

An aerial photograph of a rugged coastal landscape. A winding road or path leads through rocky terrain and small islands. The water is dark, with a bright, shimmering reflection of the sun on the right side. The sky is overcast with soft clouds.

PROTECTOR
forsikring

Q1 2017 Results
Investor presentation



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

Open

Bold

Committed



Highlights Q1 2017 result

Profitable growth continues, UK ahead, Denmark on track

- Operating profit of NOK 107,3m (NOK 45,2m)
- Net Combined ratio 87,0% (88,3%)
- Strong GWP growth of +9,2% (12,6% local currency)
- Gross expense ratio 7,1% (6,1%)
- Investment return NOK 26,6m or 0,3%
- Subordinated loan (T1 & T2) NOK 750m successfully placed
- Solvency ratio of 185%, prepares for growth in 2018-2019

New 2017 guiding:

Net combined ratio	92%
Volume growth	20% (22% local)
Cost ratio	<7%

Old 2017 guiding:

Net combined ratio	92%
Volume growth	16% (18% local)
Cost ratio	<7%

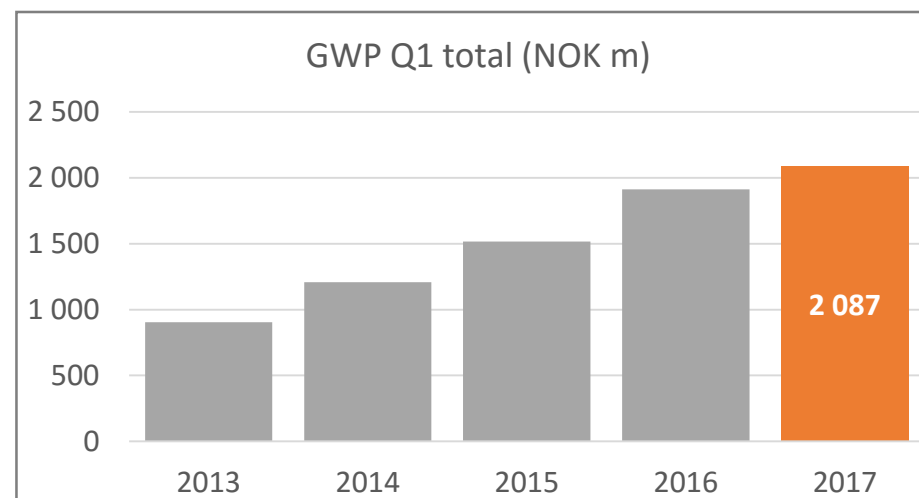
Guiding 2017: Net combined ratio 92%, volume growth 20% (22% local), <7%

Gross written premiums Q1 2017

Nordic growth leader – slightly ahead of schedule



- GWP total NOK 2 087m up 9,2%
- Strong growth in UK for April 1st renewal
- Strong Norwegian/Swedish growth in Q2 and Q3 still expected
 - Change of ownership: Turnover in real estate market expected to increase significantly in Q2
- Public lines have passed annual GWP milestone of NOK 1bn
 - Supporting Public and Housing sector UK



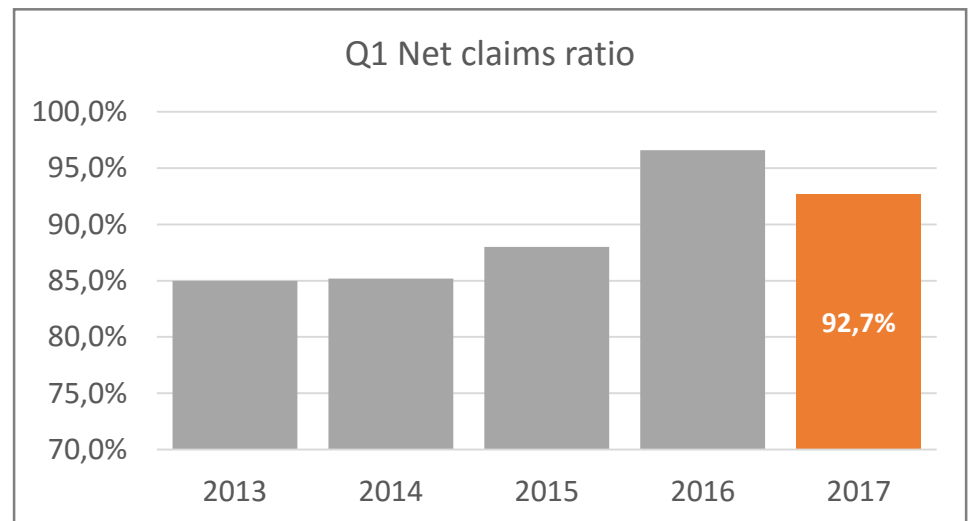
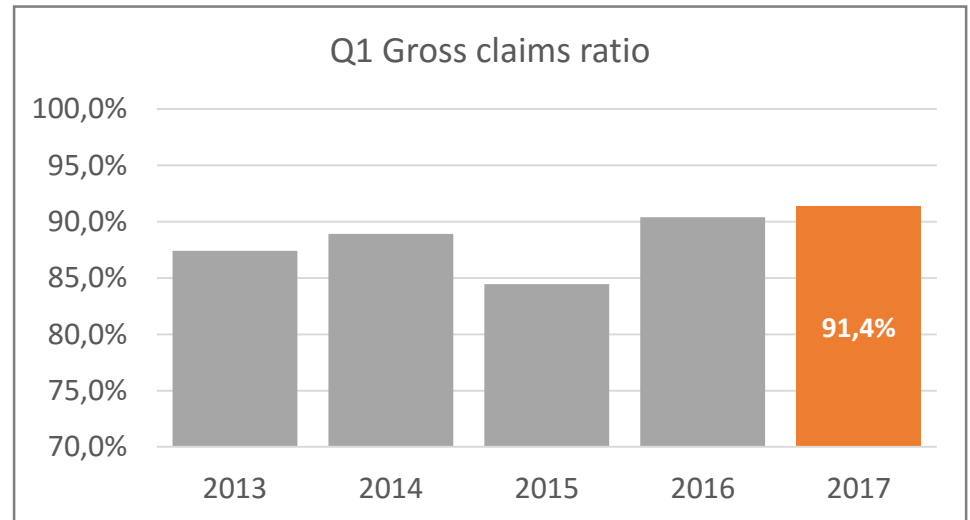
Business unit	Q1 2017 NOK m	Q1 2016 NOK m	NOK % growth	Local currency % growth
Norway commercial & public lines*	784,2	763,5	2,7 %	2,7 %
Change of ownership (COI)	124,4	100,4	23,8 %	23,8 %
Sweden	569,6	482,5	18,0 %	26,4 %
Denmark	609,3	565,6	7,7 %	12,2 %
Group	2 087,5	1 912,1	9,2 %	12,6%

Claims development Q1 2017

In the higher end



- Gross claims ratio 91,4%, up from 90,4% in Q1 16
- No accumulated net run-off gains/losses in quarter
- Net claims ratio 92,7%, down from 96,6%
 - Higher claims ratio than peers
- High claims levels on personal lines
 - Both in Denmark and Norway
 - Workers comp. and other illness
- Claims handling value chain development in good progress
- Underlying trend is acceptable

