

RESULTS Q2 2015

Investor presentation

10th July 2015





Facts about Protector

- A focused Scandinavian 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, ODIN Norden, Robur, Ojada AS, Handelsbanken, Avanza, Hansard Europe, management/employees etc
- Strong results, average combined ratio 2004 - 2014, 88.4%
- GWP in 2014: MNOK 2.374
- Solvency capital of MNOK 1.956, investment portfolio ~ NOK 6.1 bn.
- Market cap. 07 April 2015, NOK 5,71 bn.

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

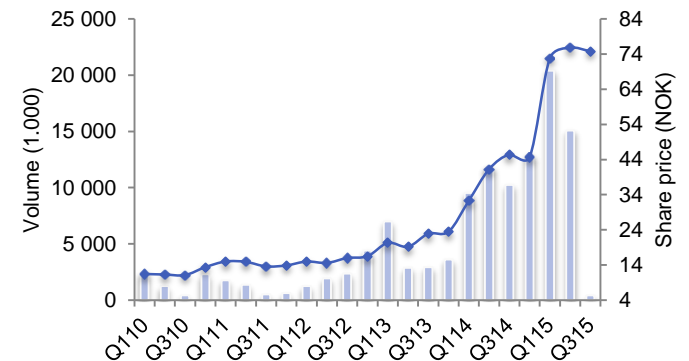
Outlook 2015:

GWP up 22 %
CR 86 %

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. 07.07.2015



Highlights Q2 2015

17% growth, strong Combined ratio

- GWP up 17%
 - Sweden 73 mill growth, 13% points of total company growth
- Net combined ratio 87.0% (85.8%)
- 0.8 % return on the investment portfolio (2,4%)
 - Net return on investments NOK 48.7 (111.6m)
- Operating profit of NOK 118,4m (174,5m)
- Entry UK proceeding according to plan

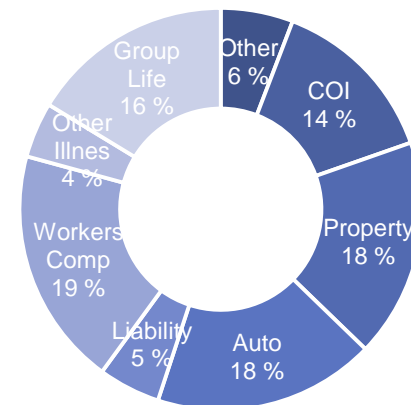


Gross written premium Q2 2015

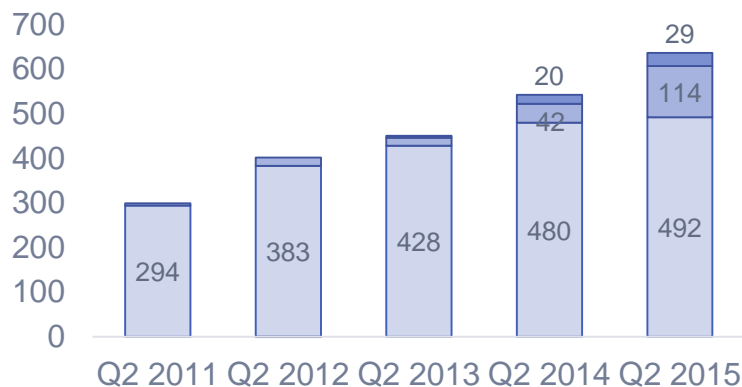
GWP up 17%, from NOK 542 m to NOK 635 m

- Commercial sector Scandinavia: 22% growth
 - Norway: 2 % growth within the commercial and public lines of business
 - Sweden: 171 % growth
 - Denmark: 45% growth
- Change of ownership insurance: 5 % growth
 - High turnover in the real estate market and increased real estate prices
- Continued product diversification

