

An aerial photograph of a rugged coastal landscape. A winding road or path leads through rocky terrain and small islands in the water. The sun is low on the horizon, creating a bright, shimmering reflection on the water's surface that extends towards the viewer. The sky is clear with some light clouds.

PROTECTOR
forsikring

Results Q1 2016

Investor presentation

Highlights Q1 2016

Growth 26% - First client on board in UK

- GWP + 26% (21% local currency)
- First client on board in UK April 1st
- Gross expense ratio 6.1% (7.5%)
- Net combined ratio 88.3% (82.4%)
 - Underlying combined ratio 81.4% (After one-off reserve losses COI and one-off gain Reinsurance)
- Investment result - 0.5% (2.2%)
 - Investment result YTD per April 25th 2.5%
- Subordinated loan (T2) 500 MNOK successfully placed
- -> Guiding unchanged

From Norwegian, to Scandinavian, to...



Gross written premiums Q1 2016



GWP up 26% from NOK 1,516 to 1,912

- 21% in local currency

Norway commercial & public down 2%

- Norwegian oil service crisis

- Municipality price pressure

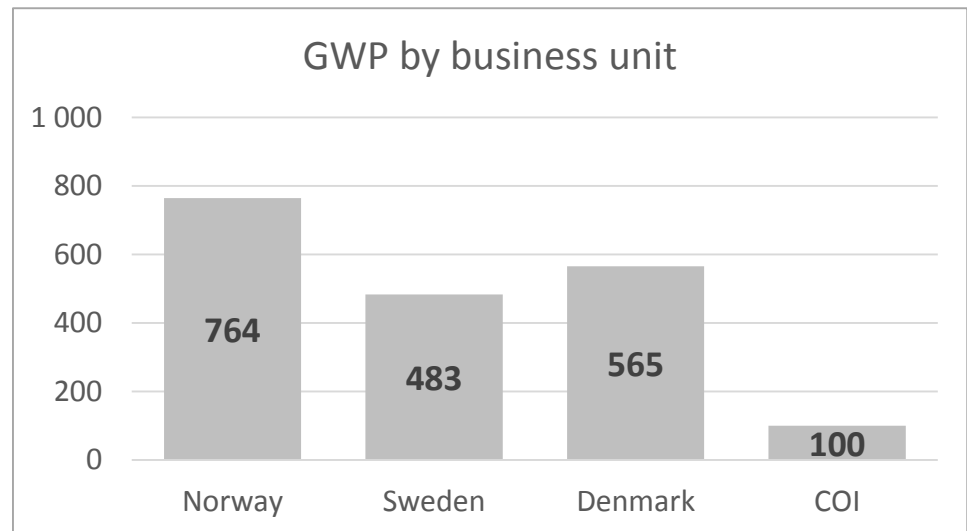
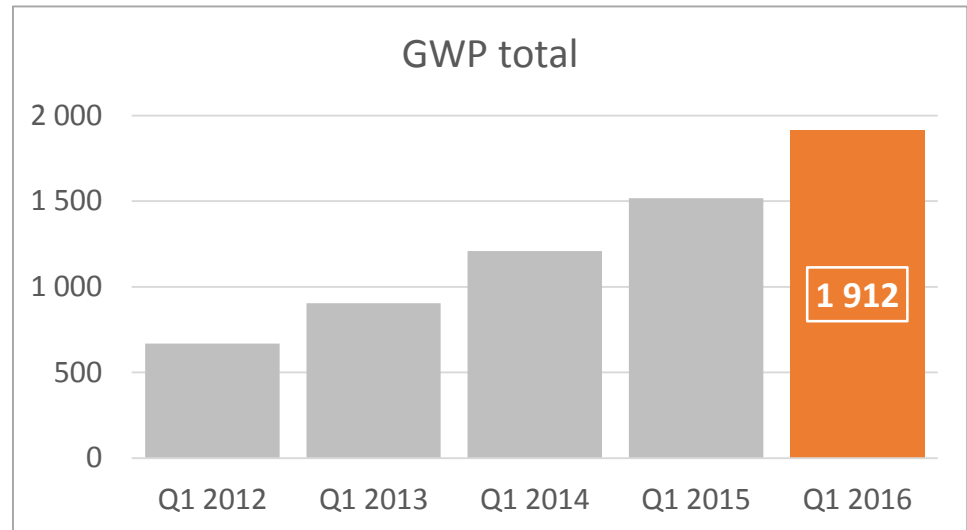
COI down 20%

Sweden 66% growth (SEK 53%)

Denmark 79% growth (DKK 65%)

First client UK on board April 1st, Wigan

Established in Finland, 7 clients in Q1



* Finland and UK will be reported under Norway until further notice, as at March 31st 2016 not material