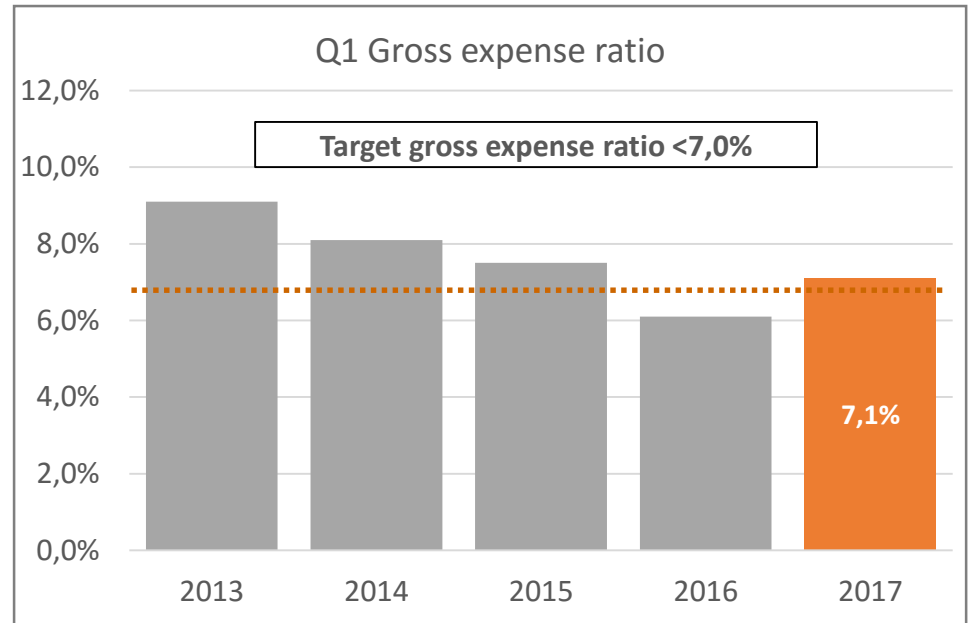


Cost ratio Q1 2017

Cost leader in Europe



- Gross expense ratio 7,1%, up from 6,1%
- Net expense ratio -5,7%, up from -8,2%
 - Q1 2016 included one-off profit sharing reinsurance contracts of 5,2%
- Cost on a normal, very low level
 - Higher cost due to UK and Finland
 - Will gradually change during the year
- Our claims handling cost is higher than peers
 - Efficiency program in claims handling started
 - 1,5-2,0pp improvement possible next 2-3 years
- Full-time employees now 278



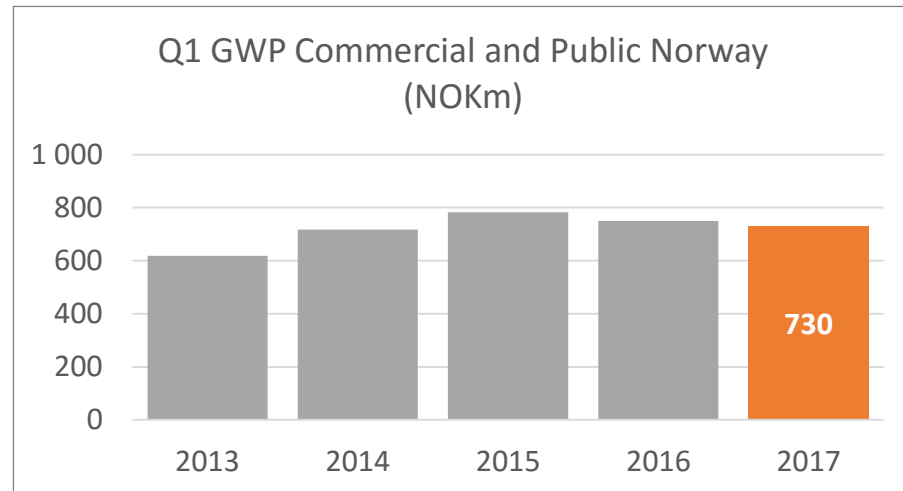
Scalability will lead to lower cost level next two years

Commercial and Public lines Norway

Continued rate pressure



- Volume down 2,6%
- No wins top 10 tenders, but good hit-ratio
- Renewal rate 86%
 - Still significant rate pressure on personal lines
- Market share stable or slightly increasing



- Increased efficiency creates new opportunities
 - Claims Handlers, Underwriters and Account Managers more «on the road»
- Culture of discipline refocused
 - «The strength of the pack is in the wolf, and the strength of the wolf is in the pack»

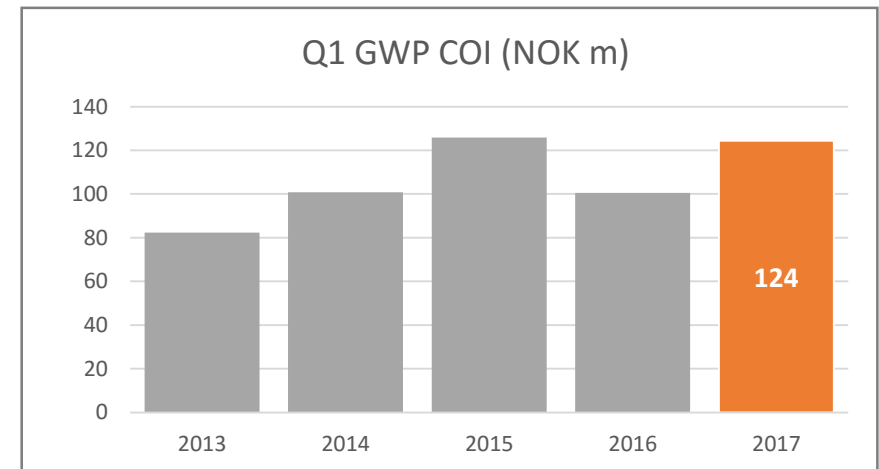
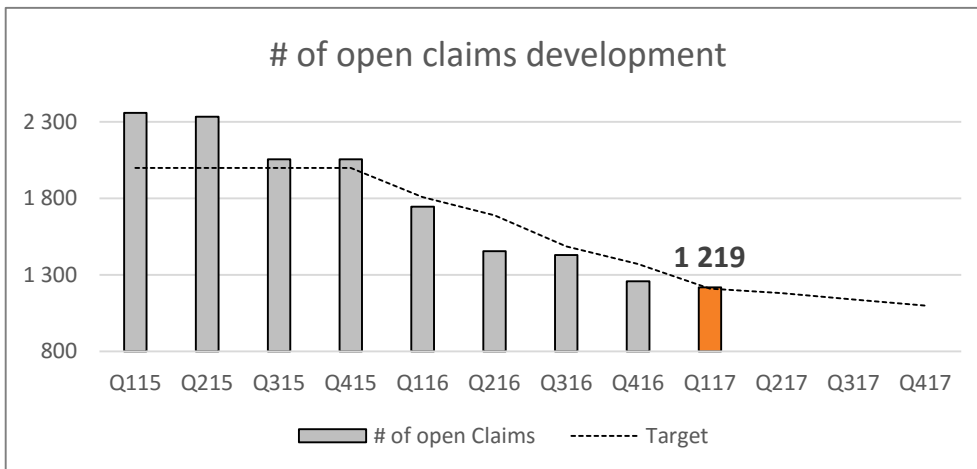


Change of ownership insurance (COI)

Strong market – technical surveys in focus



- Number of Open Claims on a good level (historical low)
- Court results slightly weaker than in Q4
 - 41 % - 21 % - 38 % (win, draw, losses)
- The Norwegian Consumer Council (Forbrukerrådet) challenging COI with report
 - Protector has responded properly to the market and changed product name
 - No negative market effect expected
- IT-solution (iPad-app) for technical surveys launched, ProTakst
 - Free and available for the technical survey industry
 - Will increase efficiency and quality on technical surveys
- Turnover in real estate market expected to increase significantly in Q2