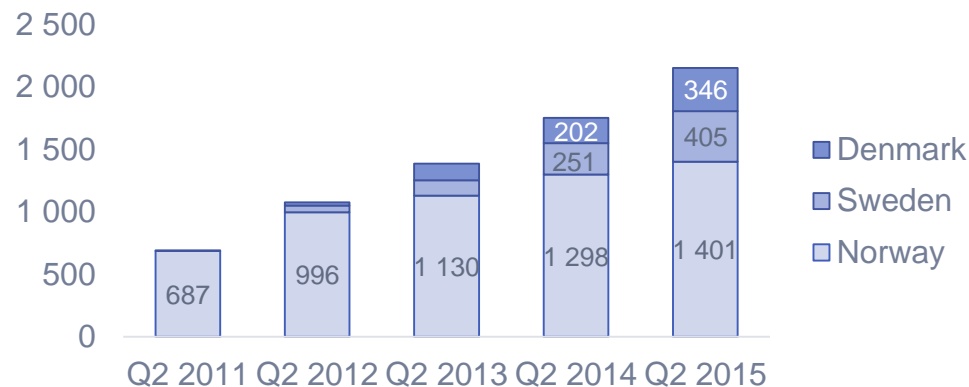
Product mix GWP Q2 2015
(local currencies)



GWP Q2 2011-2015



GWP H1 2011-2015

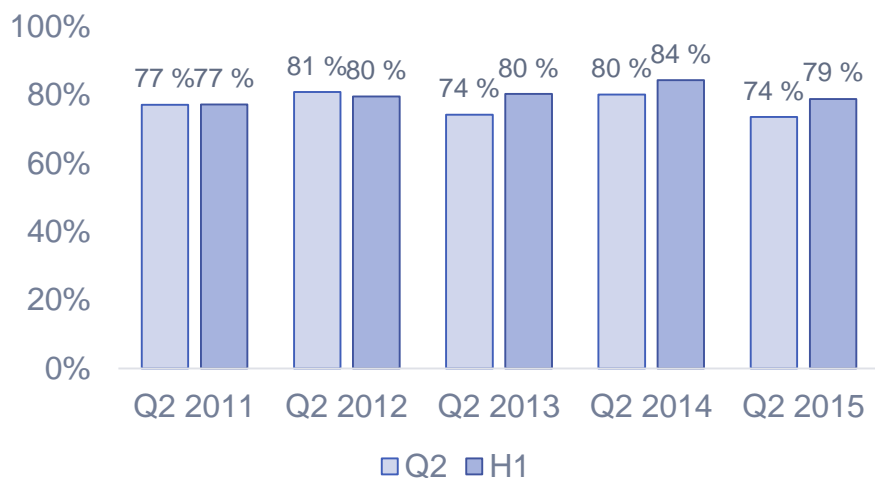




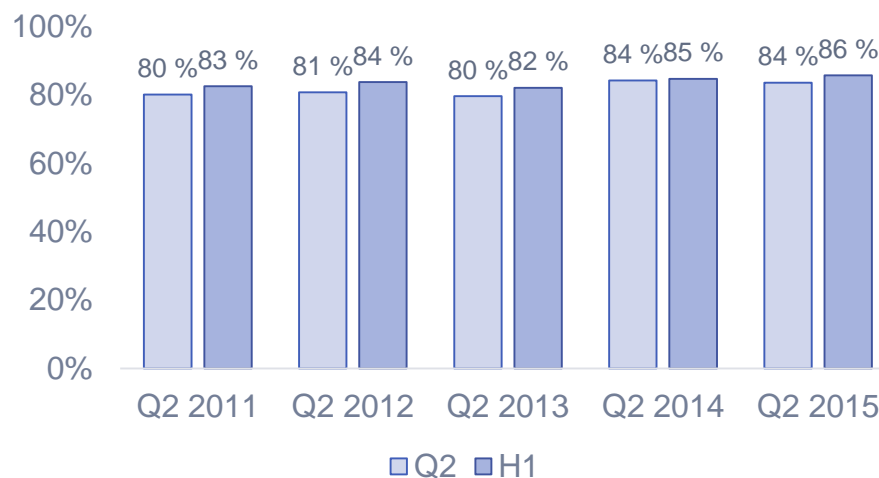
Claims development Q2 2015

- Gross claims ratio 73.5, down from 80.1% in Q2 2014
- Net run-off-gains of 1.3 %, down from 4.2% in Q2 2014
 - Large run-off gains in property – Vest-Tank – but also gains in motor insurance
 - Losses within change of ownership
- Net claims ratio 83.5%, down from 84.2%. Higher claims ratio than peers.

