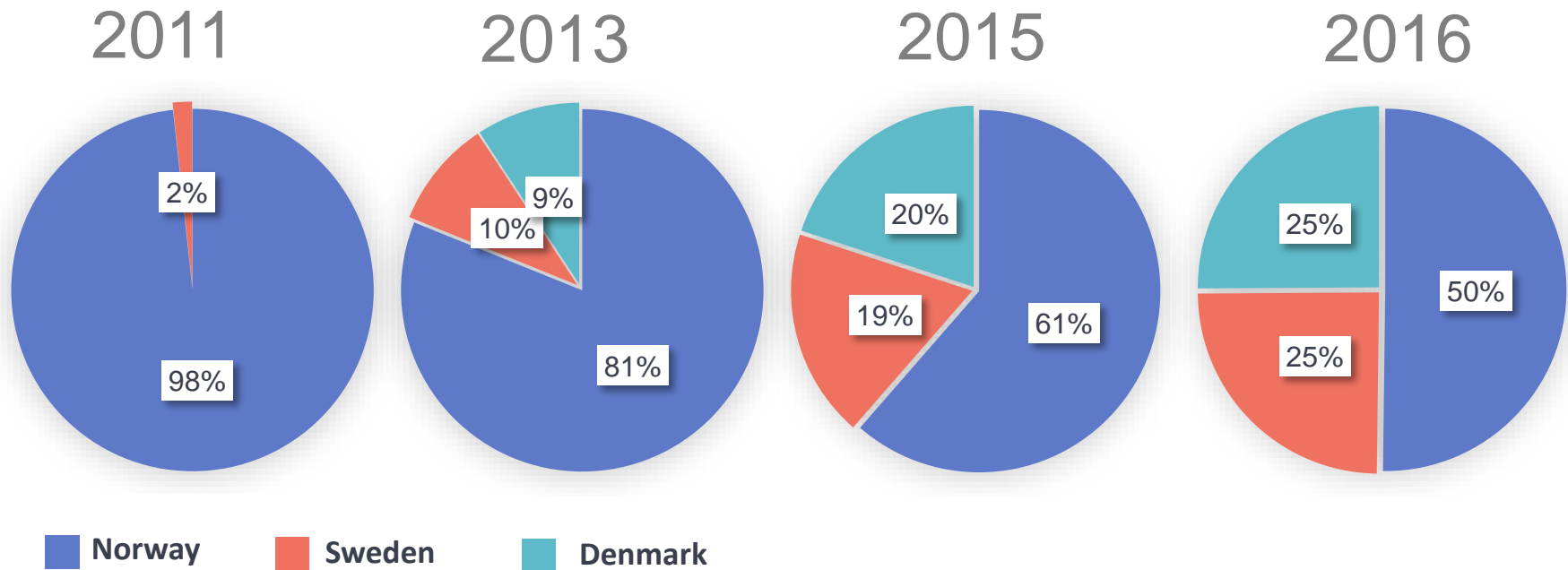


■ Short-tail (1 year) ■ Medium-tail (2-5 years) ■ Long-tail (>5 years)



Increased geographical diversification reduces risk

- Norwegian portfolio share down from 98% in 2011 to 50% as of 1/1 2016

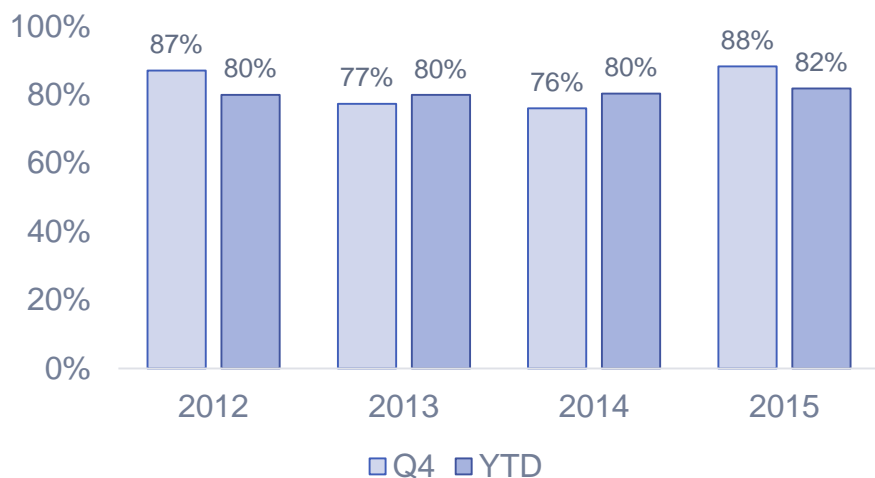




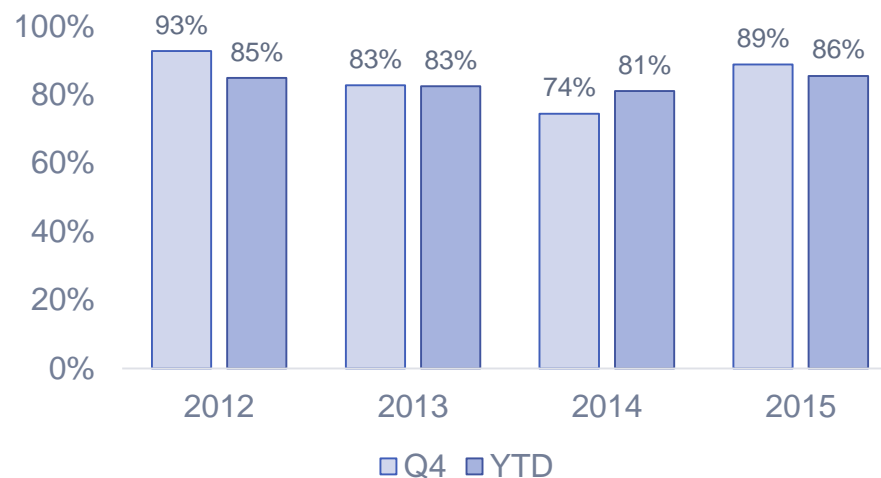
Claims development 2015

- Gross claims ratio 81,8%, up from 80,4% in 2014
 - +0,3 percentage point in Swedish and +1,6 percentage point in Danish accounts due to currency effect
- Net run-off gains of 0,5%, against net run-off-gains of 5,1% in 2014
 - Run-off gains in commercial/public sector (76 mNOK)
 - Run-off losses in change of ownership (65 mNOK)
- Net claims ratio 85,5%, up from 81,1%. Higher claims ratio than peers
- Q4 gross claims ratio 88,3% (76,1%)
 - Run-off losses COI
 - Some medium/large losses in Denmark