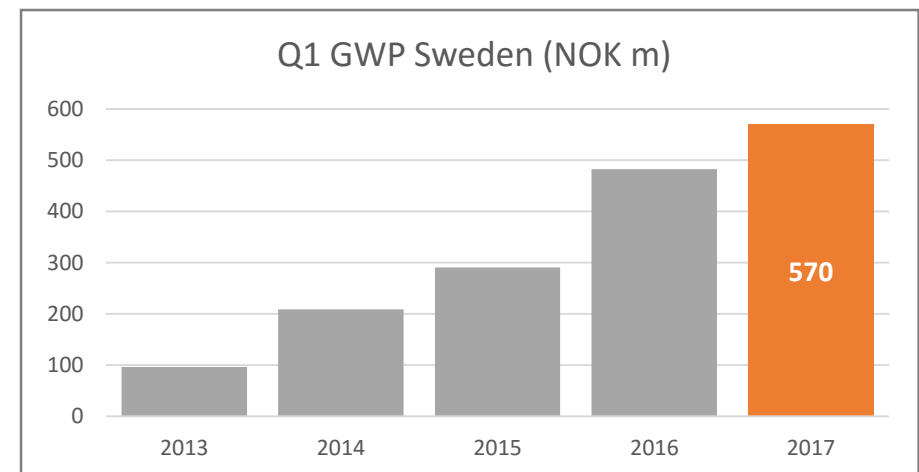


Sweden

Another very strong quarter



- Volume up 18,0% (+26,4% in SEK)
- Renewal rate 98%
- Net claims ratio of 76,8% (69,6%)
 - All segments and products are very good
 - Q1 2016 one-off gain on reserves from motor
- Ongoing investigation from the Swedish Competition Authority
 - Protector is cooperating closely with the authorities
- Top 3 position – improving in many areas
- Good start Q2/Q3 despite losing one of the biggest clients (1. May renewal)



Sweden

Claims handling improvements



- Best ever Rolls Royce
 - No. of savings 2 539 (1 256)
 - Amount saved SEK 37,3m (14,4)
 - Good development on all products
- Best ever Claims balance
 - 96 % (132%) open claims compared to new claims
 - 38 % more new claims in total, 14 % per FTE
- Motor claims handling efficiency doubled last 30 months
- Focus on efficiency and continued quality improvement with 18 projects during 2017



Finland

Open for business in all segments



- Low tender volume
 - Few municipalities on public tender
- Strong growth in Q1 2017
 - More than doubling of volume since last year
 - Still on a relatively low total volume
- Very good broker relationship development
- Voted Best trading partner by the Finnish Insurance Broker Association (FIBA) in 2016



UK

Ahead of schedule

- Accumulated volume incl. April 1st of GBP 13,5m
- Increased traction in public & commercial
 - 60 clients including April 1st
- Claims handling insourcing started April 1st
 - Another milestone on the way to quality leadership
- Change in Ogden discount rate announced
 - Significant reserve losses for competitors
 - Leading to increased prices and new opportunities for Protector
 - Reinsurance pricing challenges – increased deductible possible
- New recruitment phase starting Q2 2017
 - Another ten people expected during H2 2017

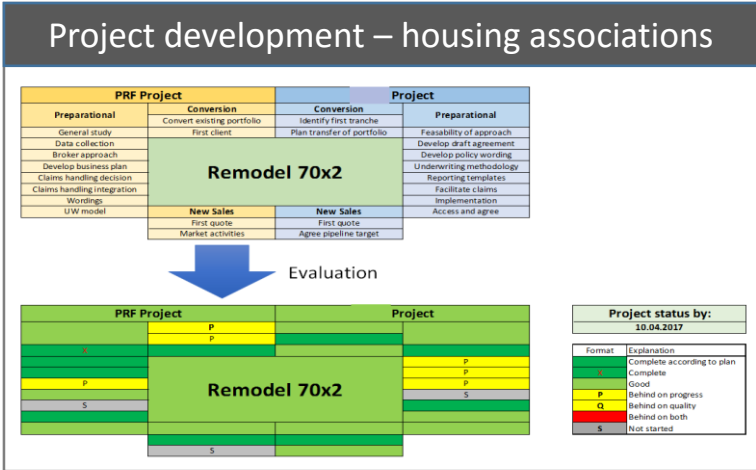




Housing Associations – Good Progression

First 13 clients on board, learning quickly

- Property business is 80% of volume – short tail business
- Quotations delivered on April 1st clients
 - First 13 clients on board
- Risk selection and pricing models inspired by Public Sector
 - Large claims database collected
 - Relevant risk information publicly available
- Good and improving value chain with partners
 - Broker with relationships, experience and specialist knowledge
 - Claims handling outsourced to specialist third party
- No red flags so far, a good match for Protector



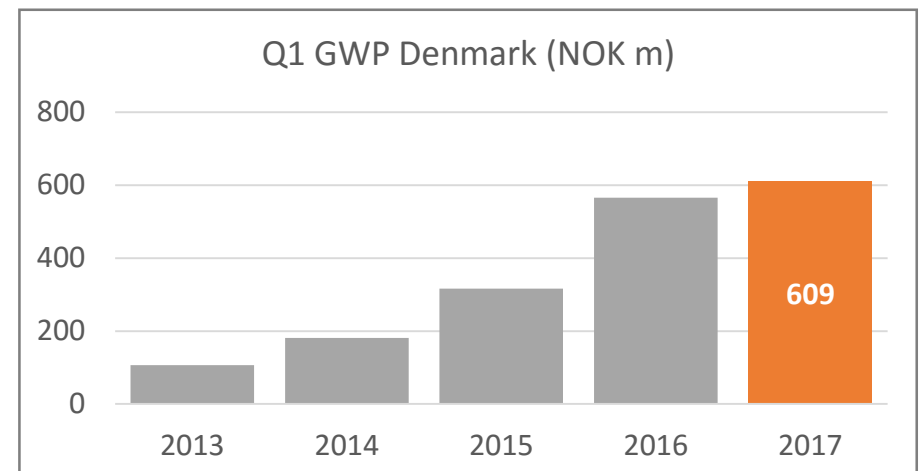
Client evaluation

Denmark results Q1 2017

On track



- Net combined ratio 76,4% (65,7%)
 - Net CR for Workers Comp. above 100%
- Gross combined ratio 93,2% (83,5%)
- +8% GWP growth (+12% in DKK)
 - Mainly due to price increases
 - Renewal rate 92%
- ComeBack '17 – dialogue with all brokers completed regarding qualitative improvements
- Running internal quality measures on a good level
- Low quotation level and few new clients expected next 6 months
- No significant customer wins or losses in Q1



Protector's key success factors

Cost, quality, profitability and growth



Gross expense ratio	2012	2013	2014	2015	2016	Q1 2017
PRF	7,7 %	8,8 %	7,6 %	7,5 %	6,8 %	7,1 %
Gjensidige	15,5 %	15,3 %	15,0 %	15,1 %	14,2 %	
Codan/Trygg-Hansa ¹	18,6 %	19,5 %	21,2 %	16,4 %	14,8 %	
Tryg	16,4 %	15,6 %	14,6 %	15,3 %	15,7 %	14,4 %
Topdanmark	15,8 %	16,2 %	15,7 %	15,9 %	16,4 %	
If	16,9 %	16,8 %	16,7 %	13,0 %	16,6 %	
LF	21,0 %	19,0 %	19,0 %	19,0 %	19,0 %	
KLP	26,4 %	26,2 %	23,1 %	21,1 %	22,8 %	
Avg. ex. PRF	18,7 %	18,4 %	17,9 %	16,5 %	17,1 %	



