

Investor presentation
Preliminary annual results 2008

February 26th 2009

Agenda

→ Highlights

Commercial and public lines

Change of ownership insurance

Financial information

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Highlights 2008

Continued growth, acceptable combined ratio and weak investment income

- 10% growth i GWP
 - Commercial and public lines of business, up 26%
 - Change of ownership insurance, down 11%, due to a weak real estate market
- Combined ratio 94,9%, up 9 percentage points
 - Average combined ratio 2004 - 2008, 86.7%
- Investment result of NOK -28,2 m, down NOK 68,4 m due to turbulent financial markets
- Operating profit of NOK 9,4m, down from NOK 100,1m in 2007
- Cash dividend of NOK 0,35 per share suggested

NEMI - process

- Process started, May 2008
- Tentatively bid communicated October 2008
- W.R. Berkley Corp; bid on NEMI, negotiations terminated ultimo December 2008 after due diligence,
- Protector signs share purchase agreement subject to due diligence, January 19th 2009
- Due diligence
 - Internal resources
 - External competence added; auditor, legal, investment banking, actuary
 - Well received by NEMIS management and key persons
 - Request for more info promptly delivered
- Termination of agreement concluded and communicated, February 3rd 2009

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Commercial and public lines of business

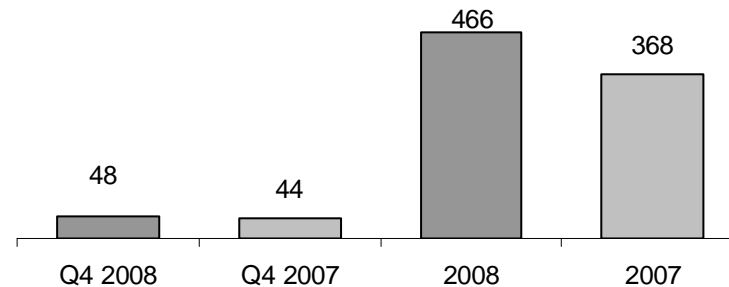
- Fast growing
- Top class in-house underwriting
- Cost leadership
- Preferred by the broker
- Scalable business model

Commercial and public lines of business

Highlights 2008

- Renewal rate 93%, in line with target
- 26 % volume growth
 - Difficult in the top end, less than 10% hit-ratio
 - Acceptable hit-ratio medium sized businesses
 - High hit-ratio in the lower end
- Relationship with all leading brokers
 - Rated no 1 second year in a row
- Top 3 in Municipality sector, growing in SMB
- Service quality level continues to improve
- Strong team, fit for 2009 “battle”

Gross written premium (NOKm)



