

Results Q2 2009

Best quarter ever - Increased guiding



August 25th 2009



Highlights Q2 2009

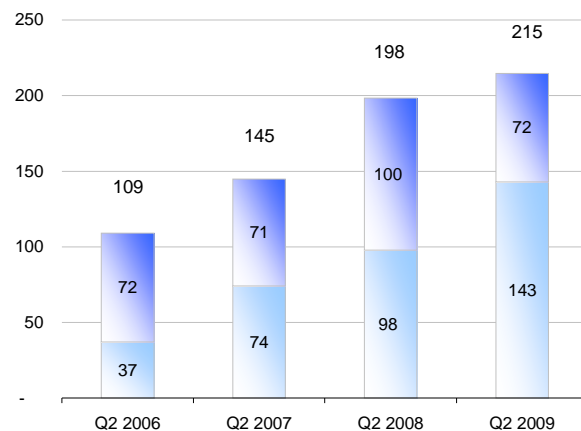
- Continued growth, GWP NOK 215m, up 8% (underlying 12%)
 - Commercial and public lines of business, up 46%
 - Change of ownership insurance, down 28%
 - Underlying trend in Q2, down 15%, due to product change in Q2 2008
- Operating profit of NOK 96,6m, up 72%
- Net combined ratio, 94,8%, in line with Q2 2008
- Return on investments, 6,6%, up from 3,3%
 - Investment return boosted by strong equity markets
- Outlook 2009, increased
 - Operating profit MNOK 180, up from MNOK 120
 - Volume growth 18%, up from 10%

Gross written premium Q2 2009

GWP up 8 %, from NOK 198.4m to NOK 215m

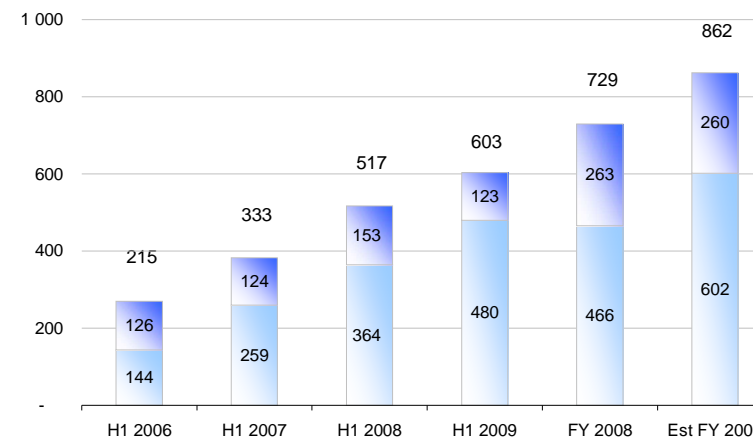
- 46% growth within the commercial and public lines of business, stronger than guided
- Two large customers on board and one loss in the commercial sector, net volume approx. NOK 9m
- Strong renewal rate in commercial sector 94%, down from 99% in Q2 2008
- Change of ownership insurance down 28%, in line with guiding
 - Underlying trend down 15%
 - The Real Estate market is expected to continue to improve in H2

GWP Q206 - Q209 (MNOK)



■ Change of ownership insurance
■ Commercial and public lines of business

GWP H106 - H109 (MNOK)



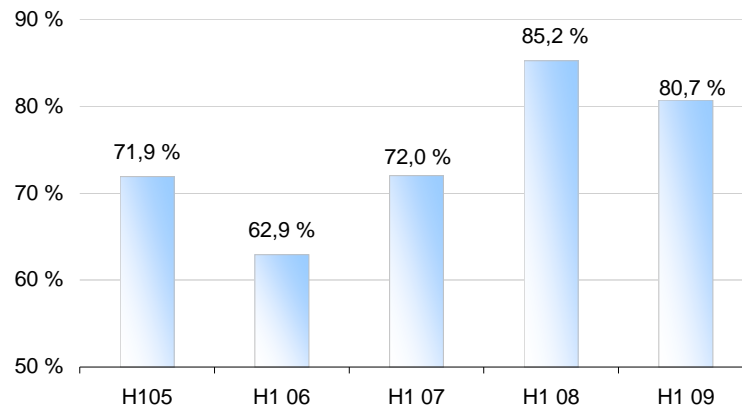
■ Change of ownership insurance
■ Commercial and public lines of business

