

# Q1 2025 Interim results

Investor Presentation

Oslo, 24 April 2025

We will always be

# The Challenger

We will deliver through unique relationships, best in class decision-making and cost effective solutions



## Main targets

Cost and quality leadership  
Profitable growth  
Top 3



## Values

Credible  
Innovative/Open  
Bold  
Committed

# Highlights Q1 2025

Combined ratio at 85.9% | Total investment return of 536 | EPS at 9.0

## Q1

**85.9%**  
Combined Ratio

**5 271**  
Gross premiums written

**17%**  
LCY GWP growth

**536**  
Total investment return

**740**  
Profit for the period

**9.0**  
Earnings per share

## Other highlights

- Successfully placed a new Solvency II compliant Tier 2 bond of NOK 800m
- April 1<sup>st</sup> growth in UK at NOK 369m (14% in LCY)
- Portfolio transfer agreement signed for the Danish workers' compensation portfolio – subject to conditions, including approval by Norwegian and German financial regulators
  - Expected to be completed and booked in Q3 2025
- Close follow-up with regards to financial market turbulence in April
  - Well positioned to assess risks and opportunities
- The Board has decided to distribute a dividend of NOK 247m, corresponding to NOK 3.00 per share

# Volume update

Q1: GWP growth at 19% | 17% in local currencies (LCY)

- Growth at 17% (LCY)
  - Renewal rate at 96%, supported by price increases to counter claims inflation
  - Effect from renewal date changes in the UK
    - £3.8m moved from Q1 to Q2 & Q4
- 1 April is the largest inception date in the UK
  - NOK 369m growth in GWP (14% in LCY), driven by Public sector and Housing
    - Some competition back, as expected

NOKm, Gross written premiums

Segment	Q1 25	Q1 24	Growth	...NOK %	...LCY%
UK	475	429	46	11%	6%
Sweden	1 620	1 499	121	8%	6%
Norway	1 580	1 349	231	17%	17%
Denmark	1 297	1 152	145	13%	10%
France	298	-	298	-	-
<b>Protector</b>	<b>5 271</b>	<b>4 430</b>	<b>842</b>	<b>19 %</b>	<b>17 %</b>

# Claims update

Q1: Loss ratio, net of reinsurance at 75.4% | Large losses of NOK 101m (3.1%) | Run-off gains of NOK 51m (1.6%)

- Property with largest positive effect, supported by lower-than-expected large losses
- Profitability actions still needed within motor
  - No change in risk appetite
- Large losses<sup>1</sup> NOK 101m or 3.1% (181 or 6.6%)
  - 4 large loss events
  - All property in the UK and France
- Run-off gains at 1.6% (losses at 1.8%)
  - Gains on property and losses on motor
  - Gains in SE, NO & the UK, losses in DK

Loss ratios

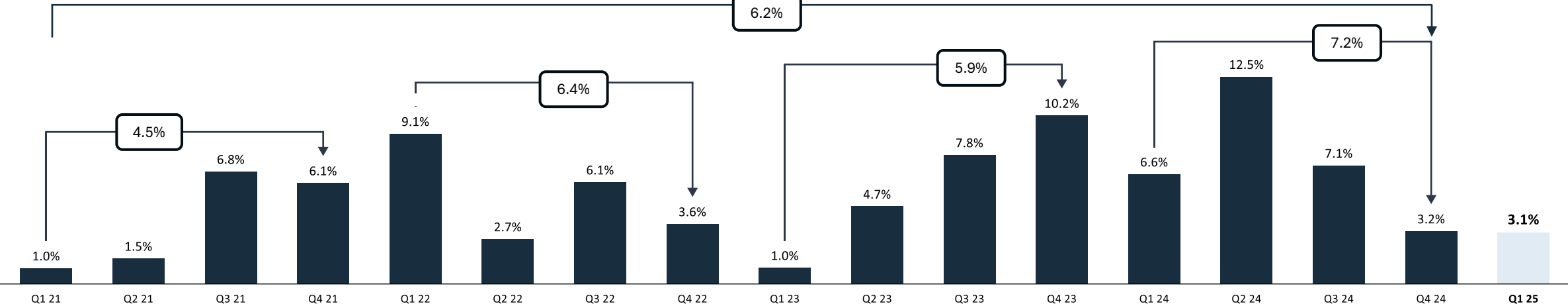
Segment	Q1 25 Gross	Q1 24 Gross	Q1 25 Net	Q1 24 Net
UK	59%	61%	69%	70%
Sweden	74%	84%	74%	83%
Norway	80%	92%	81%	94%
Denmark	72%	84%	81%	88%
France	117%		125%	
<b>Protector</b>	<b>69.1%</b>	<b>76.4%</b>	<b>75.4%</b>	<b>80.6%</b>
<i>Whereof large loss %</i>			3.1%	6.6%
<i>Whereof run-off %</i>			-1.6%	1.8%