Claims development Q1 2016



Gross claims ratio of 90.4%

COI significantly up

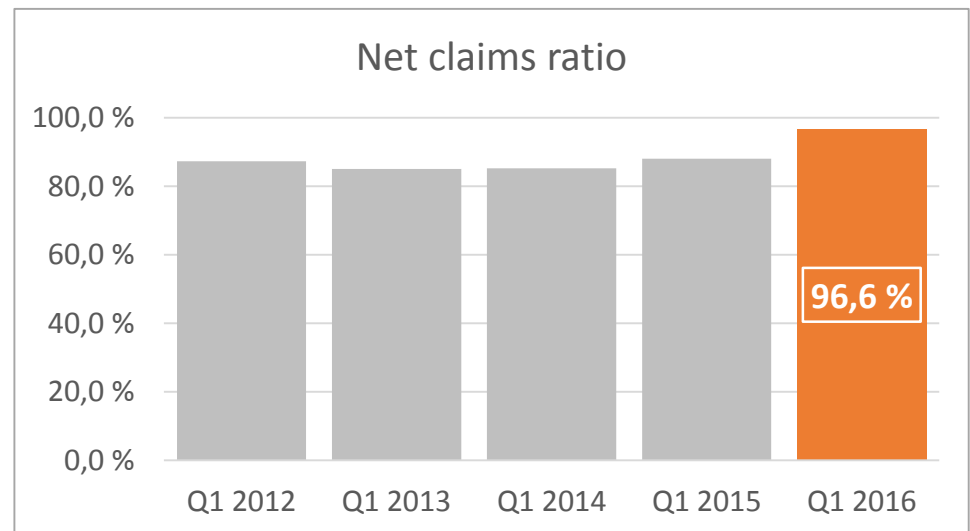
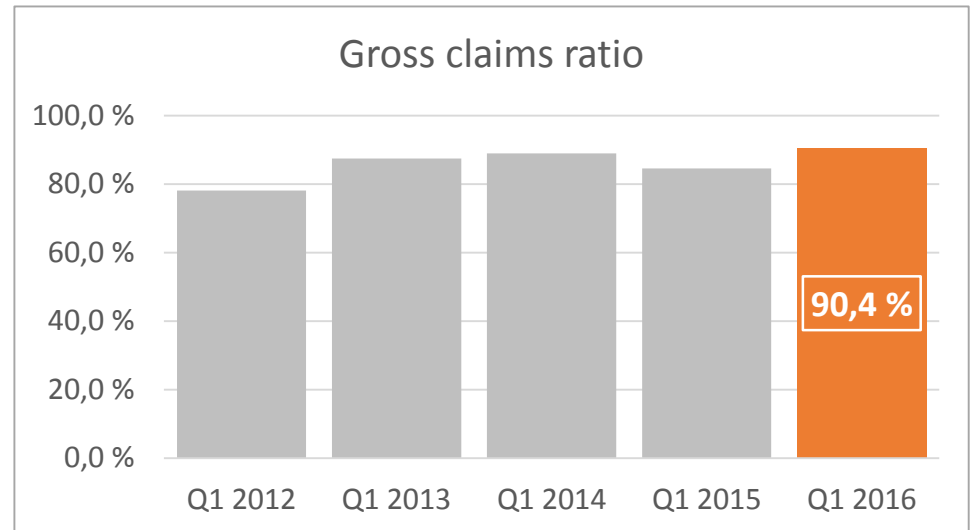
- Reserve losses (one-off) 10.9% points on company level, 86 MNOK
- Measures taken

Norway (ex COI) doing well

Sum of Sweden and Denmark ahead of schedule

Net claims ratio of 96.6 %

- COI fully for own account



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Cost development Q1 2016



Gross cost ratio of 6.1%, down from 7.5%

- World leading

FTE's now 225

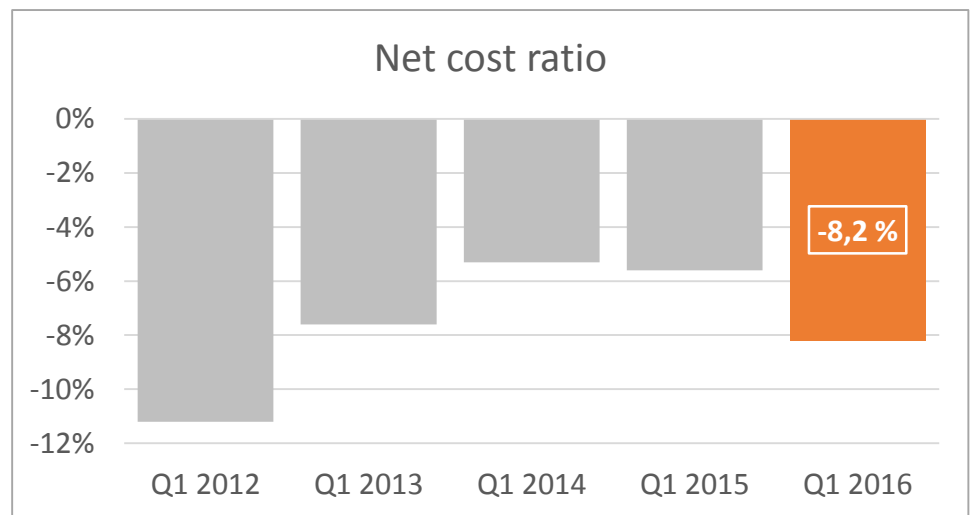
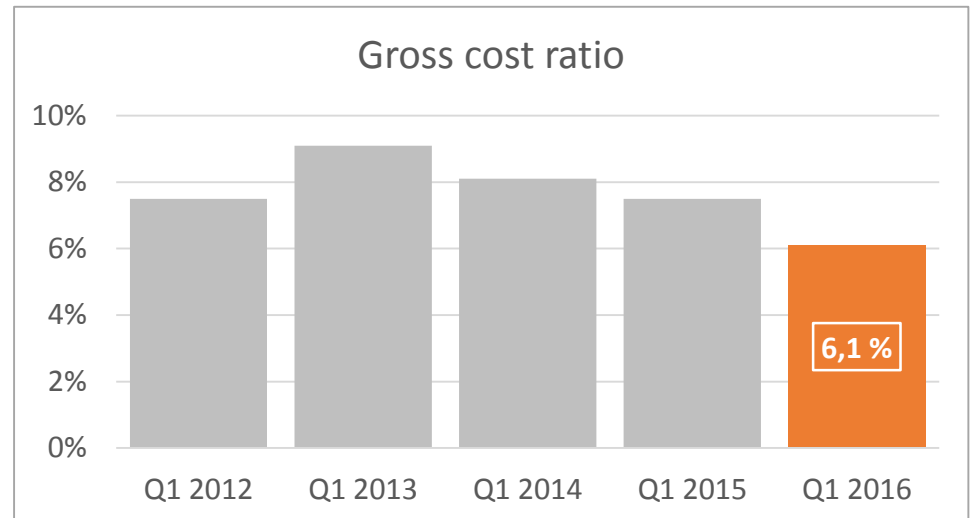
New offices in Manchester and Helsinki