Gross Claims Ratio 2011-2015



Net Claims Ratio 2011-2015





Cost ratio Q2 2015

- Gross cost ratio 6.7 %, up from 6.0 %
 - Increased resources towards UK, high sales cost Sweden, management incentive programme
 - Underlying development better
- Net cost ratio 3.5%, up from 1,6 %
 - Increase due to management Incentive program linked to the development of the share price, high cost in Q2
- Protector has in April moved to new premises,
 - 10 years lease, higher rental costs
- Cost ratio will gradually decrease in 2015 and forwards due to growth in Sweden and Denmark

Gross Expense Ratio 2011 - 2015



Net Expense Ratio 2011 - 2015





Highlights Norwegian Commercial/Public Lines Q2 2015

- Volume up 2 %
 - -5 % growth in the public sector
 - 0 large wins, 1 large non-renewals
 - 3 % growth in the commercial sector
 - 2 large wins and 4 large non-renewals

- Personal lines of business , 78% of total volume
 - 0 % growth in Q2
 - 7 % growth other lines

- Renewal rate 93 % , down from 99% Q2 2014

- Continued rate pressure within the personal lines of business

GWP 2011-2015





Highlights Q2 2015 – Sweden

- 171 % growth
 - 2 very large, 4 large wins, one large non-renewal
 - No. 2 in the municipality segment
 - Renewal rate 88%
 - Growth leads to higher Q2 costs (provisions)

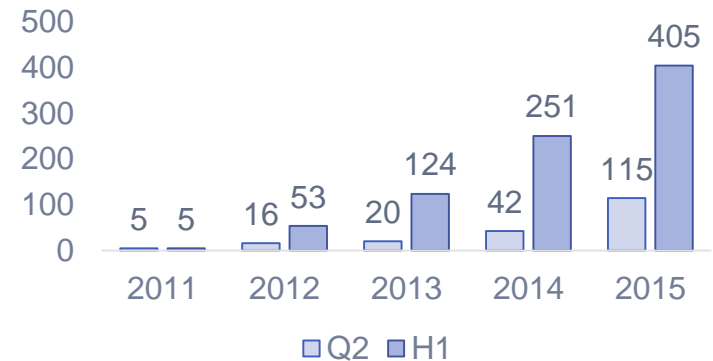
- Net combined 109,2%, 92,9% 1H 2015
 - Some medium large claims
 - Some segment oriented profitability actions implemented with effect from 2016 (as always)

- 33 employees/FTEs, strong organization

- Product mix: Auto: 56% - Prop: 25% - Liability 11% - Other 8%

- Strong volume start on Q3

GWP 2011-2015

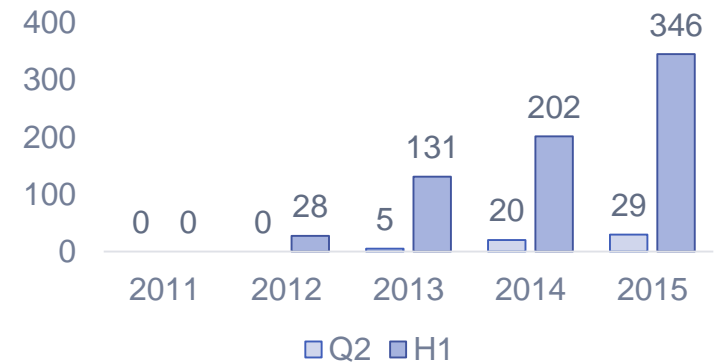




Highlights Q2 2015 – Denmark

- 45 % growth in a very small quarter
 - Higher level of public business out in market compared to last two years (2016 potential)
- Net combined 101,7%, 93,6% 1H 2015
- 22 employees
- Product mix: WComp: 52% - Prop: 33% - Auto 11% - Other 4%
- Slow volume start on Q3
 - First Q1 2016 contract signed