Claims development Q2 2009

Net claims ratio 78,6%, down from 83%, but weaker than expected

- Run-off-losses of NOK 13.2m, down from NOK 25.7m in Q2 2008
 - Change of ownership insurance; Run-off-losses of NOK 14.2m
 - Commercial and public lines of business; Run-off-gains of NOK 1.2m
- Two large claims > MNOK 5 , good reinsurance cover
- Reserve reduction on Vest Tank, reported to Økokrim for possible insurance fraud
- Large claims in total, net effect higher than normal

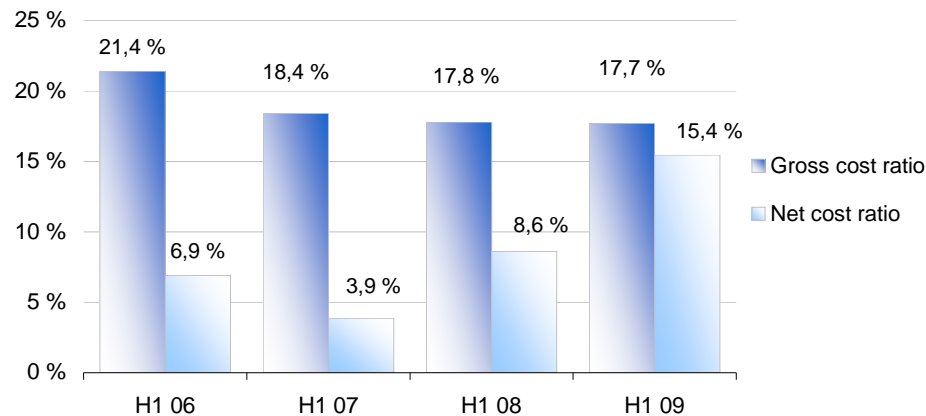
Net claims ratio H105 - H1 09



Cost ratio Q2 2009

Gross cost ratio Q209 15,5%, up from 14,1%

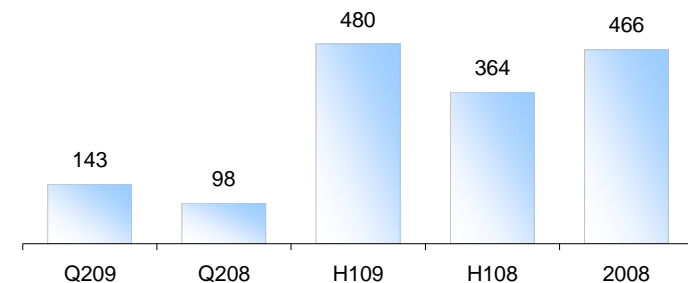
- Increased manning costs due to increased no. of employees
- One off costs
 - Nemi process, MNOK 4 (NOK 1m in Q2),
 - Pension agreement CEO (NOK 3m in Q2)
- Cost cut programme, on schedule
 - Sales costs commercial sector, down NOK 6m in H1
 - Marketing costs change of ownership, down NOK 2m in H1
- Guided gross cost ratio 17%, on schedule



Highlights Q2 2009 - Commercial and public lines of business

- 46% volume growth (stronger than guided)
 - Still strong competition in the municipality sector, no wins
 - Increased business volume from “big three brokers”
 - Increased volume and hit-ratio from medium sized customers, NEMI’s problems boosts no. of quotations
 - Two large wins and one loss, net effect NOK 9m
 - Strong renewal rate sized 94%
- Claims level in Q2 acceptable
 - Two large claims (>MNOK 5) - more than normal
 - Frequency claims on normal seasonal level
- Increased no. of employees to support further growth
- Q3 volume start on a good level
 - 1 large loss of existing customer

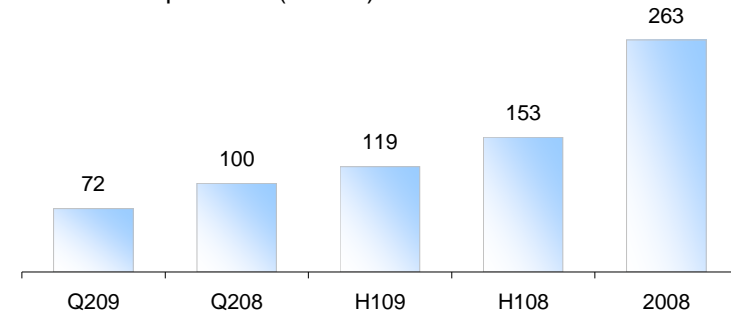
Gross written premium (NOKm)