<sup>1</sup> Large losses defined as net losses > NOKm 10

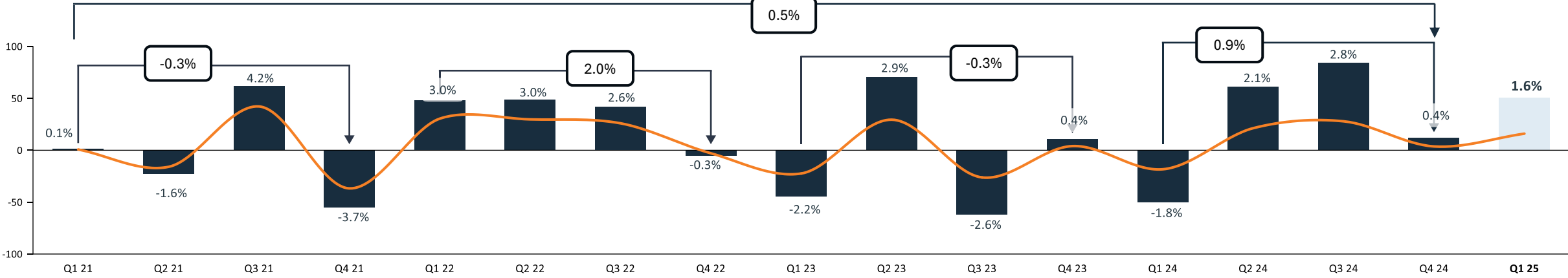
# Large losses and run-off

Best estimate reserving practice; run-off neutral over time

Large Loss %



Run-off %



■ Nominal run-off (L-axis) — Relative run-off (%)

\* Lines in figures indicate large loss and run-off accumulations within outlined periods

# Key metrics per segment

Quarterly volatility must be expected, especially by segment

Q1 25

NOKm	UK		Sweden*		Norway		Denmark		France		Protector	
	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24	Q1 25	Q1 24
Gross premium written	475	429	1 620	1 499	1 580	1 349	1 297	1 152	298		5 271	4 430
Insurance revenues	1 386	1 107	742	713	616	534	439	382	72		3 255	2 735
Insurance service result	282	196	86	29	73	-2	56	18	-38		458	240
Loss ratio, gross	58.8%	61.2%	73.6%	83.9%	79.6%	92.3%	71.9%	84.0%	117.2%		69.1%	76.4%
Net reinsurance ratio	10.6%	8.9%	0.4%	-0.9%	1.0%	1.4%	9.2%	3.9%	8.2%		6.2%	4.2%
Loss ratio, net of reinsurance	69.4%	70.2%	74.0%	83.1%	80.6%	93.8%	81.1%	87.9%	125.4%		75.4%	80.6%
Cost ratio	10.2%	12.1%	14.4%	12.8%	7.6%	6.7%	6.2%	7.4%	28.1%		10.5%	10.6%
<i>Whereof commissions to brokers and agents</i>	4.2%	5.0%	8.0%	7.3%	2.5%	1.9%	0.3%	0.0%	8.7%		4.3%	4.3%
<b>Combined ratio</b>	<b>79.6%</b>	<b>82.3%</b>	<b>88.4%</b>	<b>95.9%</b>	<b>88.2%</b>	<b>100.5%</b>	<b>87.3%</b>	<b>95.3%</b>	<b>153.5%</b>		<b>85.9%</b>	<b>91.2%</b>