GWP 2011-2015



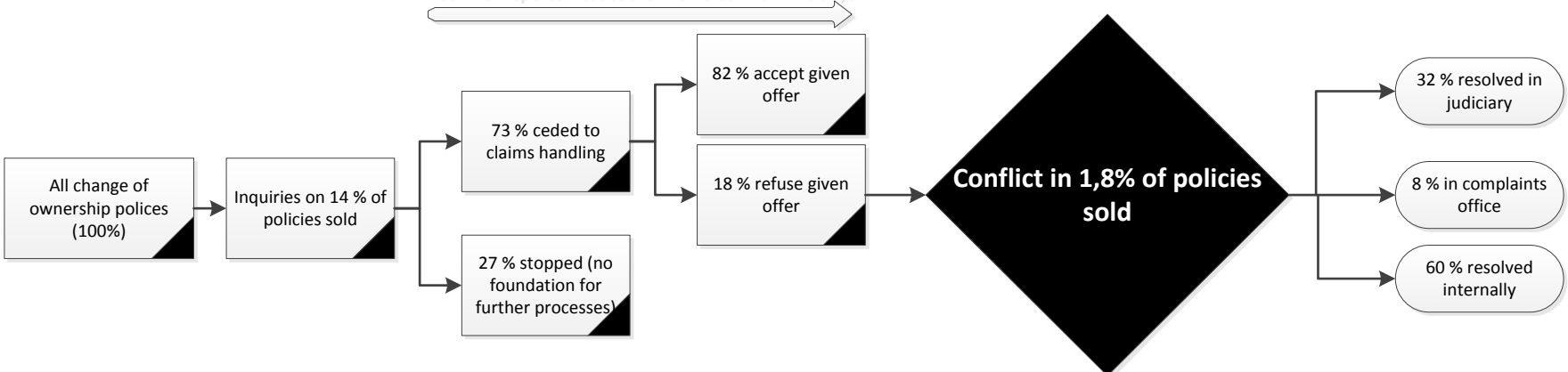
Highlights Q2 2015 - Change of ownership

- Volume up 5%
 - No. of policies on par with Q2 2014 – underlying slightly stronger
 - Strong real estate market
- Unprofitable quarter
 - High level of payments in Q2 => run-off losses
- Weaker recovery level, behind the very strong Q2 2014
- Weaker results in court, but number of losses still low
 - Win – draw – losses: 36% - 36% - 28%
- Conflict level 2% (not 1 of 5)
 - These remaining claims are of course demanding

GWP 2011-2015



80% of reported issues are answered within 10 days





Entry in the UK decided

- Analytical work on 500-600 pages basis for decision
- Same strategy as in Scandinavia
- Entry focus municipalities, location Manchester
- Business plan completed
- Recruitment started
- Start up-costs included in the 2015 guiding
- Minor volume in 2016



Project C4 UK

Ahead of Schedule



Sub-Project	Status	Comment	Start	Stop	New stop	Lead	PL
Market Analysis	✓	Several stages, EU 7, Nordic 4 and UK study – 600 pages	1.3.14	1.8.15		HH	
Business planning	✓	UK market study – 400 pages	1.1.14	11.4.15		HH	BSJ
Go to Market	●	Market information and tender documents available (various quality).	1.1.15	1.12.15	1.4.16	HH	BSJ
Formal Establishment	●	FCA approval process completed. Awaiting final confirmation	1.12.14	1.1.16		HH	BB
Recruitment	●	Signed head hunters in Manchester. Include non Scandinavians	2.11.14	1.7.15	1.2.16	SB	HH
Reinsurance	●	Good progress	1.3.215	1.9.15	1.1.16	SB	FØ
MGA	●	Frontrunner for business with rating requirements	1.2.15	1.1.16		HH	
Practical & office space	●	Step 1 – Rent an office. Step 2 – Pick location with employees involved.	1.8.15	1.1.16		BSJ	
IT & Systems	●	Estimated start up July/august	1.7.15	1.1.16		BSJ	MA
Service & Claims handling	●	Not started					
Capital requirements	✓	Tier 2 capital will be considered to prepare for growth scenarios	29.4.15	15.5.15		SB	BB

= Completed
 = ongoing on schedule
 = ongoing behind schedule
 = Not started

Scandinavia's market-leading insurance firm is targeting Manchester.

And you.

Immediate positions available include:

- Underwriting Manager, Casualty
- Underwriters/Senior Underwriters, Property & Casualty
- Risk Engineer/Consultant
- Commercial Claims Manager
- 2 x Graduate Underwriters/Analysts

All competitive salaries plus excellent range of benefits.