Highlights Q2 2009 - Change of ownership insurance

- Volume down 28%, better than guiding
 - Hit-ratio up to 71%, still climbing
 - Market share still strong above 50%
- Real estate market continues to improve
 - Prices up 12.1% from December 2008
 - Average sales time down to 34 days
 - No. of sold properties continues to improve in July
- First 200 technical surveys have been through quality check with feedback to surveyor
- Product profitability HTD still acceptable despite run-off losses sized NOK 14m
- No. of lawsuits increasing again after a good period
- Cost ratio still too high but going downwards

Gross written premium (NOKm)



Results Q2 2009

MNOK	Q2 2009	Q2 2008	YTD 2009	YTD 2008	2008
Premiums written gross	215,0	198,4	603,1	516,9	729,0
Premiums earned gross	217,9	204,8	398,8	369,1	720,5
Claims incurred gross	(183,5)	(153,8)	(325,2)	(281,5)	(549,1)
Premiums earned for own account	170,6	146,2	310,2	352,0	592,4
Claims incurred for own account	(134,0)	(121,4)	(250,2)	(299,9)	(477,1)
Operating costs	(27,8)	(17,0)	(47,9)	(30,3)	(85,2)
Net financial income	86,4	46,4	112,4	41,9	(28,2)
Other income	1,4	2,0	3,1	3,8	7,5
Profit before change in security provision etc.	96,6	56,2	127,5	67,4	9,4
Change in security provision etc.	(32,6)	(8,2)	(40,5)	(22,9)	(54,8)
Profit after change in security provision etc.	64,0	48,0	87,0	44,5	(45,4)
Net claims ratio	78,6 %	83,0 %	80,7 %	85,2 %	80,5 %
Net cost ratio	16,3 %	11,6 %	15,4 %	8,6 %	14,4 %
Net combined ratio	94,8 %	94,7 %	96,1 %	93,8 %	94,9 %
Retention rate	78,3 %	71,4 %	77,8 %	95,4 %	82,2 %

Note:

Net claims ratio = claims incurred for own account / NPE

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

Retention rate = NPE in % of GPE

Balance sheet Q2 2009

MNOK	30.06.2009	30.06.2008	31.12.2008
Financial assets	1 493,6	1 315,6	1 221,3
Bank deposits	117,2	90,0	37,2
Other assets	481,2	473,0	362,4
Total assets	2 092,1	1 878,6	1 620,9
Total equity	422,9	528,1	355,9
Total reserves	1 402,8	1 072,1	1 025,5
Other liabilities	266,4	278,3	239,5
Total equity and liabilities	2 092,1	1 878,6	1 620,9
Solvency capital	616,3	649,2	508,9
Return on solvency capital	23 %	21 %	2 %
Solvency capital per share, end of period	7,2	6,3	5,9
Solvency margin	129 %	144 %	81 %
Capital adequacy ratio (risk weighted)	36 %	70 %	34 %
NAV	562,2	615,3	466,0
NAV per share, end of period	6,5	6,0	5,4

Note:

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

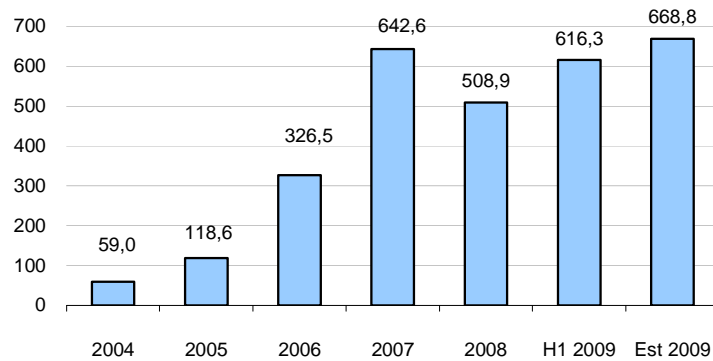
Return on solvency capital: Operating profit / average solvency capital