Gross Claims Ratio 2012-2015



Net Claims Ratio 2012-2015

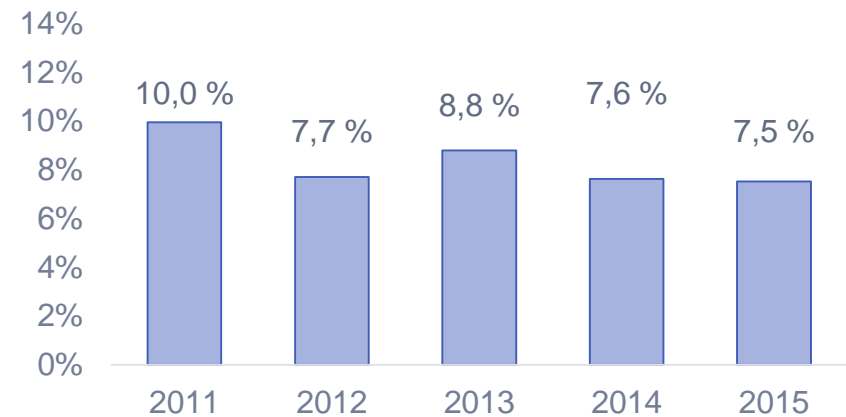




Cost ratio 2015

- Gross cost ratio 7,5%, down from 7,6%
 - Q4 15 9,6%, up from 8,2% Q4 14
- Net cost ratio 3,2%, down from 3,4%
- Costs on a high level compared to “Protector standard”:
 - UK, long-term incentives programme and some one-offs (Denmark)
- Gross cost ratio will go further down in 2016 and 2017

Gross Cost Ratio 2011 - 2015





Highlights Norwegian Commercial/Public Lines 2015

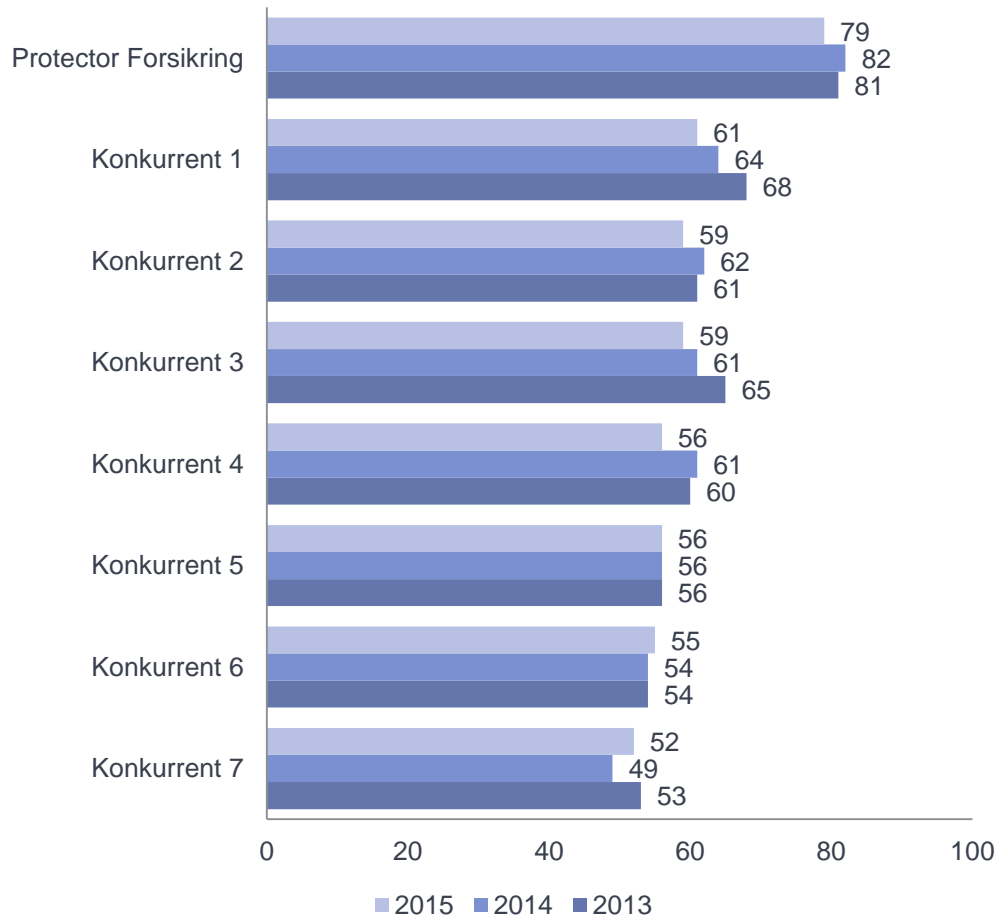
- Volume up 8%
 - 9% growth in the public sector
 - 7% growth in the commercial sector
- Personal lines of business, 54% of total volume
 - 4% growth in 2015
 - 15% growth other lines
 - More diversified product portfolio
- Renewal rate 91 %, down from 95% in 2014
- Recovery levels very good
- Q4 growth of 33%
- No growth in Q1 2016
 - Negative growth in Public sector
 - Single digit growth in Commercial sector

GWP 2011-2015
(MNOK)