Source: TNS Gallup surveys and Finnish Insurance Broker Association (FIBA)

Net Combined ratio	2012	2013	2014	2015	2016	Q1 2017	Avg. 12-16
Gjensidige	85,3 %	89,2 %	86,0 %	83,7 %	83,4 %		85,5 %
Tryg	88,2 %	87,7 %	84,2 %	86,8 %	86,7 %	87,3 %	86,7 %
If	89,3 %	88,1 %	87,7 %	85,4 %	84,4 %		87,0 %
Topdanmark	88,0 %	91,5 %	86,0 %	87,3 %	85,1 %		87,6 %
PRF	86,2 %	86,7 %	84,5 %	88,7 %	97,0 %	87,0 %	88,6 %
Codan/Trygg-Hansa ¹	94,3 %	95,3 %	90,4 %	94,0 %	86,2 %		92,0 %
LF	98,0 %	97,0 %	93,0 %	91,0 %	95,0 %		94,8 %
KLP	107,8 %	103,7 %	91,9 %	98,8 %	98,7 %		100,1 %
Avg. ex. PRF	92,8 %	92,3 %	88,5 %	89,6 %	88,5 %		90,3 %

Revenue growth (GWP)	2012	2013	2014	2015	2016	Q1 2017	Avg. 12-16
PRF	26,1 %	22,7 %	27,6 %	19,7 %	21,0 %	9,2 %	23,4 %
KLP	15,4 %	10,9 %	10,7 %	20,8 %	13,8 %		14,3 %
Gjensidige	2,1 %	7,7 %	7,9 %	7,4 %	5,7 %		6,2 %
LF	3,2 %	3,5 %	7,4 %	5,4 %	6,0 %		5,1 %
Codan/Trygg-Hansa ¹	7,2 %	-1,0 %	-0,8 %	3,5 %	7,2 %		3,2 %
If	6,4 %	1,5 %	-2,8 %	-1,6 %	-2,2 %		0,3 %
Topdanmark	1,0 %	1,5 %	2,6 %	-2,6 %	-1,6 %		0,2 %
Tryg	18 %	-4,0 %	-4,4 %	-2,7 %	-1,7 %	1,6 %	-2,2 %
Avg. ex. PRF	5,3 %	2,9 %	2,9 %	4,3 %	3,9 %		3,9 %

¹Numbers for Codan only before merger with Trygg-Hansa in 2015 and RSA Group Scandinavian segment in 2015.

Profit & loss Q1 2017

Strong growth and improved technical result



[1.000.000 NOK]	Q1 2017	Q1 2016	FY 2016	
Gross premiums written	2 087,4	1 912,2	3 439,0	GWP growth 9%
Gross premiums earned	858,6	782,9	3 250,4	
Gross claims incurred	(784,4)	(707,7)	(3 005,0)	
Earned premiums, net of reinsurance	710,2	631,6	2 669,0	
Claims incurred, net of reinsurance	(658,3)	(610,0)	(2 540,4)	
Net commission income	86,6	85,3	118,5	
Operating expenses	(46,3)	(33,2)	(167,0)	
Other income/costs	(11,4)	3,4	(38,3)	
Net financial income	26,6	(31,9)	499,3	
Profit before tax	107,3	45,2	541,1	Okay technical result
Tax	(37,5)	(28,6)	(88,4)	Higher tax rate due to loss on equity investments
Profit before components of comprehensive income	69,8	16,6	452,7	
Claims ratio, net of ceded business (1)	92,7 %	96,6 %	95,2 %	Net CR positively affected by reinsurance in Q1
Expense ratio, net of ceded business (2)	-5,7 %	-8,2 %	1,8 %	
Combined ratio, net of ceded business (3)	87,0 %	88,3 %	97,0 %	
Gross claims ratio (4)	91,4 %	90,4 %	92,5 %	Gross claims ratio in the higher end
Gross expense ratio (5)	7,1 %	6,1 %	6,8 %	
Gross combined ratio (6)	98,5 %	96,5 %	99,2 %	
Retention rate (7)	82,7 %	80,7 %	82,1 %	
Earnings per share (8)	0,81	0,19	5,25	

(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

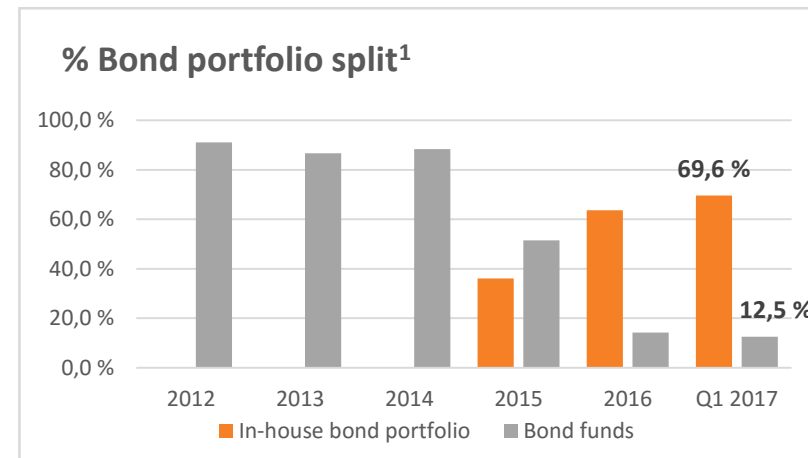
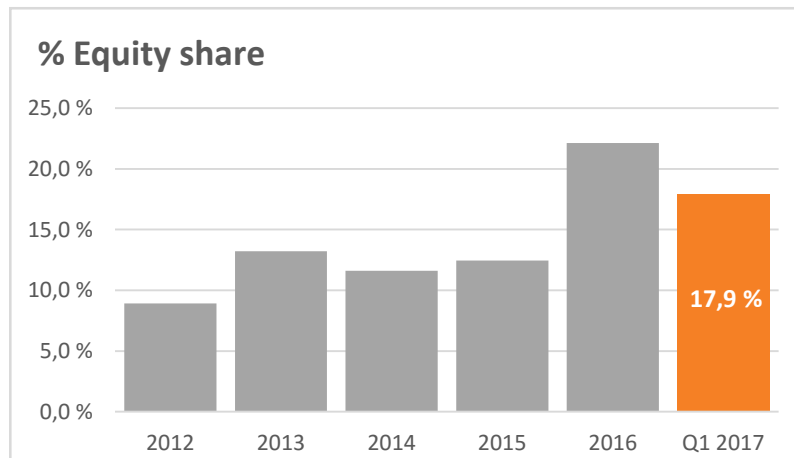
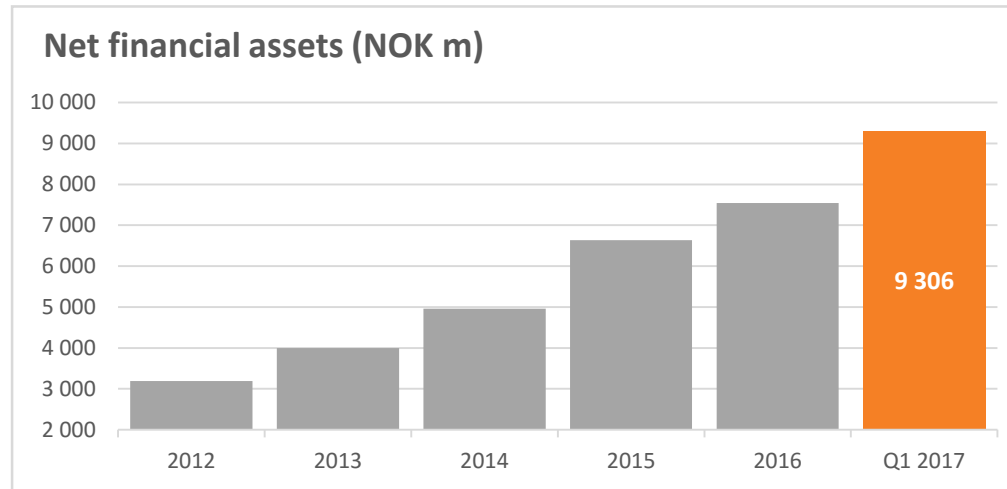
(8) Profit before other comprehensive income divided by weighted number of shares