Solvency margin = solvency capital / NPW

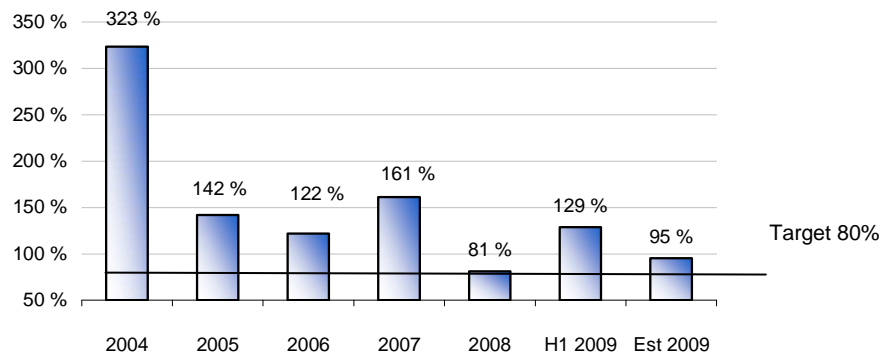
NAV = total equity pluss 72% of the total security provision etc.

Solvency capital H1 2009 – Solid capital position

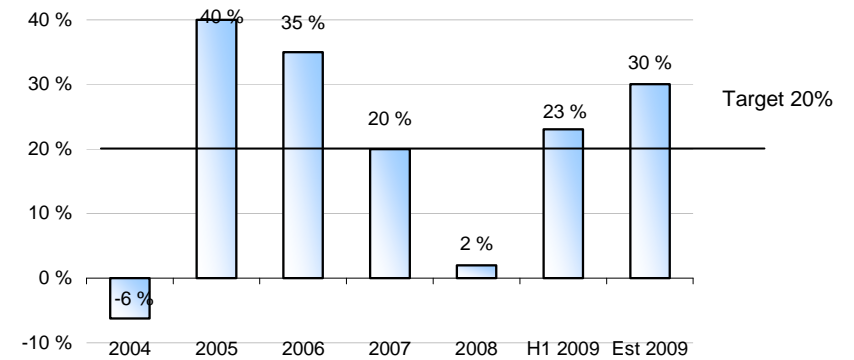
Solvency capital (NOKm)¹



Solvency margin



Return on Solvency Capital



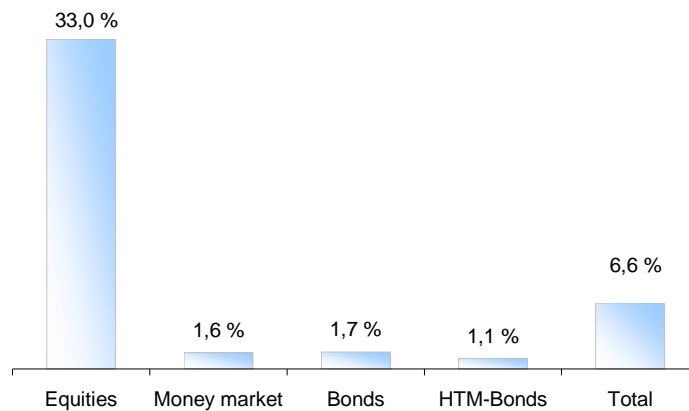
¹ Solvency capital = total equity + security provisions

Investment result Q2 2009

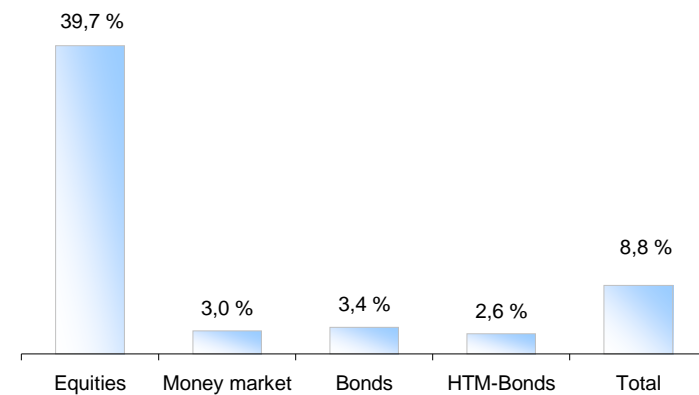
Net investment result of NOK 86.4m compared with NOK 46.4m in Q2 2008

- Investment portfolio of NOK 1.49 bn
- Equities; Return of 33% in Q2, OSEBX 24,7%
- Bonds; Risk exposure further reduced in Q2