Commercial and public lines of business

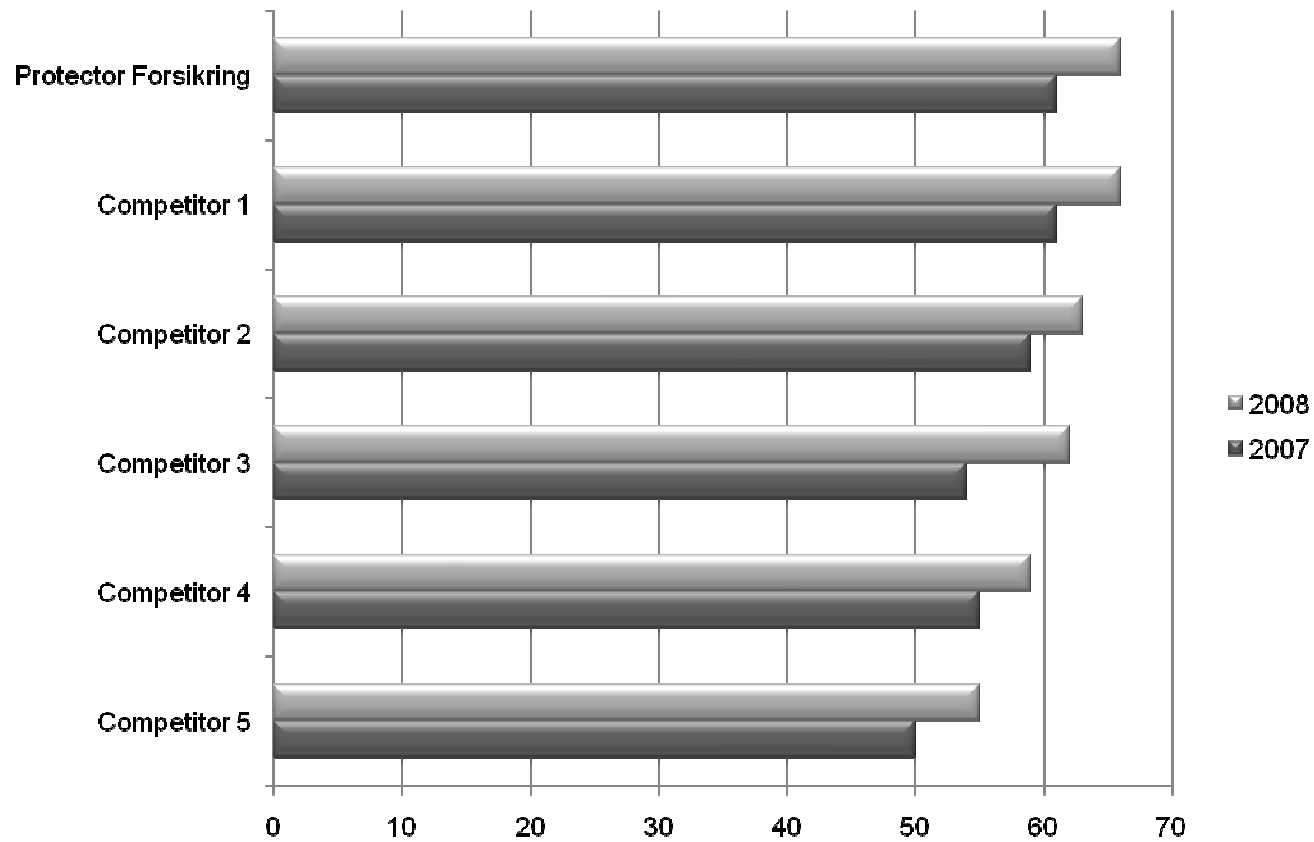
Highlights 2008

- Normal claims level
 - 3 large claims (> NOK 5m)
- Cost ratio down
- 2009 reinsurance renewed to equal terms as of 2008
- Claims handling in sourced
 - Full effect from 2009
 - Increased quality and improved CR by 0.8 percentage points in 2008
 - Another 0.8 percentage points in 2009.

Overall satisfaction with the insurance companies

n=87

Score from 0-100



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Change of ownership insurance

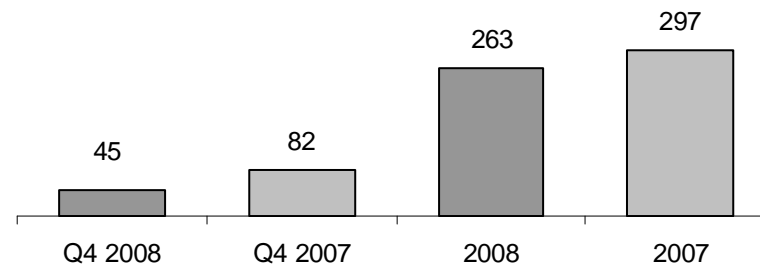
- Market leader
- Quality leader
 - Sale & service
 - Claims handling
- Cost leader
- Best database

Change of ownership insurance

Highlights 2008

- Market share 50%, strengthened position in the beginning of 2009
- Volume down 11%, due to low turnover rate in the estate market. Product change gives NOK 14m in extra volume in 2008
- Real estate brokers rates Protector on top
- Hit Ratio all time high - 70% - still climbing
- Unprofitable accounting year due to run-off losses
- Tempo loss improvement of quality claims handling
- Cost ratio up
- No of lawsuits decreasing