# Investments

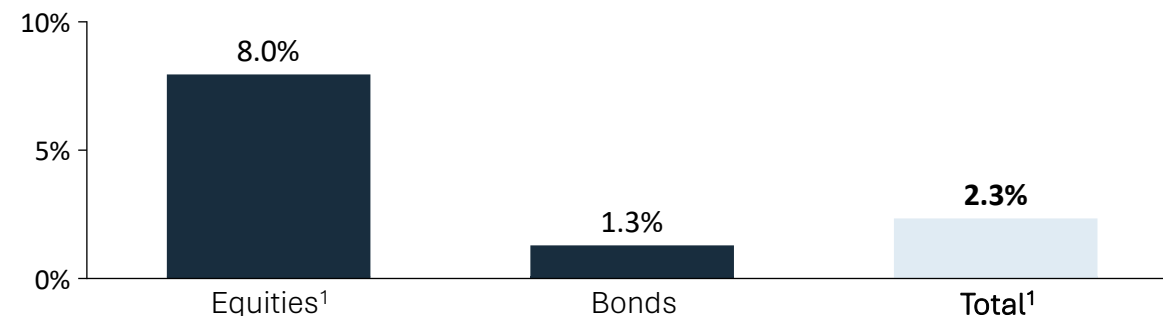


# Investment results and portfolio statistics

Q1: Return of NOK 577m (2.3%) | Bond portfolio yield at 5.1%, before cost of risk

- NOK 577m, or 2.3% gain
  - Equities: NOK 323m, or 8.0 %
  - *Put options: NOK -12m*
  - Bonds: NOK 267m, or 1.3 %
    - Interest rate swaps: NOK -1m
- Slightly reduced bond risk compared to YE24
  - HY portfolio totalling ≈ NOK 3.8bn vs. NOK 3.9bn at YE24
- Duration at 2.1, down from 2.4 YE24
  - Steering interest rate risk from solvency capital perspective
- Strong quarter for Nordic HY bonds
  - DNB Nordic HY index up 2.3%
- AUM up NOK 2.8bn (or 13%) since YE24

## Q1 Investment result



Investment portfolio statistics		31.03.25	31.03.24	31.12.24
Bonds <sup>2</sup>	Size bond & cash eq. (NOKm) <sup>3</sup>	20 778	17 908	18 365
	Avg. ref. rate (NIBOR, STIBOR, etc.)	3.8%	4.5%	3.8%
	Avg. spread/risk premium (bps)	128	183	149
	Yield <sup>4</sup>	5.1%	5.8%	5.2%
	Duration <sup>4</sup>	2.1	2.3	2.4
	Credit duration	1.8	1.9	1.9
	Avg. rating <sup>5</sup>	A+	A	A+
Equities	Portfolio size (NOKm) <sup>3</sup>	3 976	3 047	3 553
	Share of total	16.0 %	14.4%	16.1 %
	Estimated intrinsic value discount	37 %	35%	41 %
	No. of companies	35	36	35

<sup>1</sup> Put option included in total return and excluded in equity return

<sup>2</sup> Bank deposits included

<sup>3</sup> Size includes currency swaps

<sup>4</sup> Interest rate swap effect included

<sup>5</sup> Avg. linear rating based on official rating (>45%) and 'Protector rating' (<55%)

# Capital position

# Income statement

Profit of NOK 740m (456) | EPS at NOK 9.0 (5.5)

NOKm	Q1 25	Q1 24	FY 24
Gross written premium	5 271	4 430	12 333
Insurance revenue	3 255	2 735	11 783
Insurance claims expenses	(2 250)	(2 090)	(8 606)
Insurance operating expenses	(343)	(290)	(1 253)
<b>Insurance service result before reinsurance contracts held</b>	<b>662</b>	<b>356</b>	<b>1 924</b>
Net result from reinsurance contracts held	(203)	(115)	(520)
<b>Insurance service result</b>	<b>458</b>	<b>240</b>	<b>1 404</b>
Net income from investments	577	350	1 059
Net insurance finance income or expenses	(41)	22	(213)
Other income/expenses	(33)	(39)	(198)
<b>Profit/(loss) before tax</b>	<b>962</b>	<b>573</b>	<b>2 052</b>
Tax	(221)	(117)	(513)
<b>Profit/(loss) for the period</b>	<b>740</b>	<b>456</b>	<b>1 539</b>
Loss ratio	69.1%	76.4%	73.0%
Net reinsurance ratio	6.2%	4.2%	4.4%
Loss ratio, net of reinsurance	75.4%	80.6%	77.5%
Cost ratio	10.5%	10.6%	10.6%
<b>Combined ratio</b>	<b>85.9%</b>	<b>91.2%</b>	<b>88,1 %</b>
Large losses, net of reinsurance	3.1%	6.6%	7.2 %
Run-off gains/losses, net of reinsurance	-1.6%	1.8%	-0.9 %
Change in risk adjustment, net of reinsurance	1.1%	1.7%	1.5 %
Discounting effect, net of reinsurance	-3.9%	-4.1%	-3.8 %