Net cost ratio - 8.2%, down from - 5.6%

- High level of reinsurance commissions despite reduced ceded to reinsurance

- One-off profit sharing reinsurance contracts (2014) 5.2%

- Fast growing property portfolio



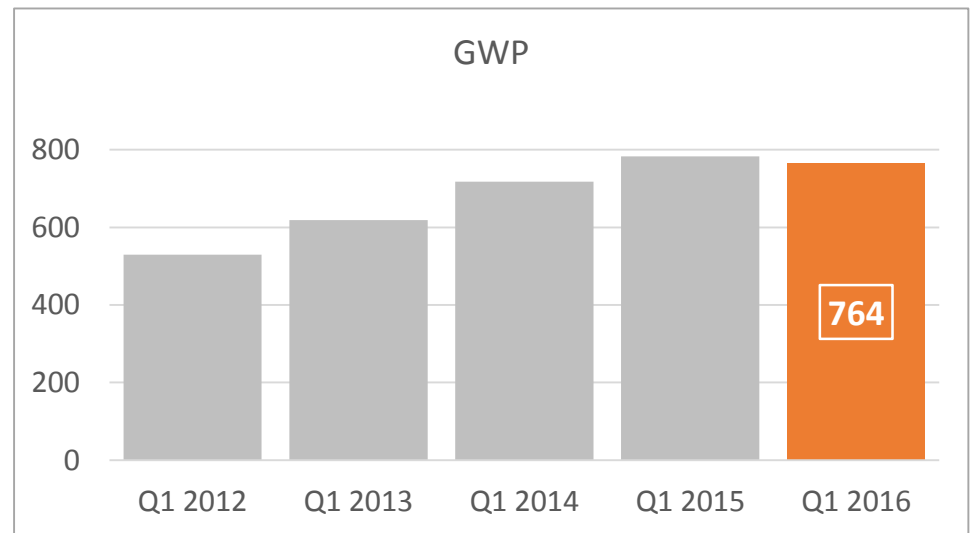
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Highlights Q1 2016

- Norwegian public and commercial line



- Volume down 2 percent
 - - 15% down public
 - - 1 large win, 5 large non-renewals
 - - 5% growth commercial
 - - 7 large wins, 4 large non-renewals
 - - Oil service sector down
 - - Municipality price pressure, losing market share
 - - Hit ratio (volume) 28%
- Renewal rate 83 percent
 - - 77% public sector
 - - 88% commercial
- “Clean desk” project started in claims handling
- -> Strong volume start in Q2



* Finland and UK will be reported under Norway until further notice, as at March 31st 2016 not material

Highlights Q1 2016

- Sweden



Volume up 66 percent (53% in SEK)

- 33% growth public
 - 3 large wins, none large non-renewals
- 80% growth commercial
 - 4 large wins, none large non-renewals