Return Q2 2009 per asset class

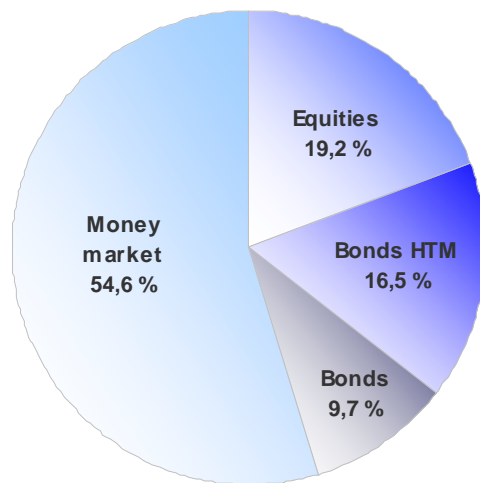


Return H1 2009 per asset class



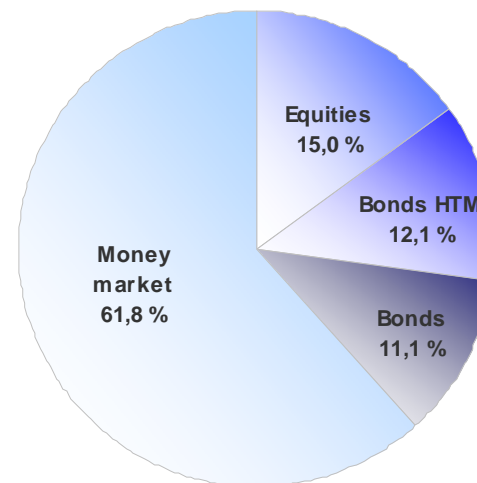
Asset allocation

Asset allocation 30 June 09



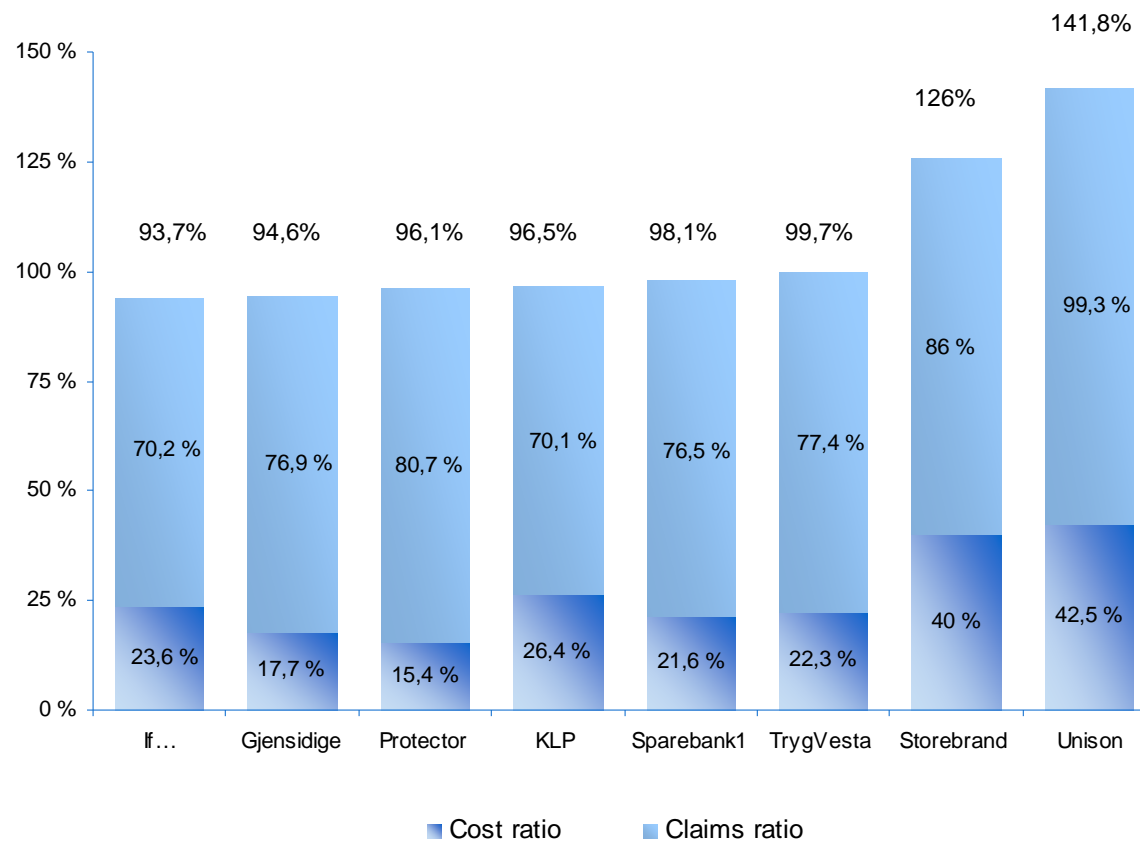
Total financial assets 30.06.2009
NOK 1.494m