Investments

Core business

Investments

Beautiful “Float” growing rapidly



¹In-house bond portfolio include NOK 730m cash

Priority 1 is to never allow any risk for solvency issues or fire sale

Portfolio statistics

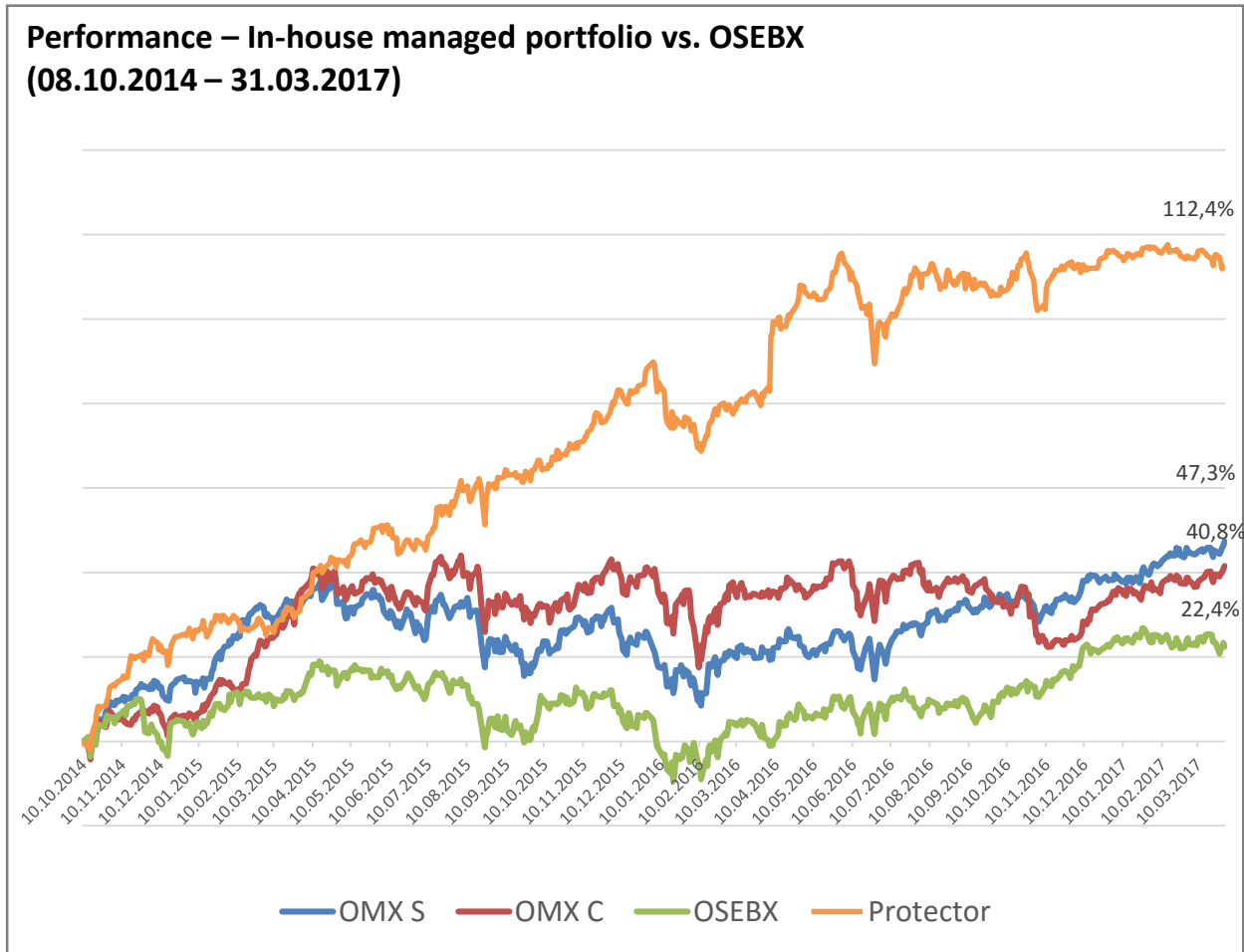
In-house managed equity portfolio vs. OSEBX end of March 2017



Key Figures	In-house Managed Portfolio	OSEBX
Performance	112,4 %	22,4 %
Dividend yield	1,8 %	4,1%
P/E NTM*	21,1	14,5
3 yr sales CAGR	24 %	-2 %
3 yr EPS CAGR	30 %	-19 %

*Factset estimates except for one company not listed where own estimates are used

- Extreme outperformance in period
- Cannot, and will not expect similar outperformance in the future
- Comfortable with periods of underperformance as long as underlying performance is good
- Goal to beat market over time