Protector Insurance is coming to the UK market and, from its new offices in Manchester, has big plans to grow. Established in Norway in 2004, Protector has a proven track record of profitable growth. This has elevated them to Scandinavia's leading public sector insurer and it sits in the top three for medium to large enterprise commercial insurance. Pivotal to their success has been cost and quality leadership, unique broker relations, and a creative, forward-thinking team. You need to have a "hands-on" approach, and thrive in a fast-moving yet demanding environment. Expect to be challenged, and be happy to challenge others. In return, Protector believes in empowering its staff with a clear vision, proven business ideas, targets and company values. It brings energy, commitment and boldness to the insurance industry.

For a confidential conversation with Jon Rubin or Nick Rubin, please call 0161 834 4747
or email your CV directly to protector@njrrecruitment.co.uk

NJR Recruitment are Protector's retained partners - all direct and agency applications will be forwarded to NJR Recruitment.

www.njrrecruitment.co.uk

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Results Q2 2015

NOKm	Q2 2015	Q2 2014	H1 2015	H1 2014
Premiums written gross	635,8	542,2	2 151,6	1 750,9
Premiums earned gross	706,1	590,9	1 372,5	1 121,5
Claims incurred gross	(518,7)	(473,2)	(1 081,4)	(945,2)
Premiums earned for own account	560,5	460,7	1 078,5	863,9
Claims incurred for own account	(467,9)	(387,8)	(923,8)	(731,3)
Operating costs for own account	(19,9)	(7,3)	9,3	14,0
Other income/costs	(3,0)	(2,7)	(6,0)	(5,1)
Net financial income	48,7	111,6	170,9	195,4
Profit before change in security provision etc	118,4	174,5	328,9	336,9
Change in security provision etc.	(11,9)	(12,3)	(37,2)	(40,8)
Profit after change in security provision etc.	106,5	162,2	291,7	296,1
Tax	(16,3)	(30,1)	(52,2)	(61,2)
Profit before comprehensive income	90,2	132,1	239,6	234,9
Comprehensive income inc. tax	12,2	(2,8)	4,4	(7,2)
Profit for the period	102,4	129,3	244,0	227,7
Gross claims ratio	73,5 %	80,1 %	78,8 %	84,3 %
Gross expense ratio	6,7 %	6,0 %	7,1 %	7,0 %
Gross combined ratio	80,2 %	86,1 %	85,9 %	91,2 %
Net claims ratio	83,5 %	84,2 %	85,7 %	84,7 %
Net expense ratio	3,5 %	1,6 %	-0,9 %	-1,6 %
Net combined ratio	87,0 %	85,8 %	84,8 %	83,0 %
Retention rate	79,4 %	78,0 %	78,6 %	77,0 %
Return on investment assets	0,6 %	2,0 %	4,1 %	4,7 %
Earnings per share	1,1	1,7	3,2	3,2

• GWP up 17%

• Strong quarterly profit

• No. 1 Nordic?

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 Q2 2015

NOKm 30.06.2015 30.06.2014 31.12.2014

Financial assets	6 185,1	4 763,7	4 957,9
Bank deposits	91,3	161,4	207,9
Other assets	1 237,6	933,7	786,9
Total assets	7 514,0	5 858,7	5 952,7
Total equity	1 334,8	860,3	991,4
Subordinated loan capital	148,1	148,1	148,1
Total reserves	5 245,8	4 357,0	4 113,3
Other liabilities	785,3	493,2	699,8
Total equity and liabilities	7 514,0	5 858,7	5 952,7

Solvency capital	1 956,4	1 459,3	1 575,9
Return on solvency capital, after tax	16 %	22 %	28 %
Solvency capital per share, end of period	22,7	17,7	19,1
Solvency ratio	118 %	110 %	85 %
Solvency margin	425 %	348 %	296 %
Capital adequacy ratio (risk weighted)	22 %	17 %	18 %
NAV	1 788,6	1 297,6	1 418,1
NAV per share, end of period	20,8	15,7	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