# Statement of financial position

SCR ratio<sup>1</sup> at 222%

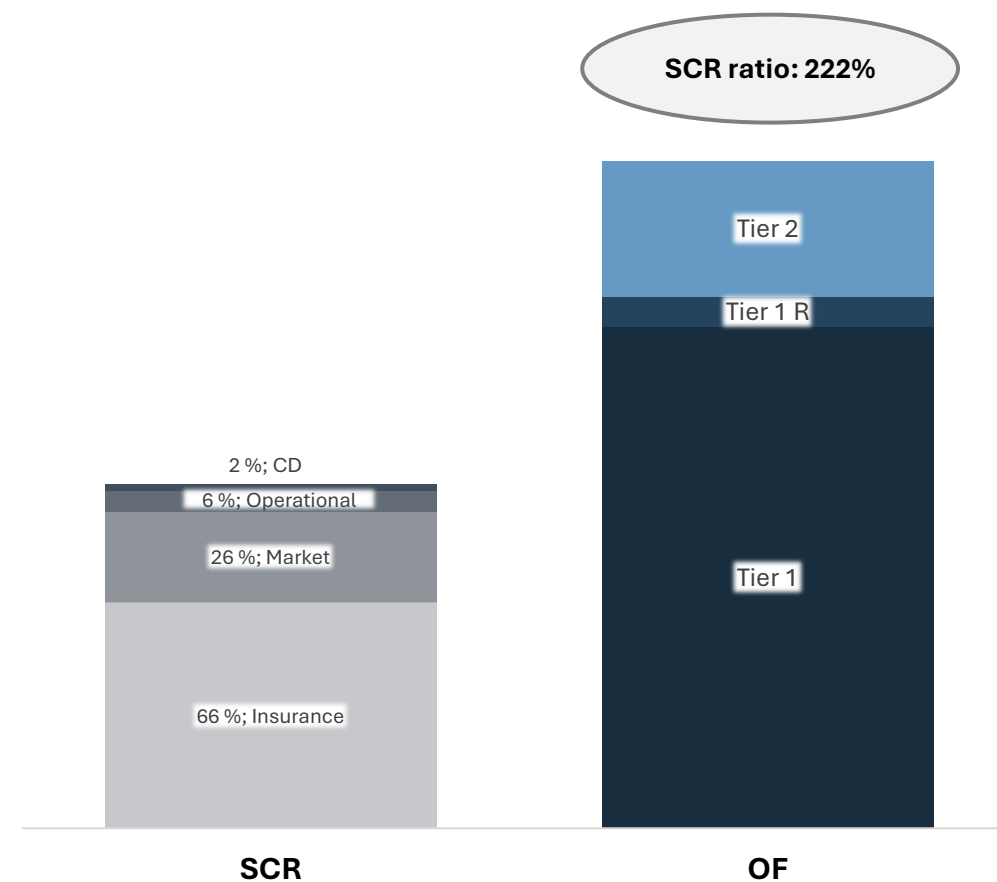
NOKm	31.03.2025	31.03.2024	31.12.2024
Financial assets	24 091	21 000	22 102
Derivatives	203	251	224
Bank deposits	193	187	456
Other assets	1989	1919	1 872
<b>Total assets</b>	<b>27 285</b>	<b>23 357</b>	<b>24 654</b>
Total equity	5 783	4 618	5 439
Subordinated loan capital	2 688	1 892	1 892
Insurance contract liabilities	17 130	15 398	15 768
Derivatives	195	71	33
Other liabilities	1 489	1 379	1 522
<b>Total equity and liabilities</b>	<b>27 285</b>	<b>23 357</b>	<b>24 654</b>

\*Numbers may not add up due to rounding

- Profit for the quarter
- NOK 800m Tier 2 subordinated debt issued Feb 2025
  - Tier 2 capacity is linked to the total SCR of the company
- Dividend NOK 3 per share, NOK 247m in total
- Solvency capital requirement flat due to currency, reinsurance, and diversification effects

<sup>1</sup> Solvency Capital Requirement (SCR) ratio =  $\frac{\text{Eligible own funds (OF)}}{\text{SCR}}$