Gross written premium (NOKm)



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Results 2008

| MNOK | Q4 2008 | Q4 2007 | 2008 | 2007 |
|--------------------------------------------------------|----------------|---------------|---------------|---------------|
| Premiums written gross | 93,0 | 125,8 | 729,0 | 664,9 |
| Premiums earned gross | 166,7 | 173,5 | 720,5 | 649,6 |
| Claims incurred gross | (157,5) | (147,2) | (549,1) | (533,6) |
| Premiums earned for own account | 113,6 | 107,5 | 592,4 | 375,8 |
| Claims incurred for own account | (95,6) | (76,7) | (477,1) | (268,8) |
| Operating costs | (31,3) | (27,5) | (85,2) | (53,9) |
| Net financial income | (36,8) | 11,5 | (28,2) | 40,2 |
| Other income | 1,3 | 1,7 | 7,5 | 6,9 |
| Profit before change in security provision etc. | (48,8) | 16,5 | 9,4 | 100,1 |
| Change in security provision etc. | (21,6) | (31,2) | (54,8) | (51,9) |
| Profit after change in security provision etc. | (70,5) | (14,7) | (45,4) | 48,2 |
| Net claims ratio | 84,1 % | 71,3 % | 80,5 % | 71,5 % |
| Net cost ratio | 27,6 % | 25,6 % | 14,4 % | 14,4 % |
| Net combined ratio | 111,7 % | 96,9 % | 94,9 % | 85,9 % |

Note:

Net claims ratio = claims incurred for own account / NPE

Net cost ratio = (sales costs + admin costs + commission on reinsurance ceded)/NPE

Balance sheet 2008

| MNOK | 31.12.2008 | 31.12.2007 |
|-------------------------------------------|----------------|----------------|
| Financial assets | 1 221,3 | 1 152,9 |
| Bank deposits | 37,2 | 91,2 |
| Other assets | 362,4 | 464,7 |
| Total assets | 1 620,9 | 1 708,7 |
| Total equity | 386,0 | 544,4 |
| Total reserves | 1 025,5 | 832,4 |
| Other liabilities | 209,3 | 331,8 |
| Total equity and liabilities | 1 620,9 | 1 708,7 |
| | | |
| Solvency capital | 539,0 | 642,6 |
| Return on solvency capital | 2 % | 20 % |
| Solvency capital per share, end of period | 6,3 | 6,2 |
| Solvency margin | 86 % | 161 % |
| Capital adequacy ratio (risk weighted) | 38 % | 121 % |
| NAV | 496,2 | 615,1 |
| NAV per share, end of period | 5,8 | 6,0 |

Note:

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

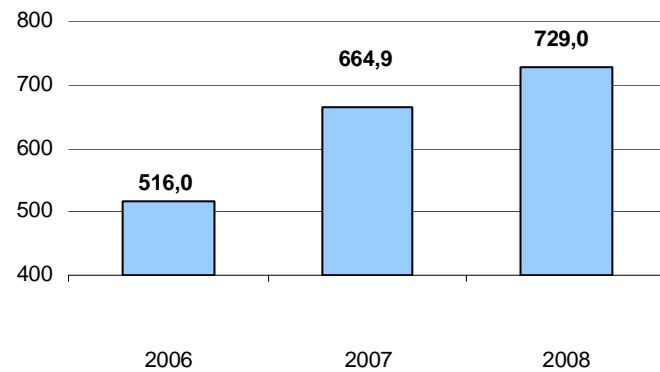
Return on solvency capital: Operating profit /average solvency capital