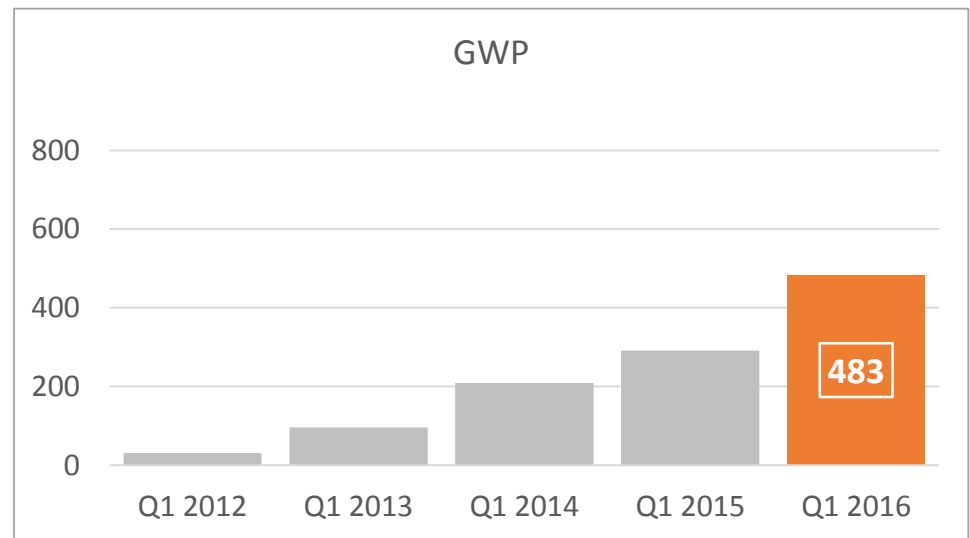
Renewal rate 106 percent

- 108% public sector
- 103% commercial

Strong gross claims ratio of 67.2%

- Supported by reserve gains in motor

“Clean desk” project started in claims handling



Open for business

- Finland



- Five people on board
 - Experienced underwriters and claims handlers
- Helsinki office established
- 8 public and 3 commercial customers won
- Positive outlook on incoming business from Scandinavia
- Project lead from Stockholm
- Copy winning formula (same vision, business idea, main targets and values)
- Entry point public sector and some grouped insurance
- -> Protector now a true Nordic player



Highlights Q1 2016

- Denmark



Volume up 79 percent (65% DKK)

- 45% growth public
 - 2 large wins, none large non-renewals
- 72% growth commercial
 - 4 large wins, none large non-renewals

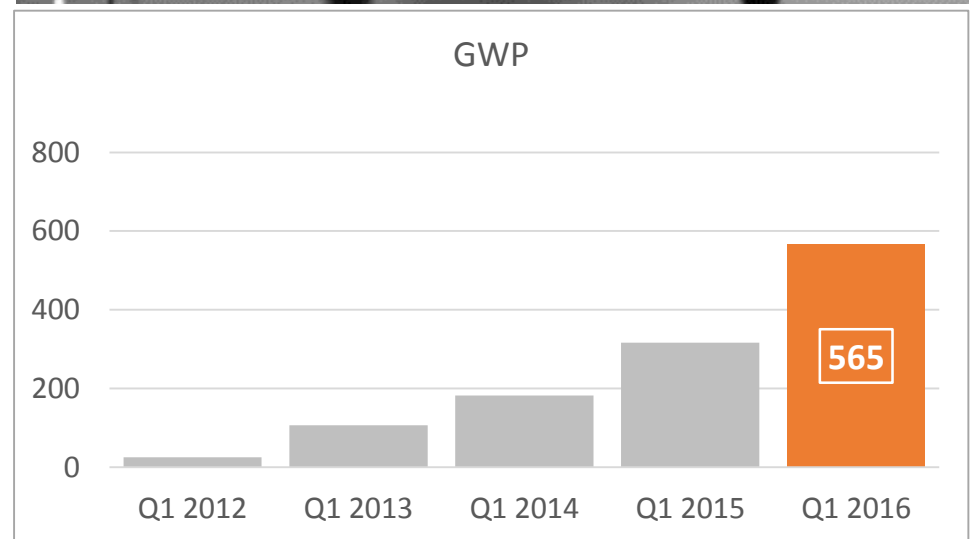
Renewal rate 105 percent

- 86% public sector
- 112% commercial

Gross claims ratio 78.6%

- Underlying claims ratio somewhat higher

“Clean desk” project started in claims handling

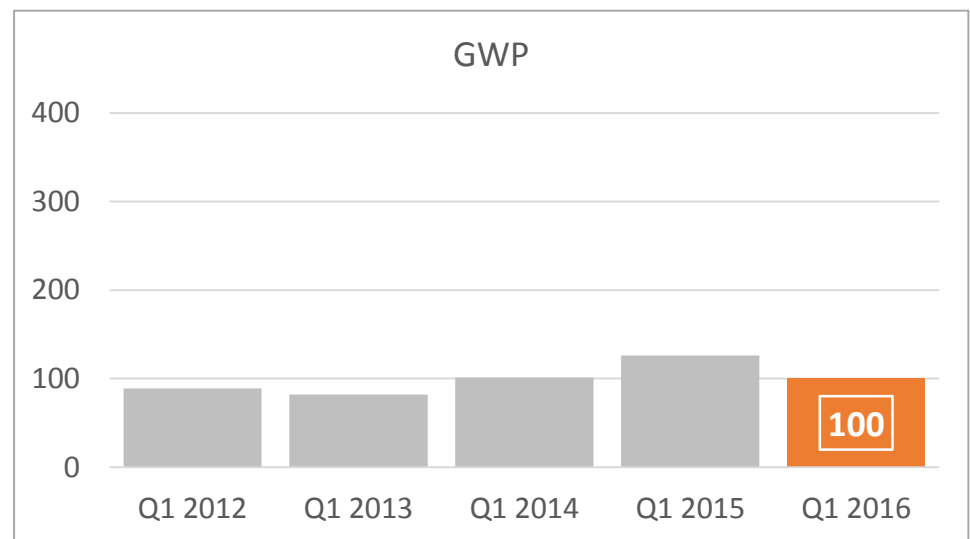


Highlights Q1 2016

- Change of ownership insurance (COI)