Asset allocation 31 December 08



Total financial assets 31.12.2008
NOK 1.221 m

Combined ratio H1 2009



Shareholder matters 17 August 2009

Shareholder	No. shares	Percent
Verdipapirfond Odin Norden	7 324 455	8,50 %
Morgan Stanley & Co INTL PLC	4 536 333	5,27 %
Bank of New York, Mellon SA/NV	4 479 410	5,20 %
DNB NOR Luxembourg SA	4 114 934	4,78 %
Ojada AS	3 563 116	4,14 %
Protector Forsikring	3 348 920	3,89 %
Bergtor AS	3 083 300	3,58 %
Gabler Rådgivning AS ¹	2 652 751	3,08 %
MP Pensjon	2 375 706	2,76 %
Alfred Berg Norge +	2 265 000	2,63 %
Tjongsfjord Invest AS ²	2 261 809	2,63 %
Hathon Eiendom AS	2 055 328	2,39 %
Alfred Berg Gambak	1 911 636	2,22 %
Letra Invest AS	1 873 451	2,17 %
Frognes AS	1 649 916	1,92 %
Petroservice AS	1 479 712	1,72 %
Johan Vinje AS	1 437 841	1,67 %
Trond Høye	1 235 562	1,43 %
Pecunia Forvaltning AS	1 157 058	1,34 %
Alfred Berg Norge	1 086 000	1,26 %
Total 20 largest	53 892 238	62,55 %
Others	32 263 367	37,45 %
Total shares	86 155 605	100,00 %

No. Shareholders 2.048

Last updated 18 August 2009

¹ Chairman of the board, Jostein Sørvoll

² CEO Sverre Bjerkeli

Option program

- Outstanding options: 3.209.334
Strike price of NOK 7,75 – 28. Aug/28. Feb. 2009/2010/2011

Related parties shareholding

- Management's direct and indirect shareholding totals 4m shares or 4,7 % of current outstanding shares
- Board members directly and indirectly own a total of 6,5m shares or 7,5% of current outstanding shares
- 52 employees own directly a total of 4,4m shares or 5% of current outstanding shares (incl. management)
- Protector own 3.348.900 own shares or 3.89% of current outstanding shares

Outlook 2009, increased

Guiding May 6th 2009



Guiding August 25th 2009

- GWP up 10%
 - Status per Q2, ahead of schedule
- Operating profit NOK 120m
 - Combined ratio 92%
 - Status Q2, claims ratio behind schedule, cost ratio on schedule
 - Return on investments 4,7%
 - Status per Q2, ahead of schedule
- Return on solvency capital 21%
 - Status per Q2, ahead of schedule

GWP up 18%

Operating profit NOK 180m

Combined ratio 94%

Return on investments 10,3%

Return on solvency 30%

¹ The guiding assumes a normal claims development in H2. A small company like Protector with a relatively high allocation to equities is exposed to higher volatility than larger Nordic insurance companies.

Outlook 2009

NOKm	2008	2009 Feb	2009 May	2009 Aug	Positive scenario	Negative scenario
Premium growth	10%	5%	10%	18%		
Operating profit	9.4	120	120	180¹	195	165
Investment income	-28.2	70	70	145		
Gross cost ratio(%)	18	17	17	17		
Combined ratio (%)	94.9	92	92	94	92	96

Return assumptions (H2 2009):

Equity allocation approx 20%

Equity 8.0% p.a.

Bonds 3.0% p.a.

¹ The guiding assumes a normal claims development in H2. A small company like Protector with a relatively high allocation to equities is exposed to higher volatility than larger Nordic insurance companies.

Summary Q2 2009

- Operating profit of NOK 96,6m, up 72%
- GWP up 8% (underlying 12%) despite a weak real estate market
- Strong return on investments, 6,6%, up from 3,3%
- Increased guiding August 25th
 - Volume growth from 10% to 18%
 - Operating profit from NOK 120m to NOK 180m
- Dividends on the high end (5% - 15% of solvency capital) for the fiscal year 2009 if results in line with guiding