- 30% growth in investment portfolio

- Solvency margin 425 %, NOK 1.248 mill above the minimum requirement

SolvencyII, UK & future growth → capital discussions

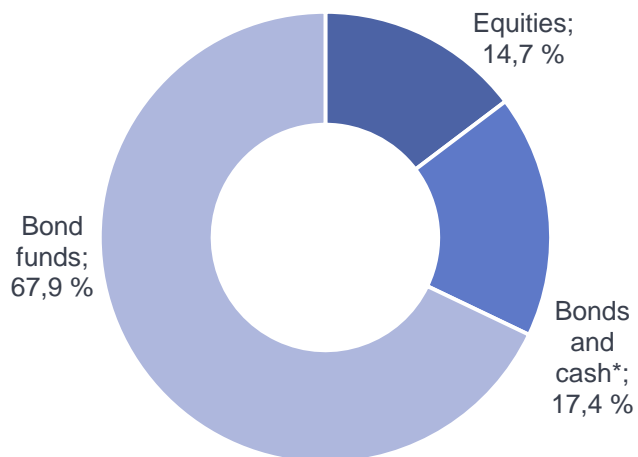
- Introduction of Solvency II makes other capital structures possible and attractive
- Protector has low level of debt compared with peers
- UK entry on track, up-side scenarios will be discussed
- The company will consider raising new subordinated loan capital
 - Low cost of capital
 - Prudent should growth be in excess of 10% the next 3-5 years



Asset allocation

- End of Q2 2015; Bonds 90,7% of portfolio, equities 9,3%
- Exposure in equities decreased at the end of Q2:
 - Norwegian equity portfolio only
 - No exposure to oil- and oil services

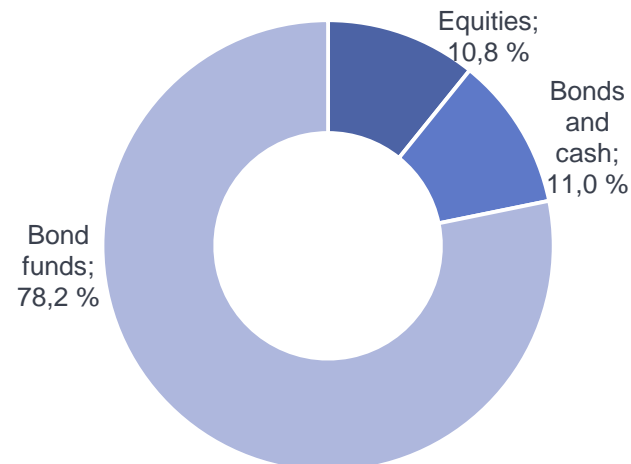
Money-weighted allocation of investments Q2 2015



* Incl. unsettled trades

Total net financial assets end of Q2 2015; NOK 6.135m

Money-weighted allocation of investments 2014



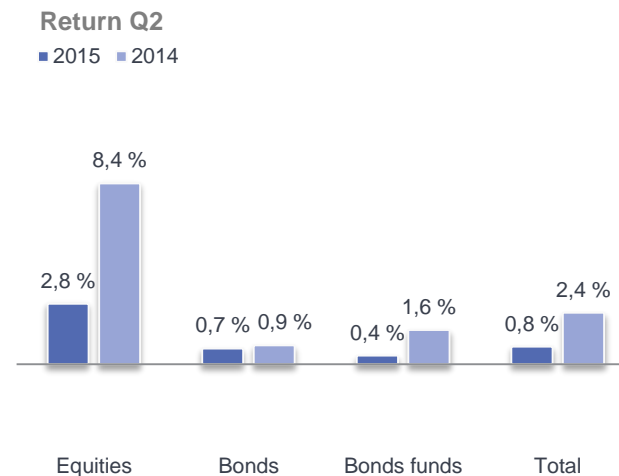
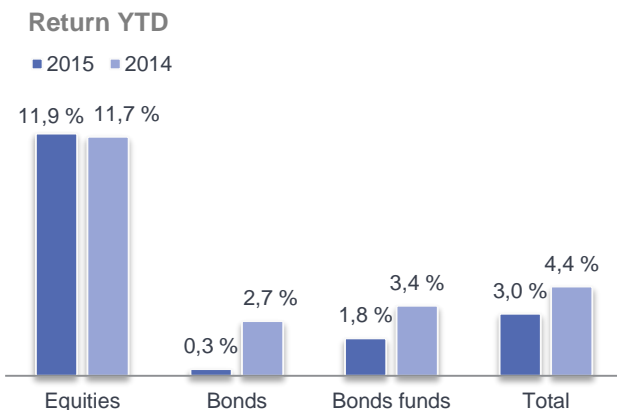
Total financial assets end year; NOK 4.894m