Solvency margin = solvency capital / NPW

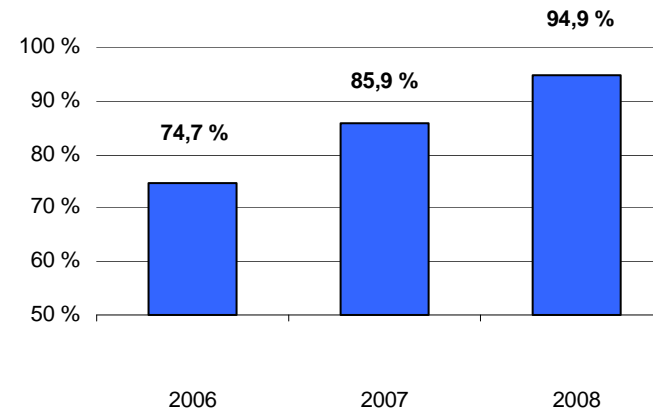
NAV = total equity pluss 72% of the total security provision etc.

Development in earnings and key ratios

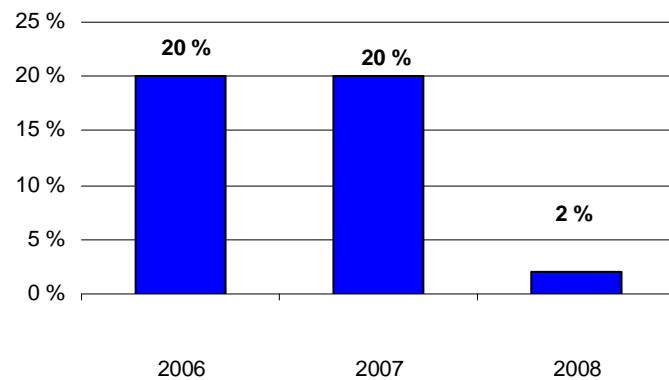
Gross written premium (in NOKm)