- Volume down 20 percent
 - No. of policies sold reduced 21%, slow market
 - Real-estate prices up 3.6%
- Highest claims ratio ever in quarter
 - Reserve losses (one-off) 86 MNOK
- Recovery level behind schedule
 - Targeting a high level
- Court results slightly improved
- Low volume expected in Q2, real estate turnover slowing down



Change of ownership insurance – actions taken



- Cause behind reserve losses in 2015 and Q1 2016
 - Problems started 2014
 - Some management changes (maternity leaves and role changes), loss of experienced people, lagging behind -> reserves going down
- Actions taken from Q2 2015
 - Management capacity back on track
 - Recruitment of new capacity, gradually building more competence
 - Increased technical survey capacity, now 4 FTE's (up from 2)
- “Clean desk” project speeding up claims handling (Open claims down 15% in Q1)
- Poor Q2 expected but will be back on track in Q3
- Better than ever claims handling in Q4

UK has gone live

- a careful start



- Team of 9, including Regional Manager working in the Manchester office
- Good activity towards the brokers, public and commercial sector
- 2 year long initial project completed or transferred to local projects
- 6 operational projects ongoing in Manchester
- Underwriting processes ahead of SE & DK at same time
- Quotes delivered to all main brokers in Public sector
- First customer confirmed from April 1st
- First quote delivered in commercial sector
- -> Culture is key



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“Route 66” – 2016 started

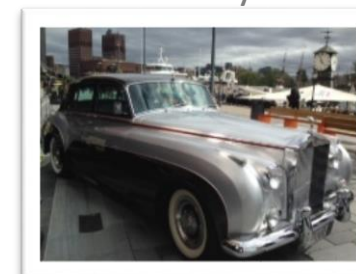


- 66 old and new business improvement projects started, ahead of 2015
- M6 UK
- Clean desk claims handling
 - Clean desk every Tuesday, Thursday and Friday
 - Better than ever per April 1st , developing fast
- I&ITA, 900 IT innovations in 2016
- Rolls Royce 2016 claims handling started
 - Reduce and recourse, next level targets
- Experto Credite
- Financial Underwriting
 - Insourcing of investments
 - Will be explained on CMD in August

M6



Rolls Royce



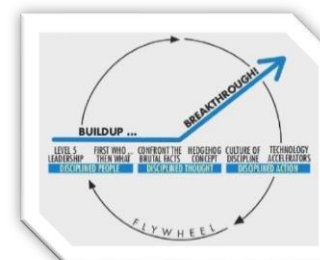
Clean desk



Experto Credite



I&ITA



Financial UW



Profit & loss Q1 2016



[1.000.000 NOK]		Q1 2016	Q1 2015	FY 2015	
Gross premiums written		1 912,2	1 515,8	2 843,4	GWP growth 26%
Gross premiums earned		782,9	666,3	2 791,1	
Gross claims incurred		(707,7)	(562,8)	(2 283,6)	One-off reserve losses COI 86 MNOK
Earned premiums, net of reinsurance		631,6	518,0	2 176,0	
Claims incurred, net of reinsurance		(610,0)	(455,9)	(1 861,0)	One-off reserve losses COI 86 MNOK
Net commission income		85,3	76,0	112,9	
Operating expenses		(33,2)	(46,8)	(182,0)	
Other income/costs		3,4	(3,0)	(13,5)	
Net financial income		(31,9)	122,2	303,8	Net financials down 154 MNOK
Operating profit before security provision etc		45,2	210,5	536,1	
Claims ratio, net of ceded business	(1)	96,6 %	88,0 %	85,5 %	
Expense ratio, net of ceded business	(2)	-8,2 %	-5,6 %	3,2 %	One-off profit sharing 33 MNOK
Combined ratio, net of ceded business	(3)	88,3 %	82,4 %	88,7 %	81.4% adjusted for one-offs
Gross claims ratio	(4)	90,4 %	84,5 %	81,8 %	
Gross expense ratio	(5)	6,1 %	7,5 %	7,5 %	“World leading” expense ratio
Gross combined ratio	(6)	96,5 %	92,0 %	89,4 %	
Retention rate	(7)	80,7 %	77,7 %	78,0 %	
Earnings per share	(8)	0,19	2,03	5,48	