Investment performance Q2 2015

0,8% return on the investment portfolio

- Net investment result of NOK 48.7m, 0.8% return (NOK 111.6m, 2.4%)
 - H1; Net investment result of NOK 170.9m, 3.0% return (NOK 195.4m, 4.4%)
- Equities, return of 2.8% (8.4%)
- Bond portfolio, return of 0.5% (1.5%)
 - Yield end of Q2; 3.7%
- Net investment portfolio of NOK 6,135m (NOK 4,764m), 29% growth
 - Ex proceeds from sale of treasury shares growth was 23%





Shareholder matters 06 July 2015

Shareholder	No. Shares	Percent
STENSHAGEN INVEST AS	6 550 000	7,60 %
ODIN NORDEN	4 473 484	5,19 %
OJADA AS	3 563 116	4,14 %
VERDIPAPIRFONDET HANDELSBANKEN	3 167 384	3,68 %
JPMCBNAULT SWEDBANK ROBUR	2 915 425	3,38 %
TJONGSFJORD INVEST AS ¹	2 811 809	3,26 %
MP PENSJON PK	2 156 808	2,50 %
AVANZA BANK AB	2 008 001	2,33 %
JPMCBNAULT SWEDBANK ROBUR	2 000 000	2,32 %
HANSARD EUROPE LTD	1 895 089	2,20 %
JP MORGAN CHASE BANK, NA	1 873 835	2,17 %
ARTEL HOLDING A/S	1 873 451	2,17 %
GABLER RÅDGIVNING AS ²	1 702 751	1,98 %
VEVLEN GÅRD AS	1 700 000	1,97 %
FROGNES AS	1 649 916	1,92 %
NORDNET BANK AB	1 453 173	1,69 %
JOHAN VINJE AS	1 437 841	1,67 %
ARCTIC FUNDS PLC	1 390 237	1,61 %
PETROSERVICE AS	1 343 815	1,56 %
JP MORGAN BANK LUXEMBOURG S.A	1 215 507	1,41 %
20 LARGEST	47 181 642	54,76 %
OTHERS	38 973 963	45,24 %
TOTAL SHARES	86 155 605	100,00 %

No. Of shareholders 2.031

¹ CEO, Sverre Bjerke

² Chairman of the Board, Jostein Sørvoll

Related parties shareholding

- Management's direct and indirect shareholding totals 3,1m 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 4,0% of current outstanding shares (incl. management)
- Protector owns zero own shares or zero % of current outstanding shares

Notifications of trade in Q2 2015

- Kjersti K. Myking, Marked Director in Protector Forsikring ASA bought 7.150 shares on the 10th of June

Other changes in shareholding

- Swedbank Robur significant new shareholder



Outlook 2015 - unchanged

Guiding 1st July

- GWP up 22%; on schedule
- Combined ratio 86; on schedule
- Gross cost ratio < 7.5 %; slightly behind schedule
- Operating profit NOK 600 m; on schedule
- Return on solvency 28 %; slightly behind schedule due to increased capital



Outlook 2015, stable

	Res 2014	Old 2015e	New 2015e
Premium growth in NOK (%)	28	22	22
Investment Income (NOKm)	237	309	300
Operating profit (NOKm)	502	600	600
Gross cost ratio (%)	7.6	<7.5	<7.5
Net combined ratio (%)	84.5	86	86
Change in Security prov. (NOKm)	26.3	50	50
Tax rate ¹	20%	20 %	20 %
Return on solvency capital (%) ²	28	28	28
Earnings per share (NOK) ³	4.9	5.9	5.6

Return assumptions 2015¹:

Equity allocation approx. <15 % (15%)

Return equities: 15% p.a. (15% p.a.)

Return bonds: 3.7 % p.a. (3.7% p.a.)

Average inv. capital: NOK 5.900'' (5.650'')

¹Figures in brackets; Guiding 29th April 2015

Sale of own shares

¹ Tax rate; Tax divided on profit before tax

² Return on solvency capital: (Operating profit – tax) / average solvency capital

³ Earnings per share; (Profit before comp. income + Change in security provision - 27% tax on change in security provision) / (no. of outstanding shares - own shares)



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- Operating profit of NOK 118,4m (174,5m)
- Entry UK proceeding according to plan
- Company focus: Enjoy summer,
...and prepare for hunting and renewal season in Scandinavia