Quality leader among brokers nine years in a row



Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings



Highlights 2015 – Sweden

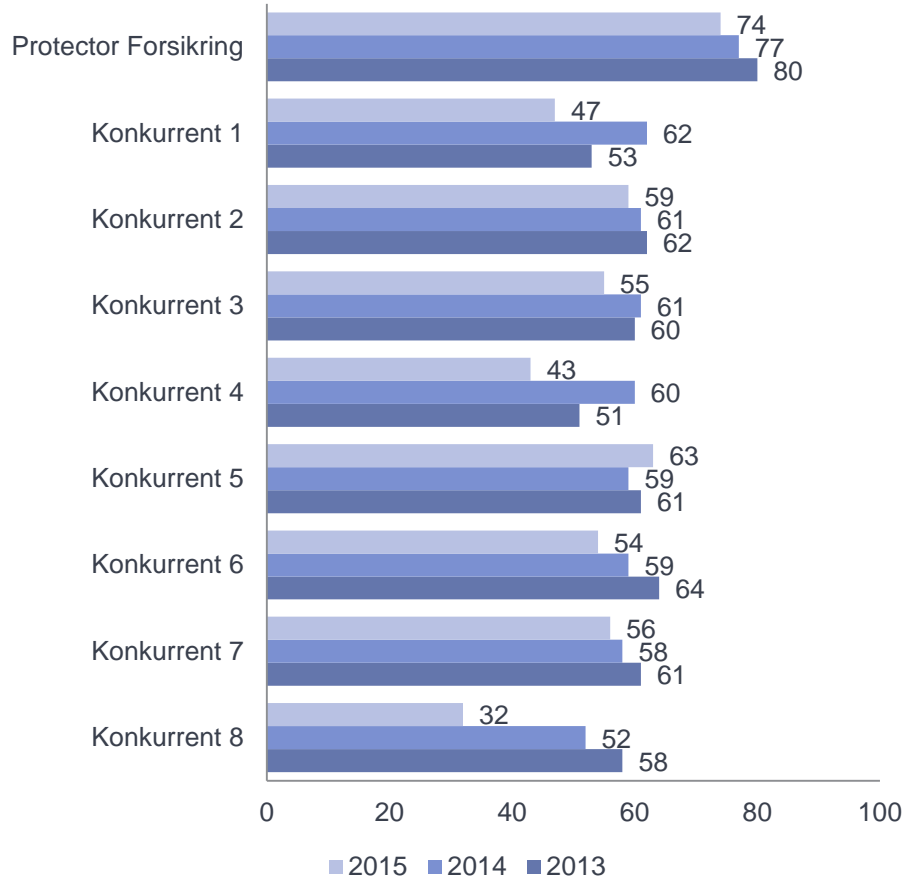
- 60 % growth
 - Growth in all segments: Commercial, Affinity and Public sector
 - 99% renewal rate
- Net combined ratio 87,0%
 - Strong profitability in all segments
 - Product profitability driven by motor and liability
 - Low level of medium/large claims
- First customer on board in Finland (January 1st)
 - First recruitments done in Helsinki

GWP 2011-2015
(MNOK)





Setting new quality standard in Sweden



- Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings

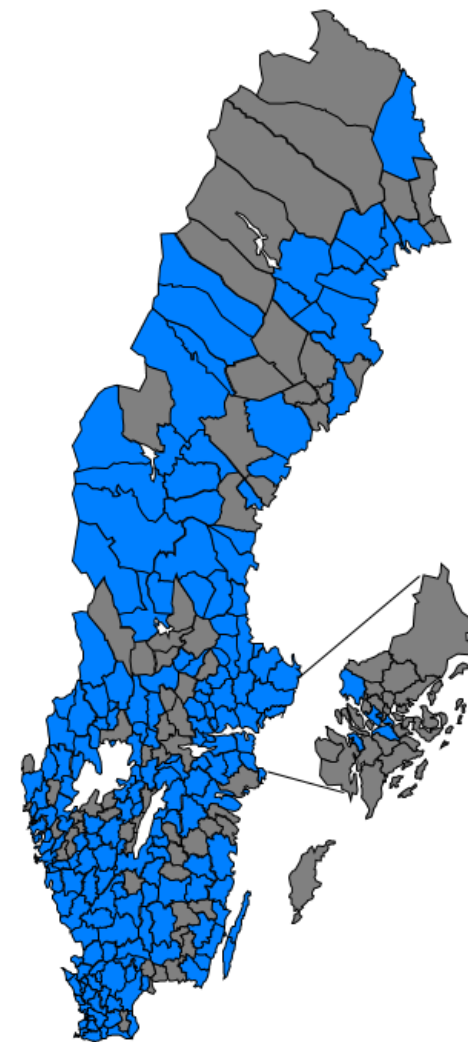


Key take-aways – Sweden

- Strong growth in 2015 and on January 1 2016
 - Nr 1 in Public Sector, 199/290 municipality customers with one or several products in Protector
 - Break-through in Affinity segment
 - Nr 1 in the Swedish bus market



- Diversified portfolio
 - Strengthened growth on Property & Casualty
 - Motor is down to less than 50% of the volume
 - Personal lines is approx. 10% of the volume
- Large increase in number of employees
 - A majority of personnel work in claims handling service
 - Property specialists in claims and underwriting





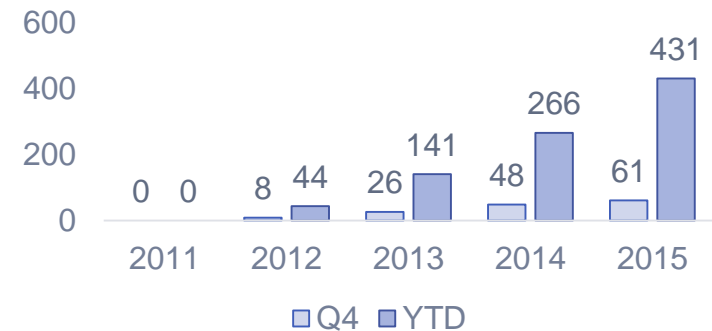
Highlights 2015 – Denmark

- 62% growth
 - Higher level of public business out in market compared to last two years (2016 potential)
 - 93% renewal rate
 - 70% growth commercial sector

- Net combined ratio 107,3%
 - Q4 and year influenced by some medium and large claims
 - A few price initiatives taken
 - One-off Pay-roll tax for previous years in Q4 (9 mNOK)
 - Currency impact on Combined Ratio ~+2%