## SCR ratio composition



# Solvency II

SCR ratio at 222%

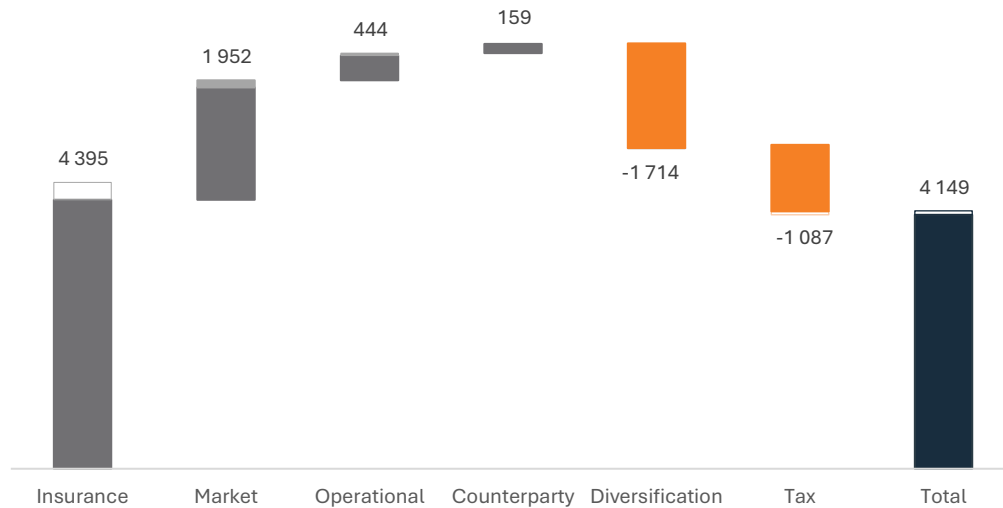
## Composition of SCR:

- Net insurance risk 63%
- Net market risk 28%
- Other risks 9%

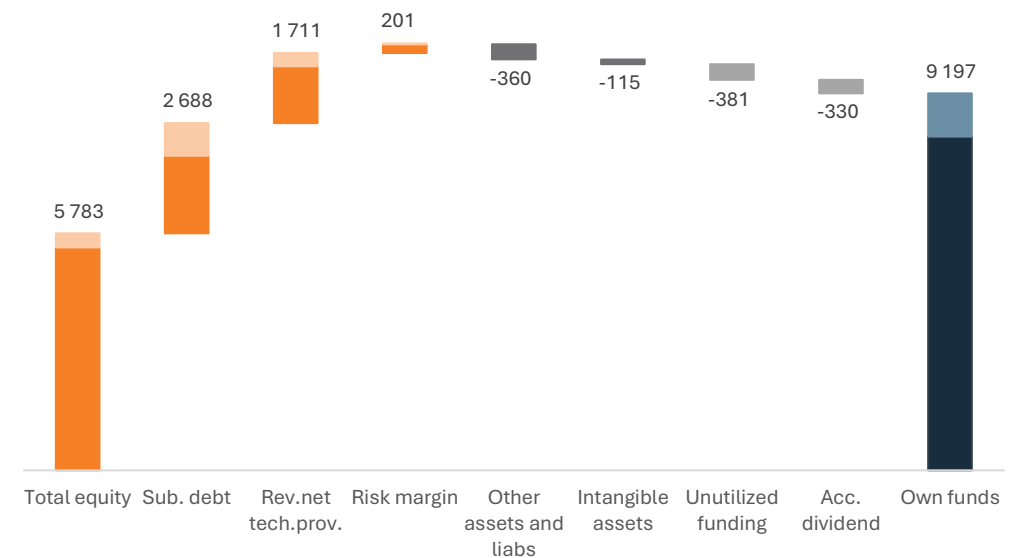
## Eligible solvency capital:

- Guarantee provision and proposed dividend subtracted from own funds

SCR composition and development<sup>1</sup>



Eligible own funds composition and development<sup>1</sup>



<sup>1</sup> Development since last quarter end highlighted in lighter colours per bar

# 'Trade War momentum'

Daily follow-up with action group following market turmoil – Assessing risks is core business

1

## Risk and capital overview

- Updated stress test and capital availability
- Risk and exposure mapping
  - Insurance and investments