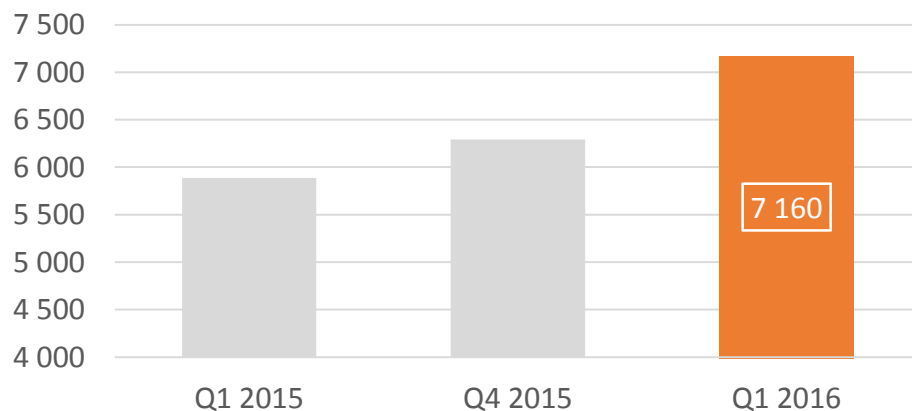
- 1) Claims incurred, net of reinsurance in % of earned premiums, net of reinsurance
- 2) Operating expenses in % of earned premiums, net of reinsurance
- 3) Net claims ratio + net expense ratio
- 4) Gross claims incurred in % of gross premiums earned
- 5) Sales and administration costs in % of gross 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

Balance sheet Q1 2016



[1.000.000 NOK]	31.03.2016	31.03.2015	31.12.2015
Owner-occupied property	13,8	-	13,6
Financial assets	7 559,8	6 156,9	6 623,0
Bank deposits	52,0	185,7	144,1
Other assets	1 412,3	1 120,9	924,4
Total assets	9 037,8	7 463,5	7 705,1
Total equity	2 022,5	1 578,1	2 012,7
Subordinated loan capital	148,1	148,1	148,1
Total reserves	5 570,6	4 502,1	4 306,5
Other liabilities	1 297	1 235	1 238
Total equity and liabilities	9 037,8	7 463,5	7 705,1

Net financial assets



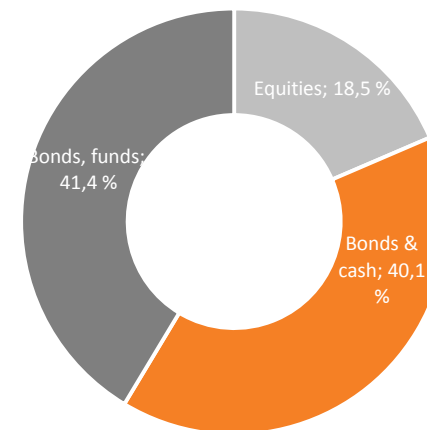
- Subordinated loan size MNOK 500 successfully placed
- Net investment portfolio of 7,160 MNOK at March 31st, up 21.6% from Q1 2015
- The AGM on April 21st 2016 approved the payment of a dividend of NOK 2.25 per share. This pay-out will reduce the equity by MNOK 193.9 in the second quarter.

Asset allocation

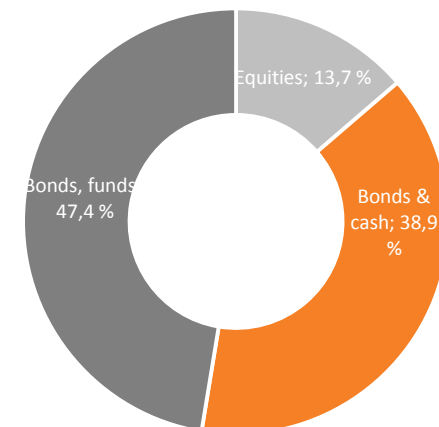


- Increased exposure in equities, reduced in high yield
- No exposure to Norwegian oil- and oil service sector
- Continued build-up of the in-house portfolio
- Financial underwriting model introduced
 - Investment underwriting
 - Market update on Capital Markets Day in August