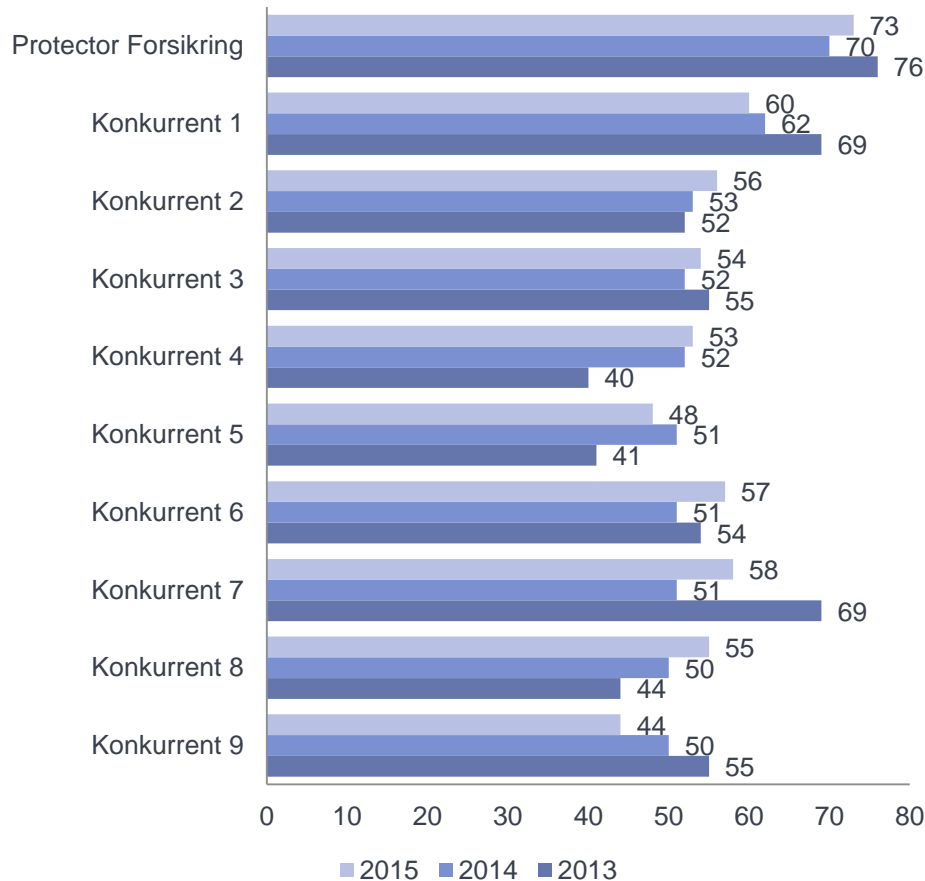
- Strong growth on January 1. 2016
 - Hunting season started well with good sales
 - Good renewal rates
 - Strongest growth in Commercial and Affinity

GWP 2011-2015
(MNOK)





Front runner on quality in Denmark

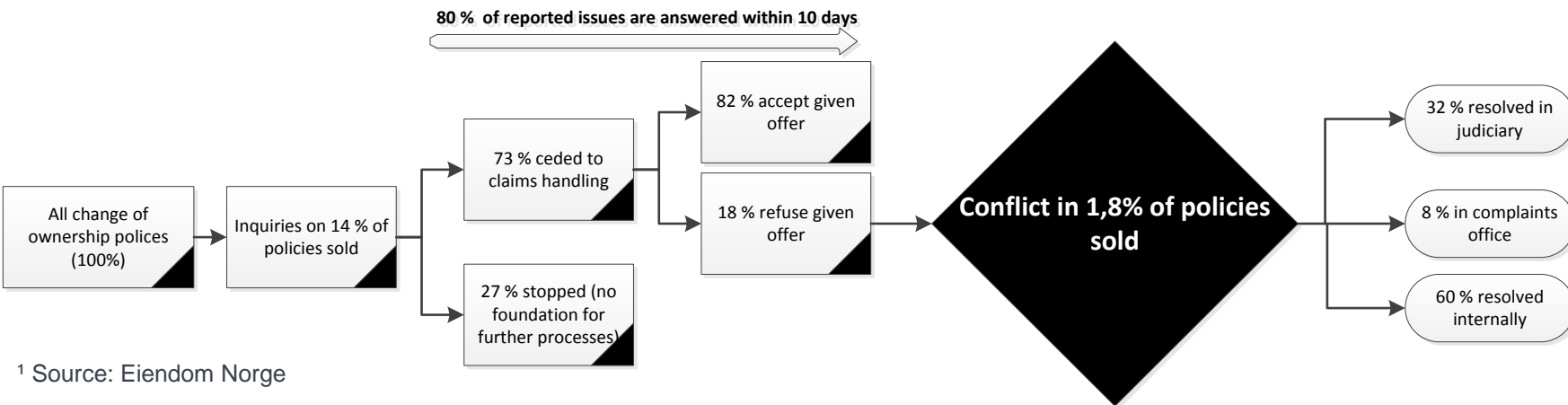


- Protector receives the highest score when brokers are asked to rank insurance companies according to how satisfied they are with their service and offerings

Highlights 2015 - Change of ownership

- Volume up 3 %
 - Decline in no. of policies last quarter
 - Slightly reduced market share due to distribution mix
 - Real estate prices in 2015 up 7,2 % relatively to 2014¹
- Tough year for COI
 - Incurred claims at a very high level
 - Some challenges in claims handling
- Weaker results in court
 - Win – draw – losses: 38% - 27% - 35 %
- Conflict level under 2%
 - These remaining claims are of course demanding