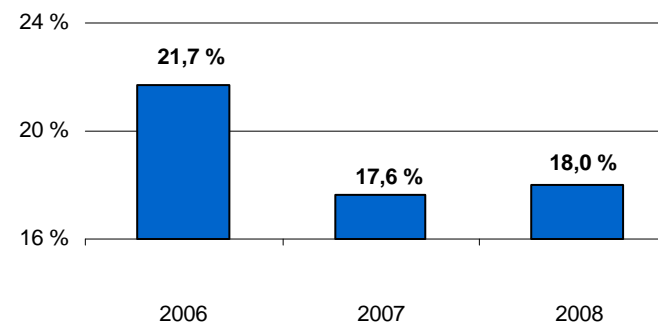
Net combined ratio



Return on solvency capital



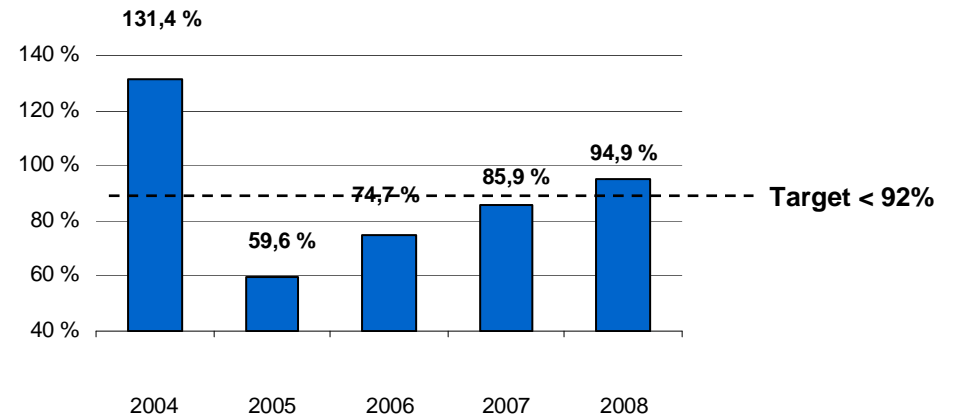
Gross cost ratio



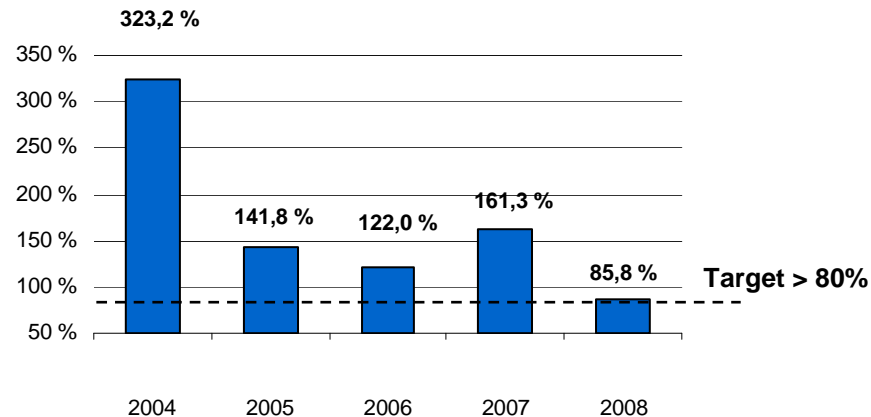
Revised long term financial objectives

- Medium term GWP growth rate: 10% (35%)
- Net combined ratio: 92% (88%)
- Solvency margin: 80% (80%)
- Return on solvency capital: 20% (20%)