Investment performance evaluated over the long term

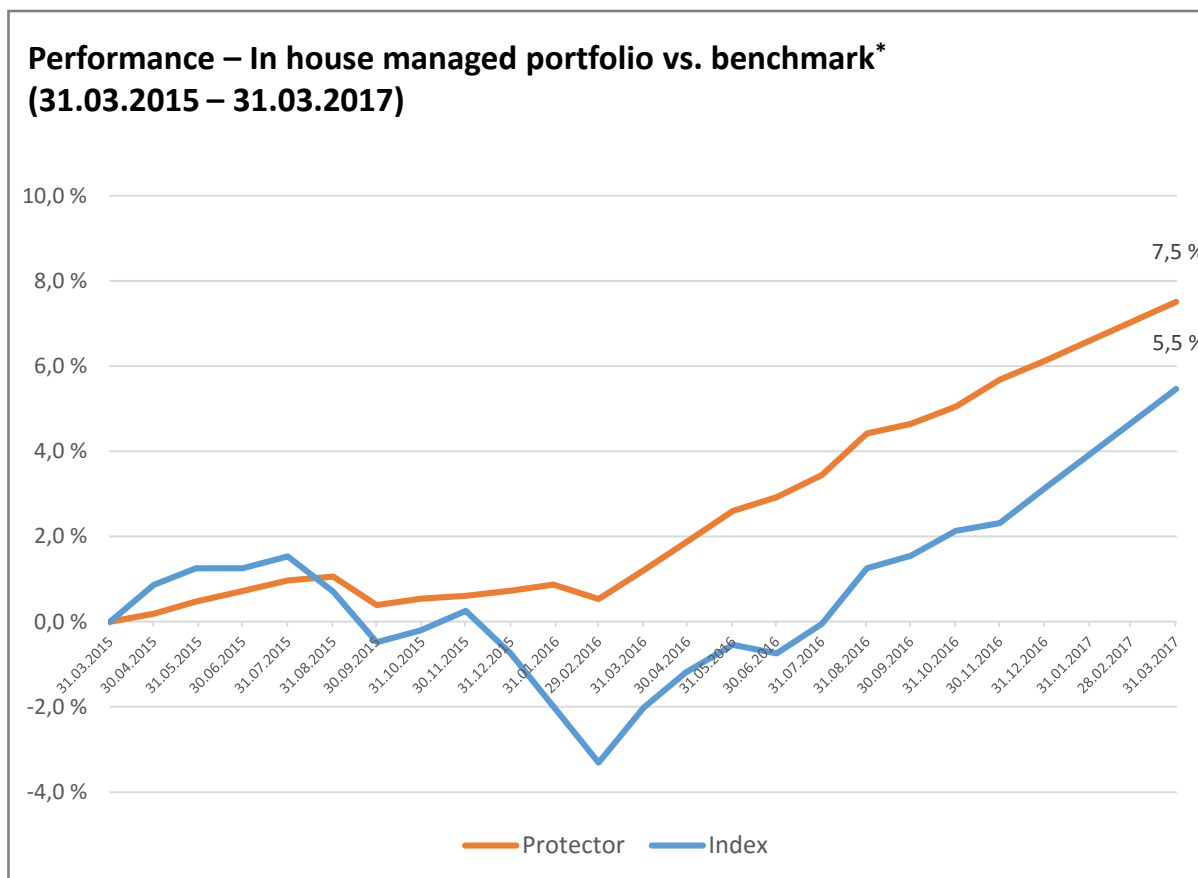
Portfolio statistics

In-house managed portfolio vs. benchmark end of March 2017¹



Portfolio data 31.03.2017	
Size NOK m	6 679 ²
Yield	2,43%
Duration	0,29
Credit duration	2,54
Average rating	BBB+ ³

- Navigating in a very hot market
- Significant outperformance in the period
- Cannot, and will not expect similar outperformance in the future
- Goal to beat benchmark over time



Investment performance evaluated over the long term

*Benchmark bond portfolio made up by basket of cross-over funds: Storebrand Rente +, Arctic Return Class I, Carnegie Corp. Bond, Handelsbanken Høyrente, Holberg Kredit, Pareto Høyrente, Alfred Berg Income, Eika Kredit, Landkredit Høyrente, Skagen Høyrente

²Includes NOK 730m cash

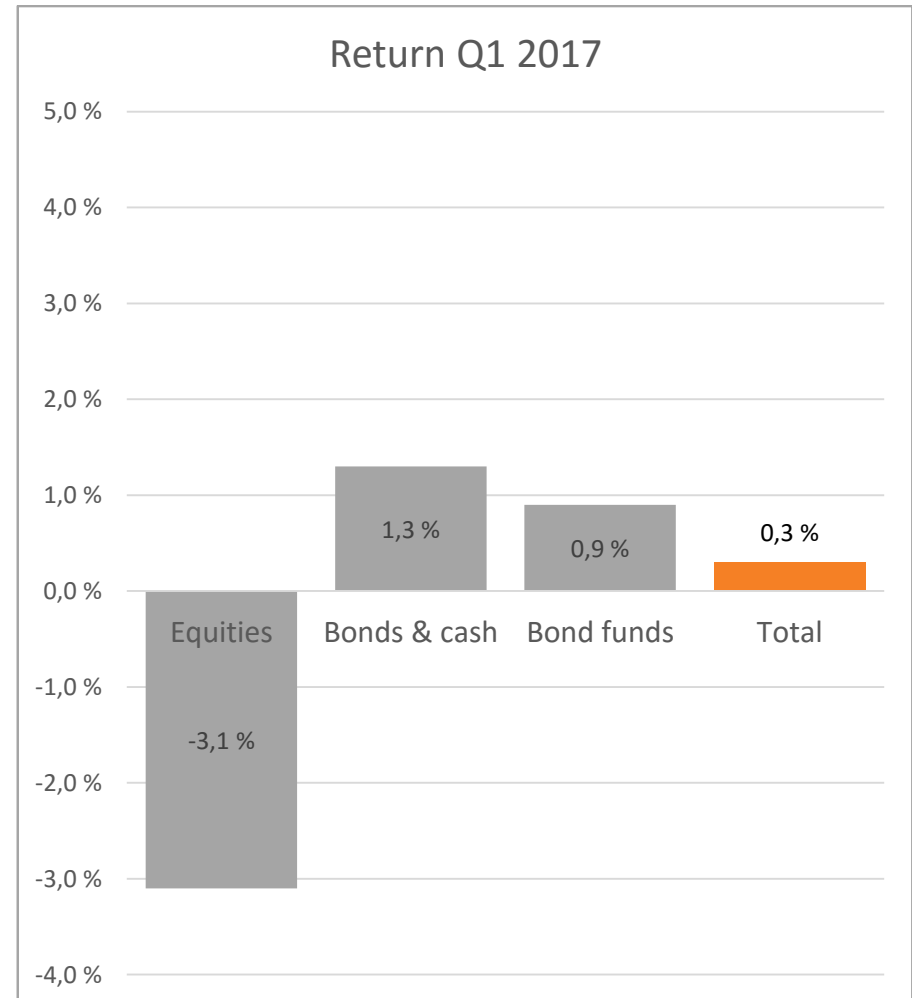
³Average rating based on official and shadow rating

Investment performance Q1 2017

Behind benchmark



- 0,3% return on investment portfolio, net investment result of NOK 26,6m
- Equities -3,1%
 - Portfolio consist of 16 companies
 - Good underlying development
 - Minor adjustments done to portfolio
- Bond portfolio; return of 1,2%
 - Spreads still tightening
 - NOK 750m available for investments



Shareholder matters 12.04.2017

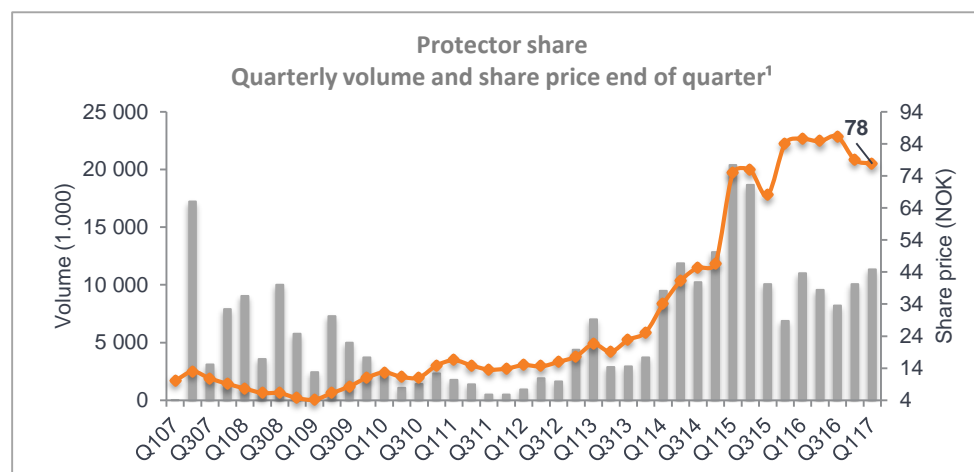
CEO Sverre Bjerkeli purchased 375 000 shares on April 4th 2017