Asset allocation 31.03.2016



Asset allocation 31.03.2015



Investment performance Q1 2016

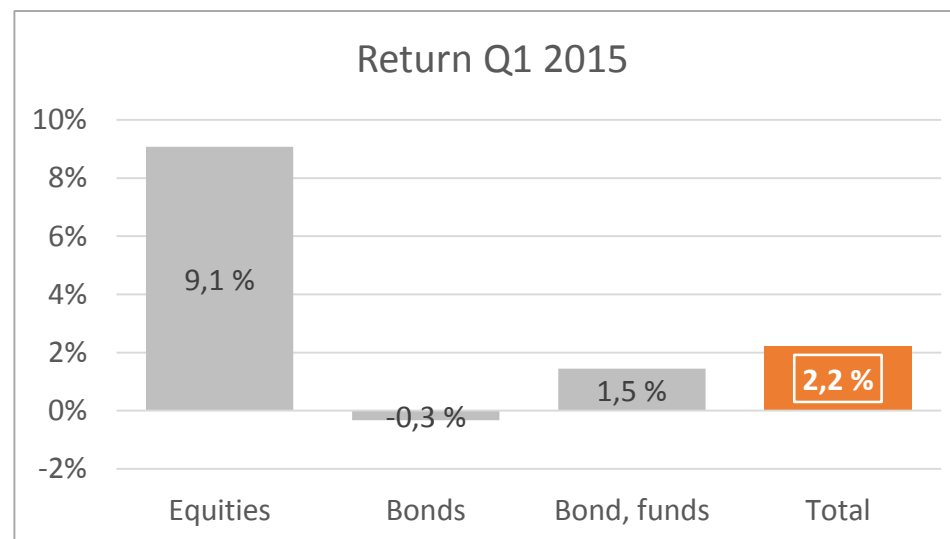
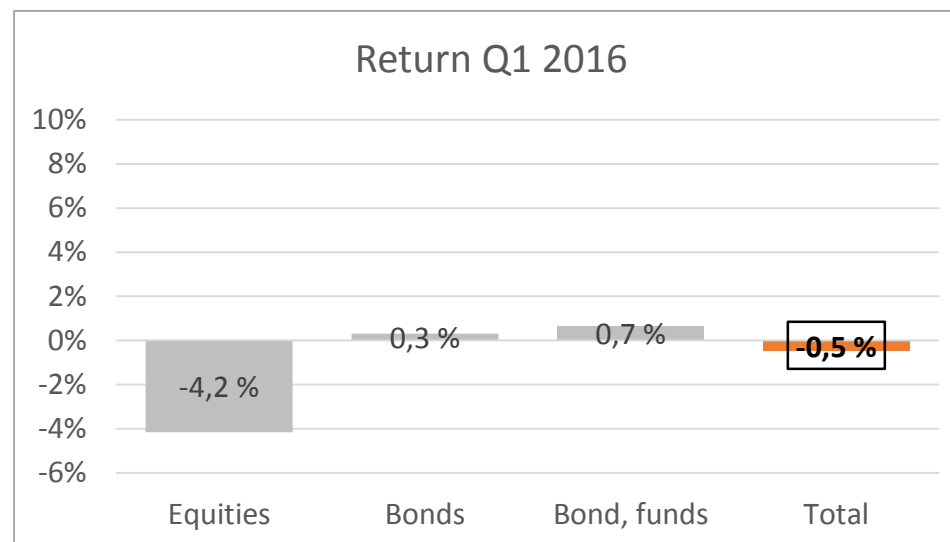


- 0.5% return on investment portfolio, net investment result of - 31.9 MNOK (2.2%, 122.2 MNOK Q1 15)

Equity portfolio; return of - 4.2% (9.1%); bonds 0.4% (1.0%)

Net investment portfolio of 7,160 MNOK (5,886 MNOK), 22% growth

2.5% return on investment portfolio YTD at April 25th .



Shareholder matters 19.04.2016

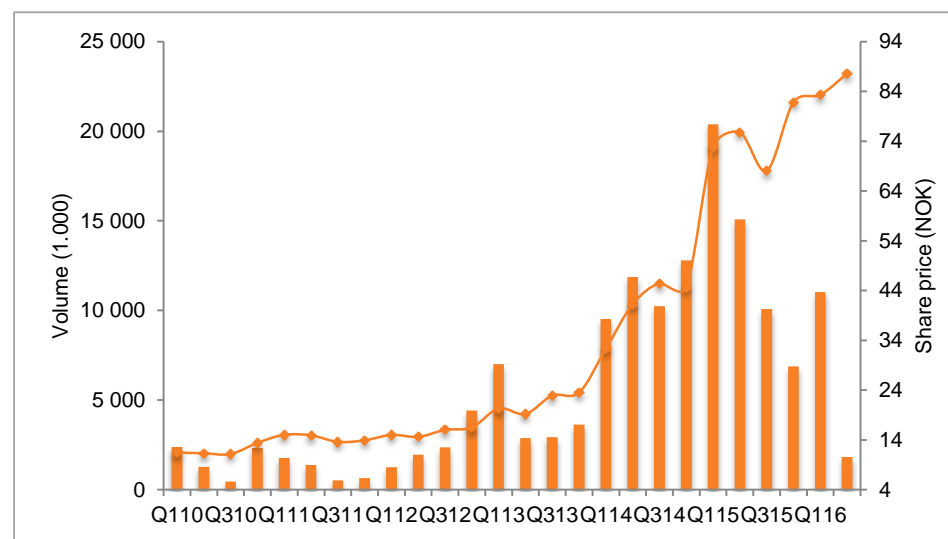


Shareholder	No. Shares	Percent
STENSHAGEN INVEST AS	6 550 000	7,60 %
SWEDBANK ROBUR SMABOLAGSFOND	6 175 308	7,17 %
ODIN NORDEN	4 473 484	5,19 %
OJADA AS	3 563 116	4,14 %
TJONGSFJORD INVEST AS ¹	2 811 809	3,26 %
VERDIPAPIRFONDET HANDELSBANKEN	2 721 000	3,16 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 022 884	2,35 %
MP PENSJON PK	1 945 379	2,26 %
ARTEL HOLDING A/S	1 873 451	2,17 %
VEVLEN GÅRD AS	1 850 000	2,15 %
ALSØY INVEST AS ²	1 702 751	1,98 %
FROGNES AS	1 649 916	1,92 %
BNP PARIBAS SEC. SERVICES S.C.A	1 489 820	1,73 %
JOHAN VINJE AS	1 437 841	1,67 %
ODIN NORGE	1 431 201	1,66 %
GENERALI PANEUROPE LTD -GP11940006	1 422 250	1,65 %
PETROSERVICE AS	1 333 815	1,55 %
NORDNET BANK AB	1 305 156	1,51 %
JP MORGAN CHASE BANK, NA	1 298 835	1,51 %
J.P.MORGAN SECURITIES PLC	1 222 278	1,42 %
20 LARGEST	48 280 294	56,04 %
OTHERS	37 875 311	43,96 %
TOTAL SHARES	86 155 605	100,00 %
¹ CEO, Sverre Bjerkeli		
² Chairman of the Board, Jostein Sjørvoll		