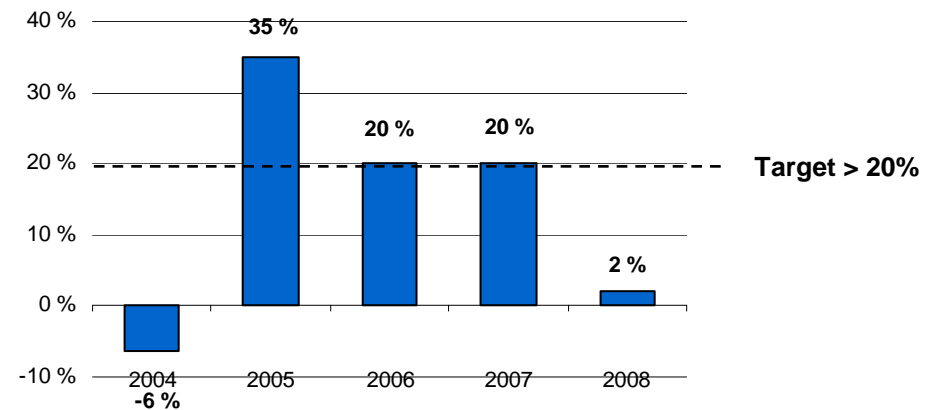
Net combined ratio



Solvency margin



Return on solvency capital

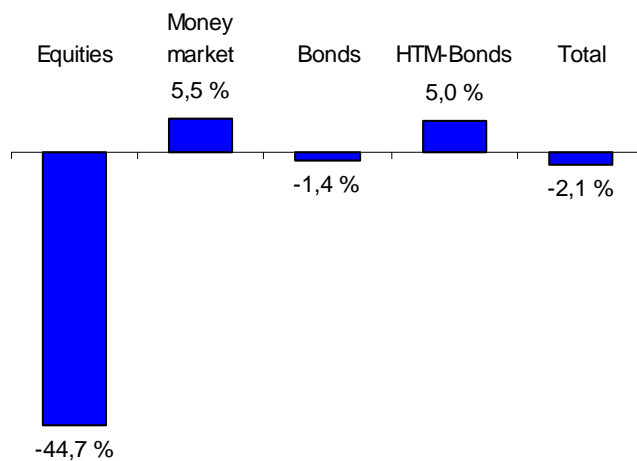


Investment performance

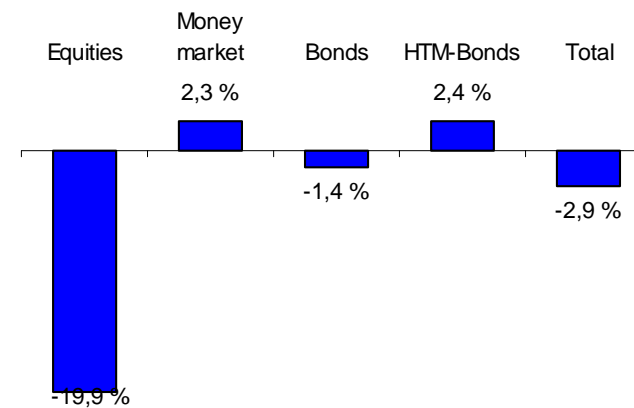
Highlights 2008

- Net financial income – 28.2 MNOK (-2,1%) due to turbulent equity and credit markets.
- Equities; negative return of 44.7%, OSEBX down 54.1%
- Bonds; negative return of 1.4%, due to widening credit spreads in Q4