Shareholder	No. Shares	Percent
STENSHAGEN INVEST AS	6 550 000	7,60%
SWEDBANK ROBUR NORDEN AND SMABOLAGSFOND	5 639 053	6,55%
ODIN NORGE AND NORDEN	5 517 058	6,40%
OJADA AS	3 563 116	4,14%
HVALER INVEST AS ¹	3 186 809	3,70%
ARTEL HOLDING A/S	1 873 451	2,17%
FROGNES AS	1 649 916	1,92%
MP PENSJON PK	1 645 379	1,91%
VEVLEN GÅRD AS	1 550 000	1,80%
GENERALI PANEUROPE LTD	1 523 350	1,77%
VERDIPAPIRFONDET DNB NORGE (IV)	1 507 653	1,75%
JOHAN VINJE AS	1 437 841	1,67%
AVANZA BANK AB	1 315 443	1,53%
NORDNET BANK AB	1 298 061	1,51%
PETROSERVICE AS	1 283 815	1,49%
SKANDINAVISKA ENSKILDA BANKEN AB	1 200 000	1,39%
STATE STREET BANK AND TRUST COMP	1 143 317	1,33%
FONDITA NORDIC MICRO CAP INVESTMEN	1 100 000	1,28%
JPMORGAN CHASE BANK, N.A., LONDON	1 048 835	1,22%
DYVI INVEST AS	1 030 933	1,20%
20 LARGEST	45 064 030	52,31%
OTHERS	41 091 575	47,69%
TOTAL SHARES	86 155 605	100,00%
¹ CEO, Sverre Bjerkeli		

Related parties shareholding

- Management's direct and indirect shareholding totals 3,5m shares or 4,0% of current outstanding shares
- Board members directly own a total of 11,1m shares or 12,8% of current outstanding shares
- 33 employees own directly and indirectly a total of 3,8m shares or 4,4% of current outstanding shares (incl. management)
- Protector owns a total of 11 235 own shares



¹ Share price adjusted for dividends, no reinvestment of dividends
Data pr. 31.03.2017

Balance sheet Q1 2017

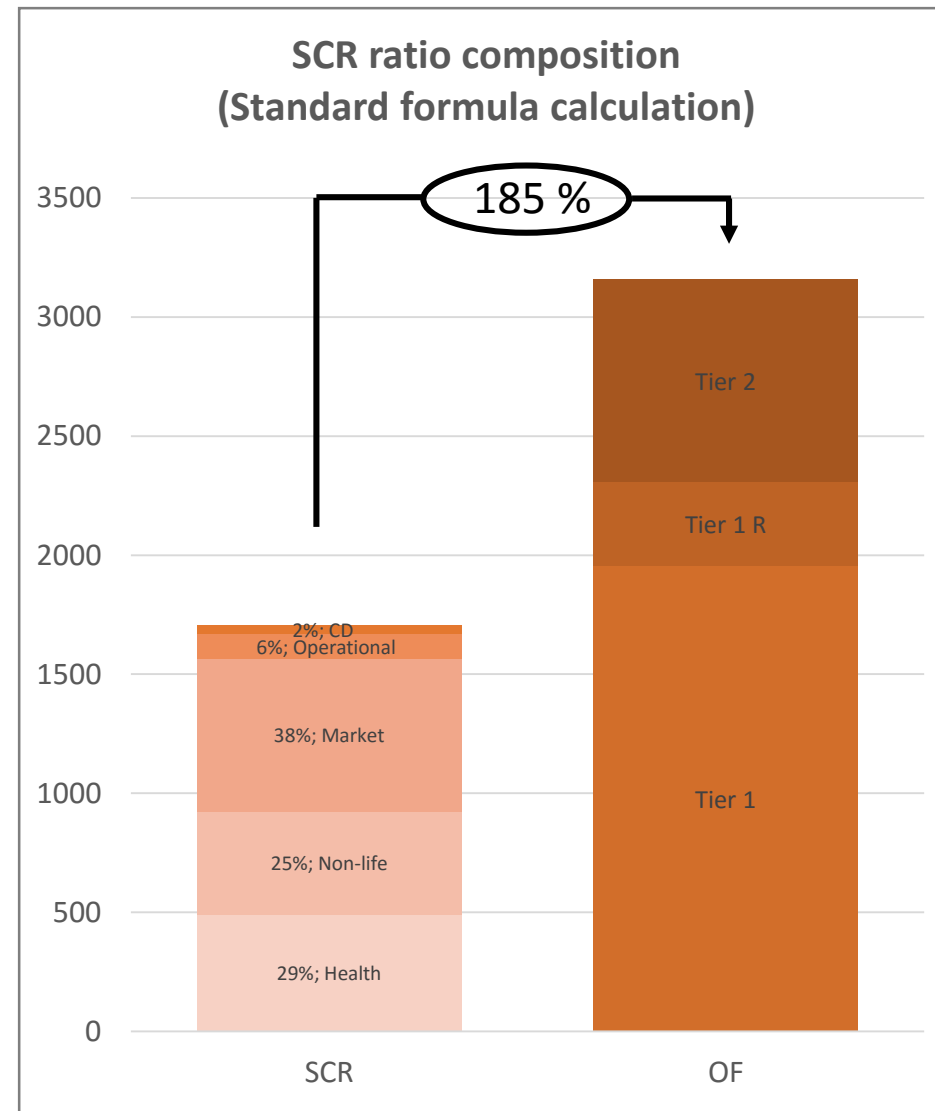
Strong & growing fast



[1.000.000 NOK]	31.03.2017	31.03.2016	31.12.2016
Owner-occupied property	13,9	13,8	13,7
Financial assets	9 294,2	7 183,3	7 547,0
Financial derivatives*	1 046,9	376,4	990,7
Bank deposits	150,4	52,0	204,3
Other assets	1 638,7	1 412,3	1 091,7
Total assets	12 144,2	9 037,8	9 847,4
Total equity	2 345,6	2 022,5	2 268,2
Subordinated loan capital	1 395,9	148,1	645,9
Total reserves	6 564,5	5 570,6	5 148,0
Derivatives*	1 035,0	375,7	992,3
Other liabilities	803,2	920,9	793,1
Total equity and liabilities	12 144,2	9 037,8	9 847,4

Strong capital position:

- SCR coverage ratio increasing to 185% pr. 31.3
 - Based on standard formula calculation
- SCR fully covered by Tier 1 capital only
- Strengthened by NOK 350m Tier 1 restricted and NOK 400m Tier 2
- Dividend of NOK 2,25 confirmed



*Financial derivatives include currency hedged contracts for fixed income portfolio

Solvency II



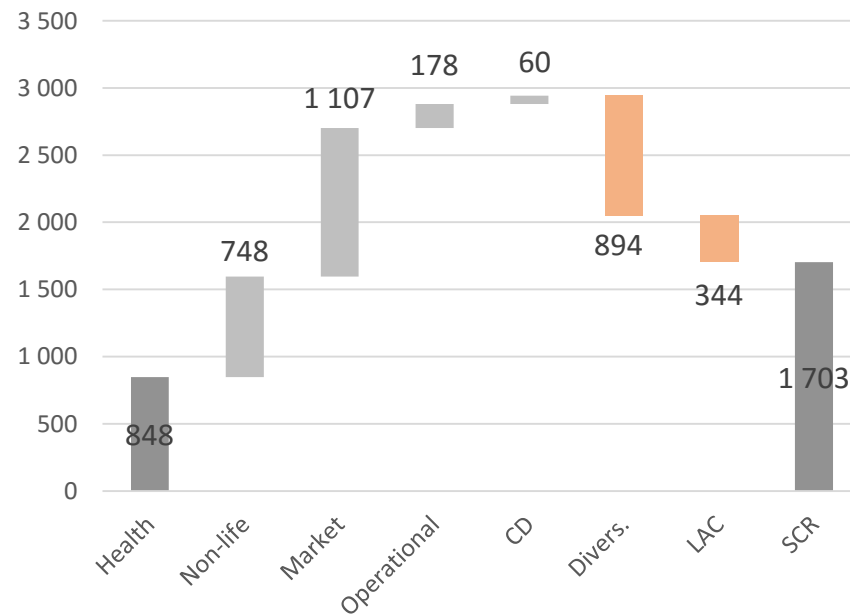
Composition of SCR:

- Net insurance risk 54 %
- Net market risk 38 %
- Other risks 8 %

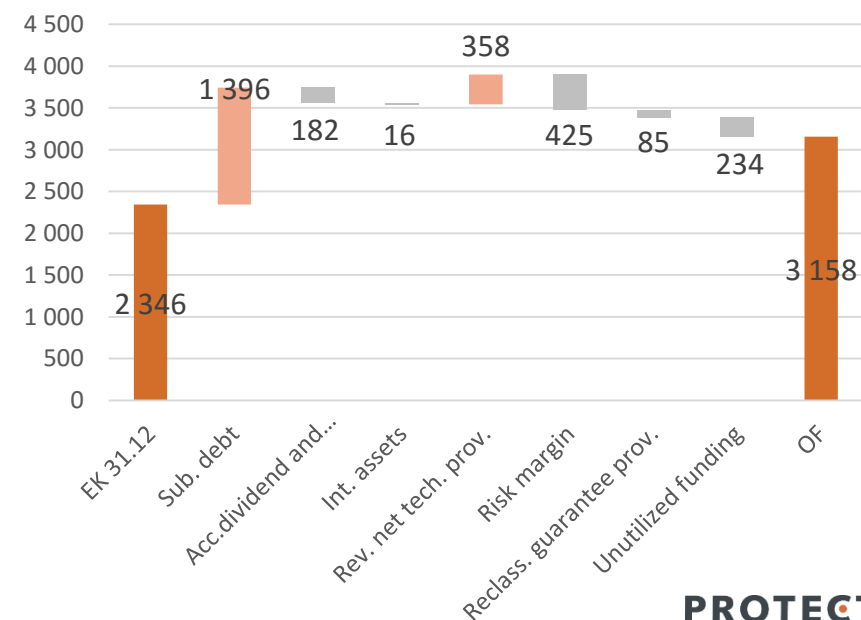
Available SII capital:

- Assumed dividend of 40 % on YTD17 result
- Guarantee provision subtracted from own funds
- Ex recallable NOK 150m Tier 2

SCR composition



Available SII capital



Profitable growth + investment return = success



Gross expense ratio

	2012	2013	2014	2015	2016	Q1 2017
PRF	77%	88%	78%	75%	68%	71%
KLP	155%	153%	150%	151%	142%	
Gjensidige	186%	195%	146%	153%	148%	
LF	167%	162%	157%	159%	164%	
Codan/Trygg-Hansa	152%	8%	167%	130%	168%	
If	167%	11%	190%	211%	190%	
Topdanmark	165%	165%	171%	165%	171%	

Net Combined ratio

	2012	2013	2014	2015	2016	Q1 2017	Avg. 12-16
Gjensidige	85,3%	89,2%	86,0%	83,7%	83,4%	85,5%	85,5%
Tryg	88,2%	87,7%	84,2%	86,8%	86,7%	87,3%	86,7%
LF	89,3%	88,1%	87,7%	85,4%	84,4%	87,0%	87,0%
Topdanmark	88,0%	91,5%	86,0%	87,3%	85,1%	87,6%	87,6%
PRF	86,2%	86,7%	84,5%	88,7%	97,0%	87,0%	88,6%
KLP	94,3%	95,3%	90,4%	94,0%	86,2%	92,0%	92,0%
Gjensidige	97,0%	93,0%	91,0%	95,0%	94,8%	100,1%	94,8%
LF	94,9%	98,8%	98,7%	100,1%	90,3%	90,3%	90,3%
Topdanmark	94,6%	88,5%					

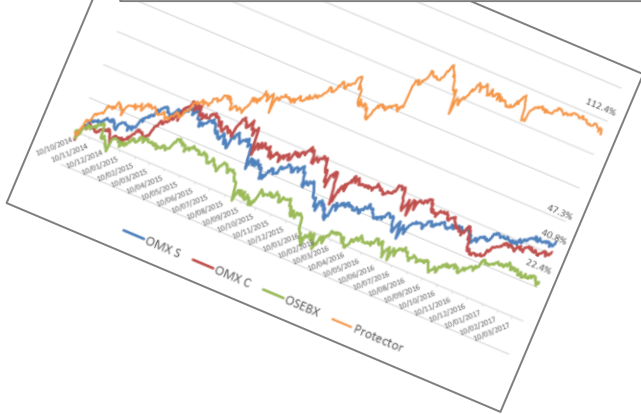
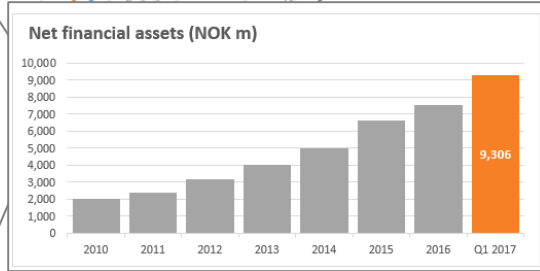
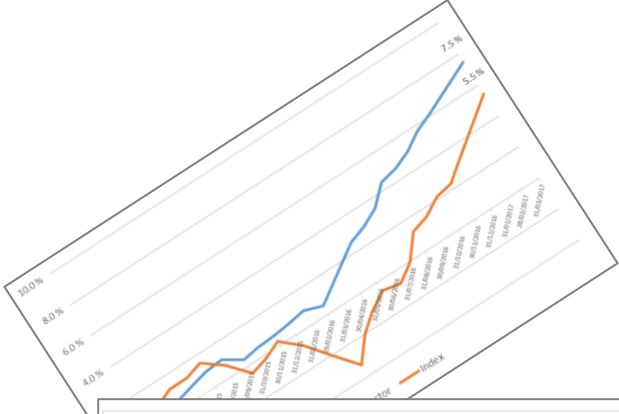
Quality leadership

- Quality leader – 10 years in a row
- Quality leader – 5 years in a row
- Quality leader – 1 year
- Target – far ahead of number two

Top three on quality

Revenue growth (cwp)

	2012	2013	2014	2015	2016	Q1 2017
PRF	26,1%	22,7%	27,6%	2,1%	10,7%	7,4%
KLP	15,4%	10,9%	10,7%	2,1%	7,9%	7,4%
Gjensidige	3,2%	3,5%	7,4%	3,5%	5,4%	7,1%
LF	7,2%	-1,0%	-0,8%	3,5%	2,2%	1,7%
Codan/Trygg-Hansa	6,4%	1,5%	-2,8%	-1,6%	-2,2%	1,7%
If	18%	-4,0%	4,4%	2,7%	-1,7%	1,7%
Topdanmark	5,3%	2,9%	2,9%	4,3%	3,9%	1,1%
Tryg						
Avg. ex. PRF						



Summary Q1 2017

Profitable growth continues, UK ahead, Denmark on track



- Operating profit of NOK 107,3m (NOK 45,2m)
- Net Combined ratio 87,0% (88,3%)
- GWP growth of 9,2% and better than expected
- Solvency ratio of 185%, prepares for growth in 2018 and 2019
- Subordinated loans (T1 and T2) totaling NOK 750m successfully placed
- Dividend of NOK 2,25 per share to be paid out in May
- Earnings per share of 0,81 in quarter

New 2017 guiding:

Net combined ratio	92%
Volume growth	20% (22% local)
Cost ratio	<7%



Favorable position for continued profitable growth and utilizing rapidly growing “Float” in the future

Q&A

Q1 2017 Results

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) Earnings per share
- (9) Return on Equity (ROE)
- (10) Return on Solvency Capital

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
- (9) Profit before other comprehensive income divided by average shareholder's equity
- (10) Profit before changes in security provisions less tax divided by sum of average shareholder's equity and security reserves