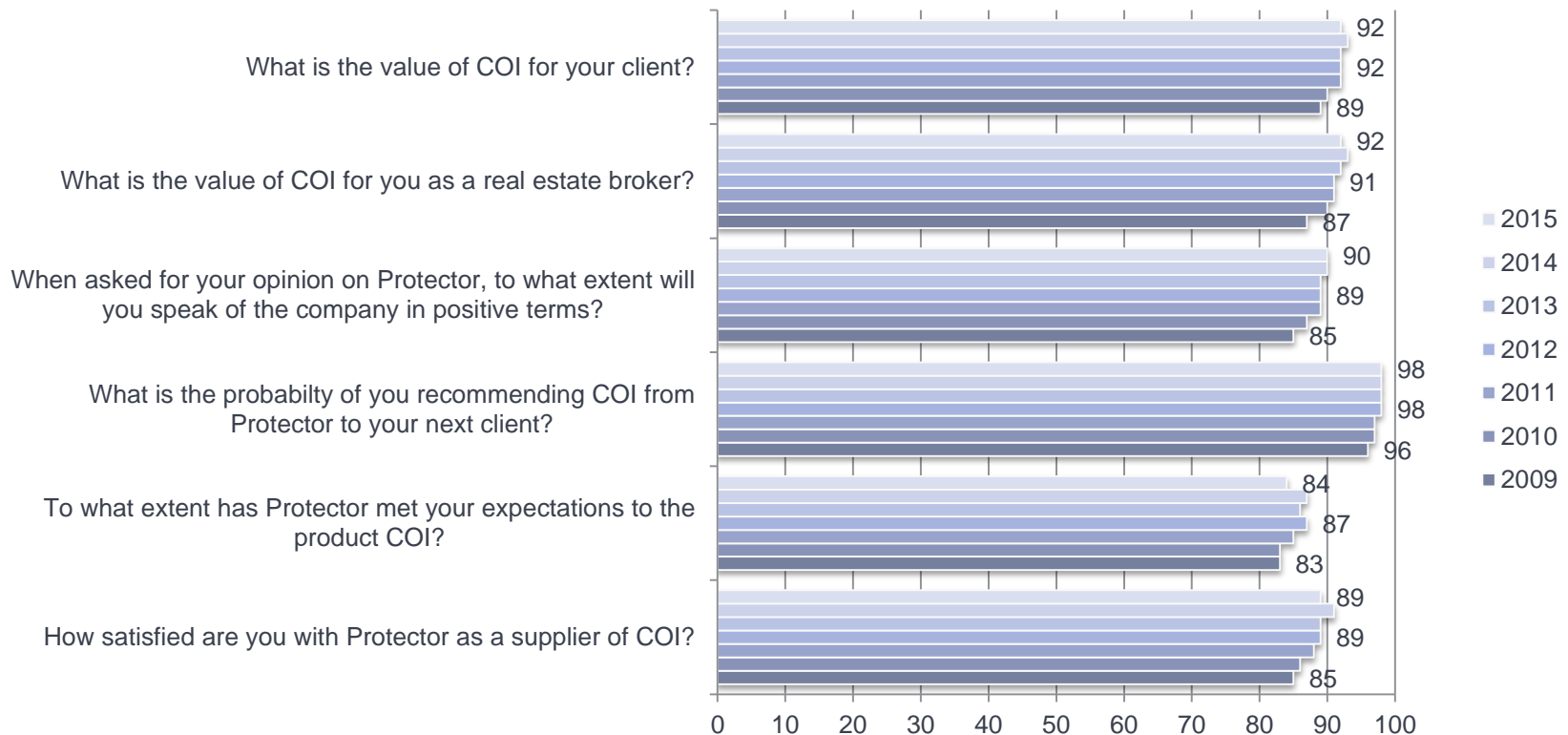
GWP 2011-2015
(MNOK)



¹ Source: Eiendom Norge



2015 Customer satisfaction – “loved” by the customer





Entry in the UK going according to plan

- First 6 employees on board in Manchester, 2 expected primo Q2
- Established relationship with top five brokers in public sector
- All reinsurance contracts agreed
- First quote delivered
- 6 operational projects started
- Start up-costs included in 2015, no capex will be booked
- First customer expected April 1st





Results 2015

NOKm	Q4 2015	Q4 2014	FY 2015	FY 2014
Premiums written gross	325,3	281,8	2 843,4	2 374,5
Premiums earned gross	698,7	593,7	2 791,1	2 306,8
Claims incurred gross	(617,0)	(451,6)	(2 283,6)	(1 854,5)
Premiums earned for own account	535,1	453,4	2 176,0	1 775,3
Claims incurred for own account	(475,7)	(337,7)	(1 861,0)	(1 439,5)
Operating costs for own account	(41,3)	(37,5)	(69,1)	(60,3)
Other income/costs	(4,4)	(2,0)	(13,5)	(10,2)
Net financial income	152,8	13,6	303,8	236,8
Profit before change in security provision etc.	166,5	89,8	536,1	502,0
Change in security provision etc.	57,9	27,0	-	(26,3)
Profit after change in security provision etc.	224,4	116,8	536,1	475,7
Tax	(30,7)	(14,1)	(70,6)	(93,0)
Profit before comprehensive income	193,7	102,7	465,5	382,8
Comprehensive income inc. tax	3,7	(14,9)	17,5	(24,0)
Profit for the period	197,3	87,8	483,0	358,8
Gross claims ratio	88,3 %	76,1 %	81,8 %	80,4 %
Gross expense ratio	9,6 %	8,2 %	7,5 %	7,6 %
Gross combined ratio	97,9 %	84,3 %	89,4 %	88,0 %
Net claims ratio	88,9 %	74,5 %	85,5 %	81,1 %
Net expense ratio	7,7 %	8,3 %	3,2 %	3,4 %
Net combined ratio	96,6 %	82,7 %	88,7 %	84,5 %
Retention rate	76,6 %	76,4 %	78,0 %	77,0 %
Return on investment assets	2,5 %	0,3 %	5,2 %	5,3 %
Earnings per share	1,8	1,0	5,6	4,9

- GWP up 20%

- 536m operating profit
- unchanged sec. provision due to improved diversification – SE, DK
- lower tax position due to composition of investment income

- Best ever profit

- Net CR 88,7%
- Retention rate will increase in 2016 due to change in reinsurance structure

Note:

Retention rate = NPE in % of GPE

Earnings per share = (Profit before comp. income + Change in security provision - 27% tax on Change in security provision) /

(No. of outstanding shares - own shares)



Balance Sheet 2015

NOKm 31.12.2015 31.12.2014

Financial assets	6 636,6	4 957,9
Bank deposits	144,1	207,9
Other assets	959,5	786,9
Total assets	7 740,1	5 952,7
Total equity	1 573,8	991,4
Subordinated loan capital	148,1	148,1
Total reserves	4 891,0	4 113,3
Other liabilities	1 127,3	699,8
Total equity and liabilities	7 740,1	5 952,7

Solvency capital	2 158,3	1 575,9
Return on solvency capital, after tax	25 %	28 %
Solvency capital per share, end of period	25,1	19,1
Solvency ratio	96 %	93 %
Solvency margin	364 %	296 %
Capital adequacy ratio (risk weighted)	24 %	18 %
NAV	2 000,5	1 418,1
NAV per share, end of period	23,2	17,2

Note:

Solvency Capital = shareholder's funds + security provision etc.

Return on solvency capital: Operating profit after tax / average solvency capital

Solvency ratio = solvency capital / NPW

Solvency margin calculated according to regulations from the FSA of Norway.

NAV = total equity plus 73% of the total security provision etc.