Return 2008 per Asset Class

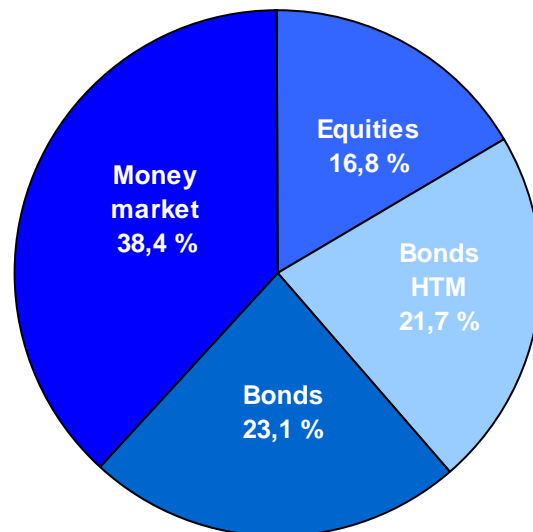


Return Q4 2008 per Asset Class



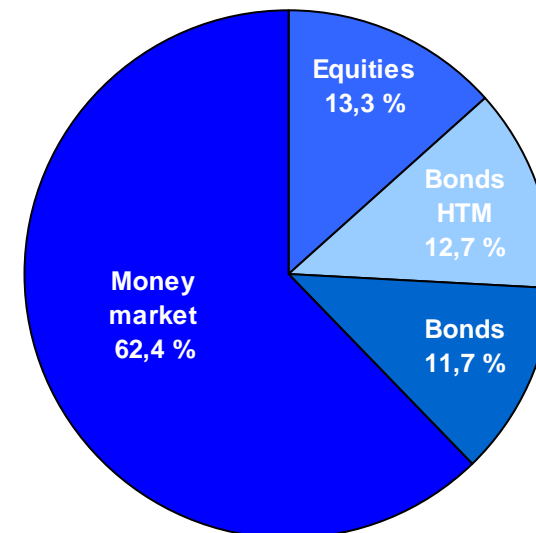
Asset allocation

Asset allocation December 31, 2008



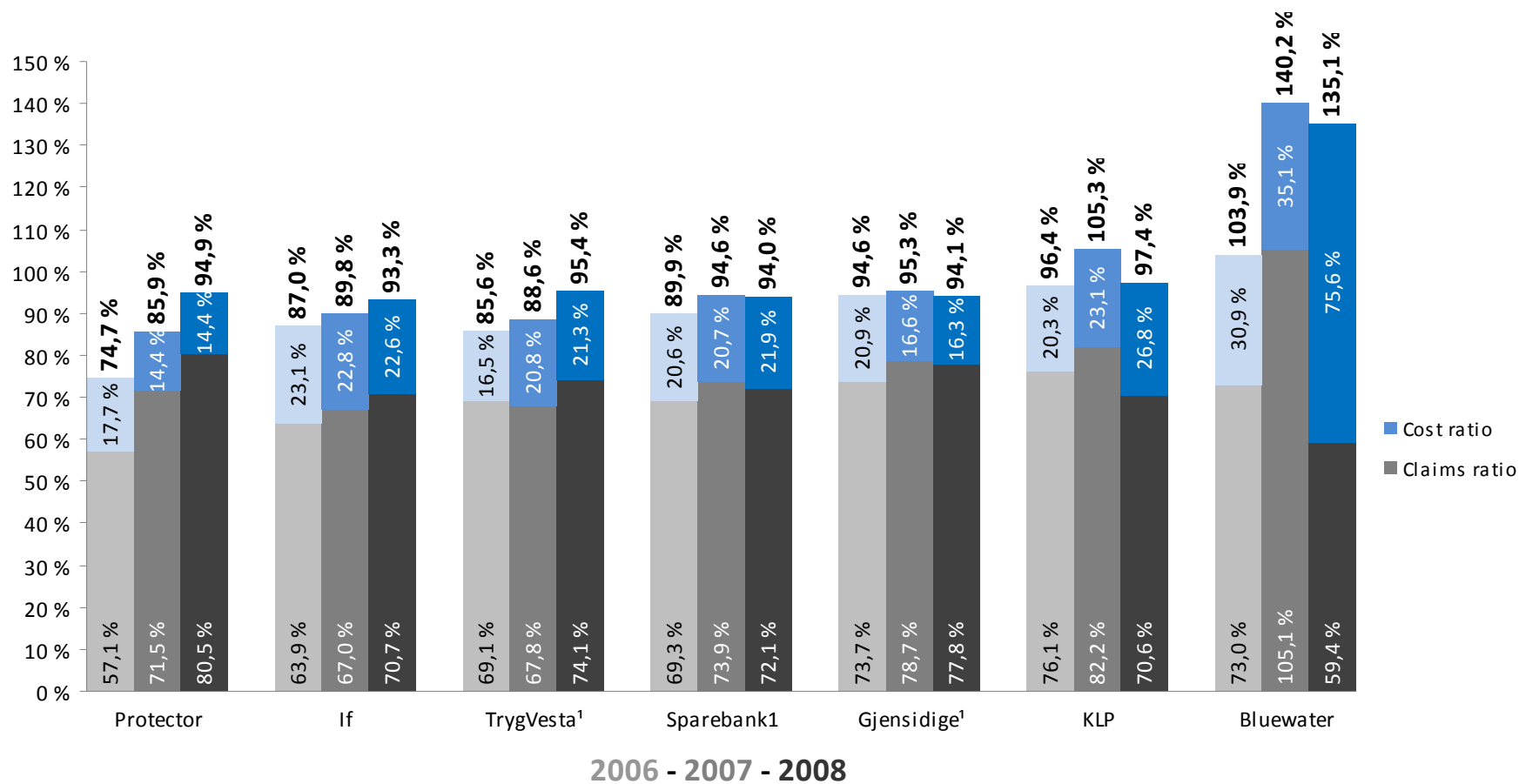
Total financial assets 31.12.2008 NOK 1.221m

Asset allocation December 31, 2007



Total financial assets 31.12.2007 NOK 1.153 m

Combined ratio 2006 - 2008



¹ Q3 2008 figures, Q4 2008 not reported

Shareholder matters February 19th 2009

| Shareholder | No. shares | Percent |
|----------------------------------|-------------------|-----------------|
| Verdipapirfond Odin Norden | 7 633 355 | 8,86 % |
| MSF-Mutual Financial Services FD | 4 479 410 | 5,20 % |
| DNB Nor Luxembourg SA | 4 027 456 | 4,67 % |
| Ojada AS | 3 527 116 | 4,09 % |
| Morgan Stanley and co. intl. Plc | 3 386 851 | 3,93 % |
| Bergtor AS | 3 083 300 | 3,58 % |
| Gabler Rådgivning AS | 2 652 751 | 3,08 % |
| MP Pensjon | 2 375 706 | 2,76 % |
| Sverre Bjerkeli | 2 371 809 | 2,75 % |
| Deutsche Bank AG London | 2 100 929 | 2,44 % |
| Alfred Berg Norge + | 2 037 500 | 2,36 % |
| Letra Invest AS | 1 873 451 | 2,17 % |
| Hathon Eiendom AS | 1 835 328 | 2,13 % |
| Alfred Berg Gambak | 1 694 136 | 1,97 % |
| Frognes AS | 1 649 916 | 1,92 % |
| Petroservice AS | 1 479 712 | 1,72 % |
| Johan Vinje AS | 1 437 841 | 1,67 % |
| Alfred Berg Norge | 1 411 000 | 1,64 % |
| Trond Høye | 1 235 562 | 1,43 % |
| Pecunia Forvaltning AS | 1 157 058 | 1,34 % |
| Total 20 largest | 51 450 187 | 59,72 % |
| Others | 34 705 418 | 40,28 % |
| Total shares | 86 155 605 | 100,00 % |