Related parties shareholding

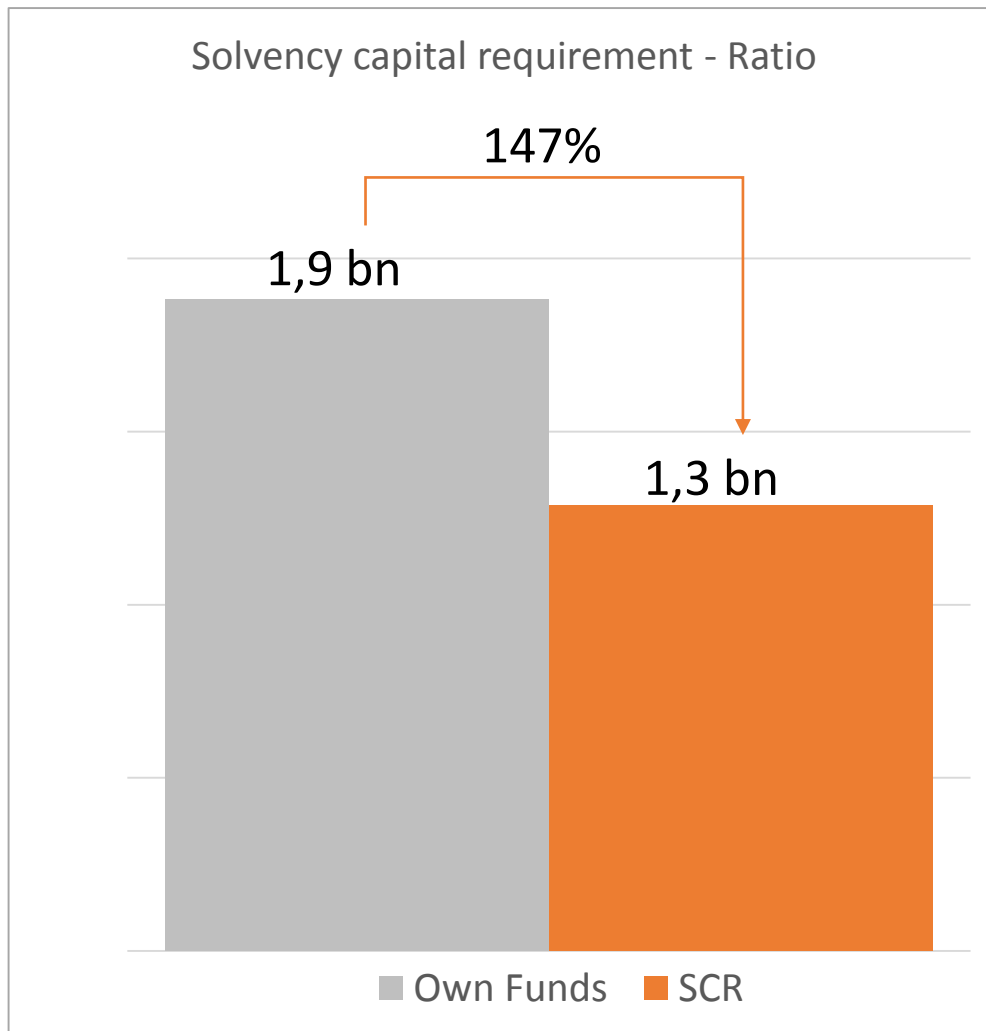
- Management's direct and indirect shareholding totals 3,2m shares or 3,7 % of current outstanding shares
- Board members directly and indirectly own a total of 12,3m shares or 14,3 % of current outstanding shares
- 24 employees own directly a total of 3.5 m shares or 4,1 % of current outstanding shares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

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. 19.04.2016

Solvency II update



- “Day 1” Solvency II ratio is 147% (SF)
- Security reserves included in own funds
 - Deferred tax liability subtracted
- Loss absorbing capacity of taxes included in solvency capital requirement (SCR)
- Subordinated loan (MNOK 500) increases SCR ratio approx. 30 percentage points further.

Guiding 2016



February 2016	Status	April 2016
● Volume up 22%	26%, ahead	22%
● Gross cost ratio < 7.5%	6.1%, ahead	< 7.5%
● Net Combined ratio 90%	88.3%, on schedule	90%
● -> All guiding maintained from last update		

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How we succeed

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

- part of our DNA