No. of shares = total outstanding shares ex own shares

- Return on solvency capital 25%, after tax
- 29% growth in investment portfolio
 - 23% ex sale of own shares
- Solvency margin 364%, after eventual dividend
- Historical to date return on solvency capital after tax 22,2%

Solvency II, UK & future growth → capital discussions

- Introduction of Solvency II makes other capital structures possible and attractive
- Protector has low level of debt compared with peers
- UK entry on track, upside scenarios are possible
- The company is considering raising new subordinated loan capital
 - Low cost of capital
 - Prudent growth should be in excess of 10% the next 3-5 years
- Tryg's placement indicated market appetite...
- More solid, better diversified and better competitive position than peers

Most solid company in the Nordic insurance market?¹

Full year 2015	PRF		Gjensidige		Tryg		Top	
Cost ratio	7,5 %	# 1	15,1 %	# 2	15,3 %	# 3	15,9 %	# 4
Combined ratio (2008-2015)	88,5 %	# 1	89,4 %	# 3	89,9 %	# 4	88,7 %	# 2
Geographic diversification - share of business outside country of main office ²	43,7 %	# 2	27,9 %	# 3	48,2 %	# 1	0,0 %	# 4
Solvency margin ratio ³	364 %	# 1	212 %	# 2	154 %	# 3	137 %	# 4
Adj. solvency capital to GPE ratio ⁴	71,7 %	# 2	85,0 %	# 1	54,7 %	# 3	52,2 %	# 4
Percentage subordinate loan of adj. solvency capital ⁴	7,4 %	# 2	6,6 %	# 1	17,3 %	# 3	46,1 %	# 4
Gross leverage ⁵	3,84	# 2	3,54	# 1	5,04	# 3	5,38	# 4
Return on adj. solvency capital ⁴	28,6 %	# 1	21,0 %	# 3	18,9 %	# 4	22,9 %	# 2
Most solid company in the Nordic insurance market	Nr. 1	12	Nr. 2	16	Nr. 3	24	Nr. 4	28
¹ Calculations done by Protector with available information from reported financial statements and credit analyses								
² Calculations for PRF based on 01.01.2016 GWP								
³ Calculated in accordance with Danish Solvency II regulations for Danish insurers and Norwegian Solvency II regulations for Norwegian insurers								
⁴ Adj. solvency capital defined as (shareholder's equity + security provisions - tax on security provision)								
⁵ Gross leverage is used to determine how exposed an insurer is to pricing and estimation errors, as well as its exposure to reinsurance companies ((gross premiums + gross reserves - security provision) / adj. solvency cap)								

Protector, the challenger, ranks nr. 1 as the most solid insurance company in the Nordic market

- Peer group consist of Tryg, Top and Gjensidige, which are all publicly traded insurance companies with significant market share in the Nordic insurance market



Asset management development

Key highlights 2015:

- 29% growth in AUM; 23% ex proceeds from sale of own shares in Q2
- Further build-up of in-house investment portfolio
- Reduced exposure to HY funds in Q4
- Return on investments affected by volatile financial markets:
 - Global HY significant increase in spreads, spread increase in IG and bank
 - Norwegian capital markets affected by 34% fall in oil price

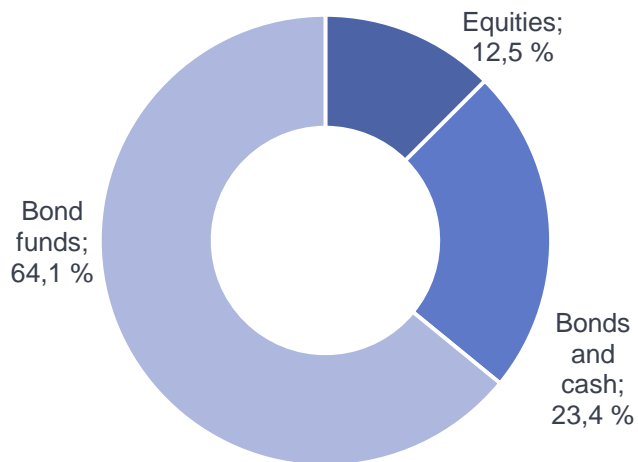
Further build-up of the in-house investment portfolio after year-end 2015 through sale of funds



Asset allocation

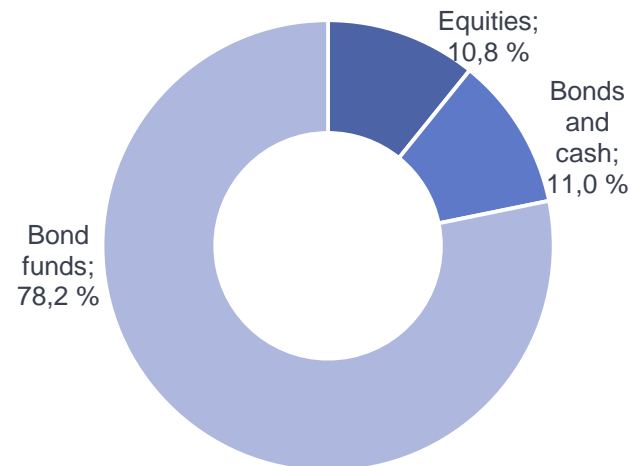
- End of Q4 2015; Bonds 86,3% of portfolio, equities 13,7%
- Further reduced exposure to HY funds
- Continued limited exposure to oil and oil services sector

Money-weighted allocation of investments 31.12.2015



Total net financial assets year-end 2015; NOK 6.293m

Money-weighted allocation of investments 31.12.2014



Total net financial assets year-end 2014; NOK 4.894m



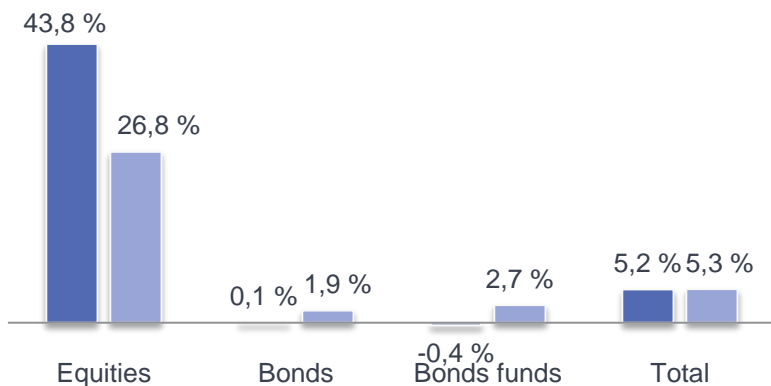
Investment performance 2015

5,2% return on the investment portfolio

- Net investment result of NOK 303,8m, 5,2% return (NOK 236,8m, 5,3%)
 - Q4; Net investment result of NOK 152,8m, 2,5% return (NOK 13,6m, 0,3%)
- Equities, return of 43,8% (26,8%), Q4 16,3% (14,6%)
 - OBX 2,9% in 2015, Q4 4,1%
- Bond portfolio, return of -0,3% (2,6%), Q4 0,2% (-1,6%)
 - Yield end of Q4; 4,1%
- Net investment portfolio of NOK 6.293m (NOK 4.894m), 29% growth
 - Ex proceeds from sale of treasury shares growth was 23%