2

## Opportunity overview (Bonds + equities)

- Review and update watchlist, including at what prices we have appetite
- Appetite mainly with highest quality bonds and equities with limited 'crisis' impact

3

## Daily status meetings (CEO, CFO, CRO, Investments)

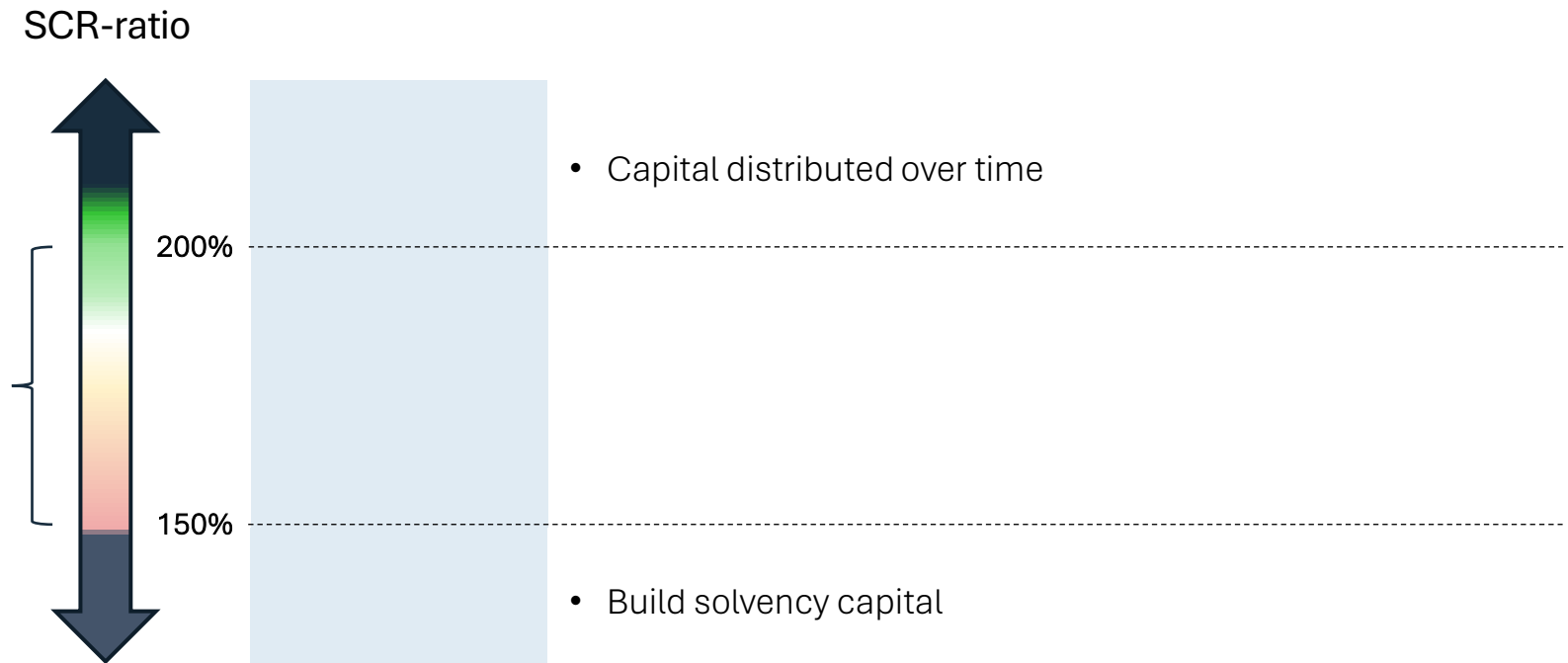
- Investment results updated daily (inc. stress test and capital availability)
- Investment allocation follow-up and discussion
  - What have we done
  - What do we plan for, and what is the appetite

# Flexible shareholder distribution policy

Quarterly assessment of capital position vs. capital need

## Solvency ratio zone assessment:

- Move towards 'Green' if we see e.g. profitable insurance growth, risk-taking in investment portfolio, other attractive allocation opportunities and/or market/macro turbulence.
- Move towards 'Pink' if we see e.g. limited growth opportunities, very low risk, no near-term allocation opportunities and have good future visibility



- Following Q1 2025 the Board has decided to distribute a dividend of NOK 247m, corresponding to NOK 3.00 per share
  - To be paid 9 May (ex. date 30 April)

We will always be

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## Main targets

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