No. Shareholders 1.927

Option program

- Outstanding options: 3.244.334
– Strike price of NOK 7,75 – Aug 28th 2009
- 564.168 options not allocated so far

Related parties shareholding

- Management's direct and indirect shareholding totals 4,1m shares or 4,8 % of current outstanding shares
- Board members directly and indirectly own a total of 2,9m shares or 3,4% of current outstanding shares
- 52 employees own directly a total of 4,6m shares or 5,3% of current outstanding shares (incl. management)

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CEO summary 2008

- Financial market meltdown
- Real estate market collapsed
- Reserve losses within Change of Ownership
- Quality improvement within Change of Ownership claims handling should have been better

- Improved hit-ratio and strengthened market position beginning of 2009 in Change of Ownership
- No of lawsuits within Change of Ownership reduced with 30%
- “Big 3” Brokers (commercial sector) delivers a lot more opportunities and business to Protector
- Consolidation in the market
- Significant Combined Ratio improvement in commercial sector driven by normal claims level, improved underwriting and lower cost ratio
- Protector's rated no 1 among brokers and real estate brokers again

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GWP - Outlook 2009

- GWP up 5% in 2009
 - Q1 strong, Q2 weak, Q3 normal and Q4 strong
- Commercial and public lines up 15%
 - Q1 up 20%, Q2 – Q4 up 8%
 - Still competitive in the top market with too low rates
 - + Consolidation in the market
 - + Renewal rate Q1 estimated to 95% supported by index and price increases
 - + New sales Q1 2009 estimated to NOK 68m
- Change of ownership insurance down 15%
 - Q1 and Q2 volume weaker, Q3 and Q4 stronger
 - + Increased market share in 2009
 - + Increased hit ratio
 - Real estate prices down
 - Lower turn over rate

Costs - Outlook 2009

- 2008 status, stable cost ratio ~ 18%
 - Weaker cost ratio change of ownership insurance
 - Improved cost ratio commercial and public lines of business
- 2009 target, gross cost ratio down 1 percentage points
 - Stable cost ratio within change of ownership insurance, despite lower volume
 - Continued improved cost ratio in commercial sector due to scalability
- Cost cut programme implemented
 - Sales costs down in commercial sector
 - Marketing costs down in change of ownership insurance
 - Other cost initiatives including manning reductions

Outlook 2009

| NOKm | Realised 2008 | Outlook 2009 | Favorable scenario | Negative scenario |
|---------------------|---------------|--------------|--------------------|-------------------|
| Premium growth | 10% | 5% | 10% | 0% |
| Operating profit | 9.4 | 120 | 150 | 90 |
| Investment income | -36.6 | 70 | | |
| Gross cost ratio(%) | 18 | 17 | | |
| Combined ratio (%) | 94.9 | 92 | 88 | 96 |

Return assumptions p.a.

| | |
|--------|----|
| Equity | 8% |
| Bonds | 4% |

Cost cut programme:

Cost reductions of NOK 15m

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- 2008 – a challenging year with a difficult market
- Continued growth, acceptable Combined Ratio and weak investment income
- Starting 2009 with improved quality and market position
- New long term objectives (through a 5 year cycle);
 - Growth rate 10%
 - Combined ratio 92%
 - Solvency margin 80%
 - Return on solvency capital 20%
- Guiding 2009;
 - 5% growth rate – Combined Ratio 92% - Return on solvency capital 21%