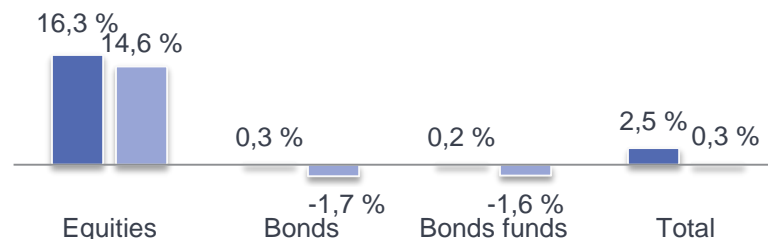
Return YTD

■ 2015 ■ 2014



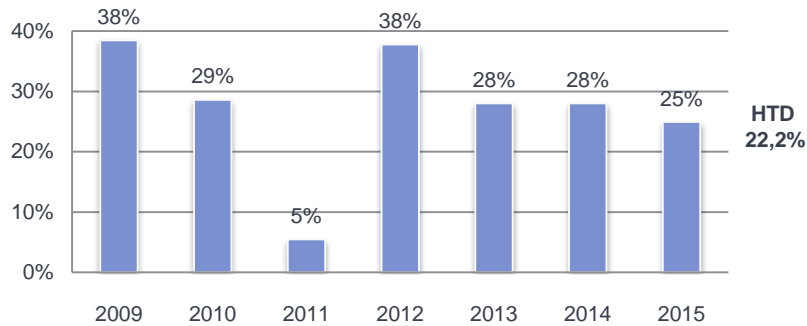
Return Q4

■ 2015 ■ 2014

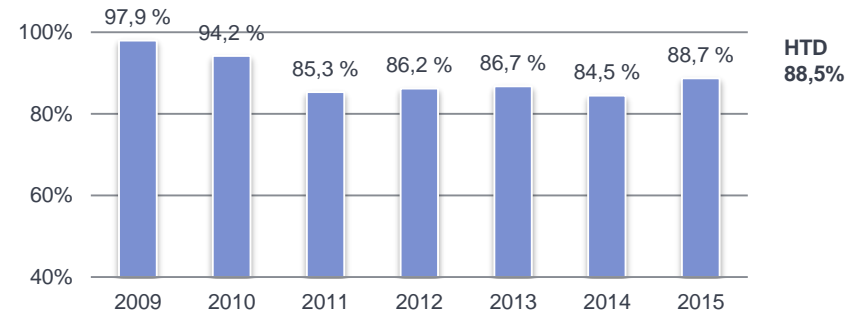


Development in earnings and key ratios

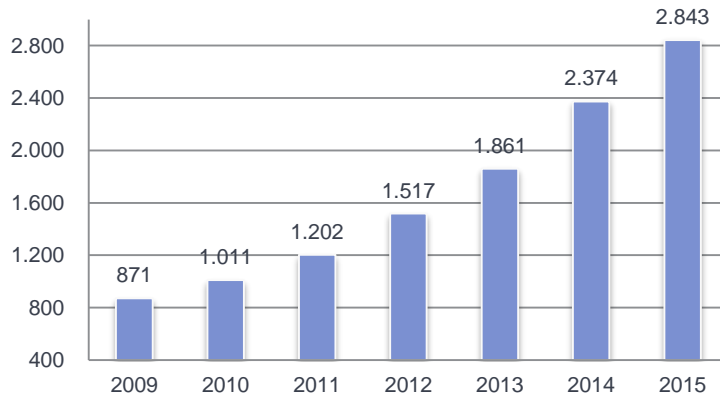
Return on solvency capital after tax



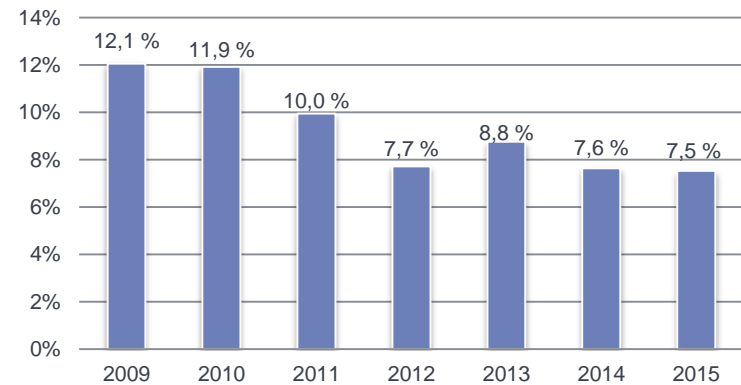
Net Combined Ratio



Gross premiums written (NOKm)



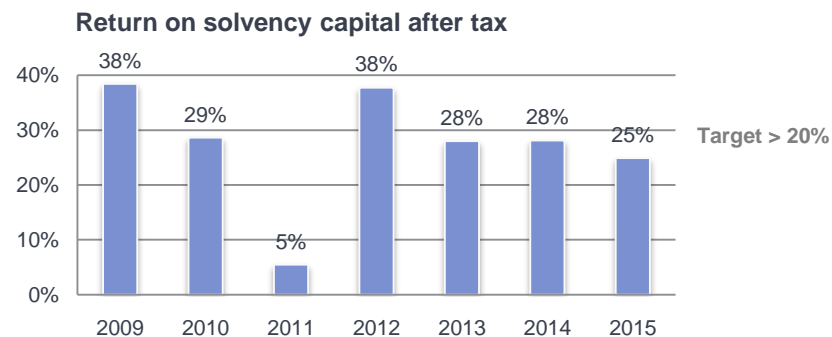
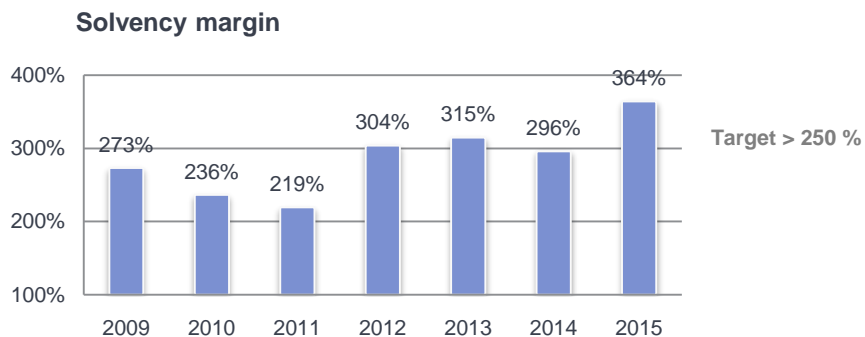
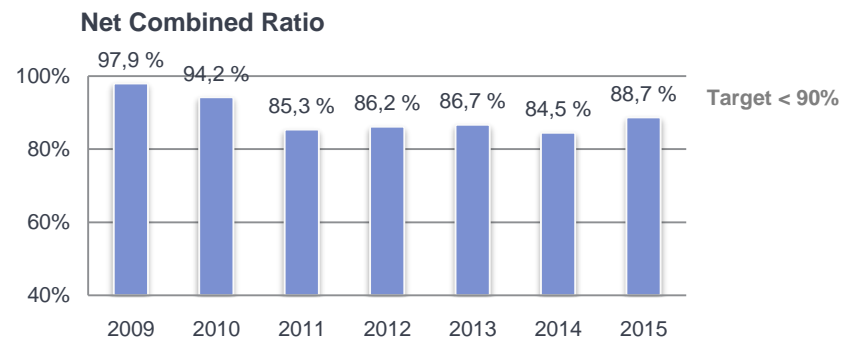
Gross cost ratio





Long-term financial objectives

- Medium term GWP growth rate: 10%
- Net combined ratio: 90%
- Solvency margin: > 250%
- Return on solvency capital: 20%





Shareholder matters 29th January 2016

Shareholder	No. Shares	Percent
STENSHAGEN INVEST AS	6 550 000	7,60 %
SWEDBANK ROBUR SMABOLAGSFOND	5 631 835	6,54 %
ODIN NORDEN	4 473 484	5,19 %
OJADA AS	3 563 116	4,14 %
VERDIPAPIRFONDET HANDELSBANKEN	3 032 384	3,52 %
TJONGSFJORD INVEST AS ¹	2 811 809	3,26 %
MP PENSJON PK	2 017 379	2,34 %
VEVLEN GÅRD AS	2 000 000	2,32 %
ARTEL HOLDING A/S	1 873 451	2,17 %
ALSØY INVEST AS ²	1 702 751	1,98 %
FROGNES AS	1 649 916	1,92 %
JP MORGAN CHASE BANK, NA	1 609 741	1,87 %
AVANZA BANK AB	1 451 514	1,68 %
JOHAN VINJE AS	1 437 841	1,67 %
GENERALI PANEUROPE LTD -GP11940006	1 421 250	1,65 %
ODIN NORGE	1 410 233	1,64 %
BNP PARIBAS SEC. SERVICES S.C.A	1 380 547	1,60 %
PETROSERVICE AS	1 333 815	1,55 %
NORDNET BANK AB	1 275 393	1,48 %
ARCTIC FUNDS PLC	1 160 975	1,35 %
20 LARGEST	47 787 434	55,47 %
OTHERS	38 368 171	44,53 %
TOTAL SHARES	86 155 605	100,00 %

Related parties shareholding

- Management's direct and indirect shareholding totals 3,2m shares or 3,7% of current outstanding shares
- Board members directly and indirectly own a total of 12,3m shares or 14,3% of current outstanding shares
- 24 employees own directly a total of 3.5 m shares or 4,1% of current outstanding shares (incl. management)
- Protector owns zero own shares or zero % of current outstanding shares

Notifications of trade in Q4 2015

- Chairman of the Board, Jostein Sørvoll, reorganized his holdings into Alsøy Invest AS as of 22.12.15. He owns the same number of shares before and after the transaction.

Other changes in shareholding

- No significant changes.

No. Of shareholders 1.959

¹ CEO, Sverre Bjerkeli

² Chairman of the Board, Jostein Sørvoll

Outlook 2016

Volume up 22 %

- + ~50% growth in Sweden/Denmark, low single digit in Norway
- + January 1st volume on a strong level
- + Strong start in both Sweden and Denmark

Gross cost ratio* <7,5% (7,5% in 2015)

- + Minor volume growth and scalability Norway
- + Critical mass Sweden/Denmark reached
- Very high level of motor business in Sweden, less cost effective
- Entry in UK market

Net Combined ratio 90%

- + Profitability measurers claims handling (Commercial) yielding results
- + Change of ownership Insurance back on track
- Some rate pressure in commercial and public sector
- Relative portfolio in Sweden/Denmark up

* Excluding claims handling costs

CEO summary, risk outlook 2016

Unchanged risk overall

Sweden & Denmark contribute to diversification

	Risk
+ Sweden/Denmark deliver better than guided volume	Medium
+ Upside volume UK relative to guiding	Low
+ Balance sheet growing leads to increased financial income	No
+ Cost ratio Gross & Net going down	No
- Rate pressure driving claims ratio above guiding	Low
- Volume downside in Norway relative to guiding	Medium
- Profitability behind guiding in Sweden	Low
- Profitability behind guiding in Denmark	Medium
- Start up in UK creates profitability problems	Low

Outlook 2016

NOKm	Res 2015	Outlook 2016
Premium growth (%)	20	22
Gross cost ratio (%)	7,5	<7,5
Net combined ratio (%)	88,7	90,0

No guiding will be given on investment income:

- Investment risk will be slightly reduced (equities up, high yield down)



Summary 2015

Strong profitable growth

- Volume up 20 % (28%) No. 1 in Nordic market
- Gross cost ratio down to 7,5 % (7,6 %) No. 1 in Nordic market in our segments
- Net combined ratio 88,7 % (84,5 %) Top 1 in Nordic market last 5 years
- Sweden and Denmark Now same size as Norway Comm. and Public

Strong financial result

- Operating profit of NOK 536 mill (502 mill)
 - Net return on investments NOK 303,8m (5,2%) (236,8 mill 5,2%)
- Return on solvency capital 25% after tax (28%)

Strong 2016 guiding, volume up 22%

Dividend of NOK 2,25 per share suggested, 3,1% in direct yield