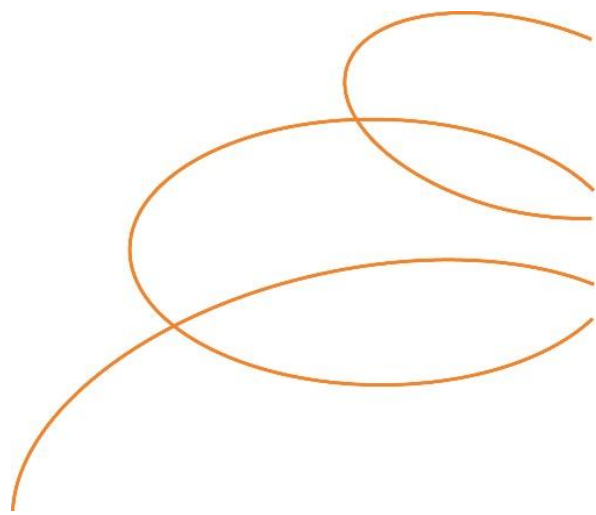




INTERIM REPORT Q1 2016
PROTECTOR FORSIKRING ASA

(UNAUDITED)
APRIL 2016



Highlights Q1 2016

Growth 26% - First UK client on board

Protector delivers a strong premium growth for the first quarter of 2016, with first clients on board in both Finland and the UK. Operating profits are down due to a weak claims ratio from reserve losses in the Change of ownership segment and negative financial income. Adjusted for one off gains- and losses, underlying net combined ratio is 81.4% compared to 82.4% after Q1 2015.

Q1 2016 shows the following development compared to Q1 2015:

- Gross premiums written NOK 1.912,2m, up 26% from NOK 1.515,8m
- Net combined ratio 88,3%, up from 82,4%
- Operating profit NOK 45,2m, down from NOK 210,5m
- Net financial income of NOK -31.9m (-0,5%), down from NOK 122,2m (2,2%)
- Gross expense ratio improved to 6,1% (7,5%)

Financial highlights and key ratios

[1.000.000 NOK]	Q1 2016	Q1 2015	FY 2015
Gross premiums written	1.912,2	1.515,8	2.843,4
Gross premiums earned	782,9	666,3	2.791,1
Gross claims incurred	(707,7)	(562,8)	(2.283,6)
Earned premiums, net of reinsurance	631,6	518,0	2.176,0
Claims incurred, net of reinsurance	(610,0)	(455,9)	(1.861,0)
Net commission income	85,3	76,0	112,9
Operating expenses	(33,2)	(46,8)	(182,0)
Other income/costs	3,4	(3,0)	(13,5)
Net financial income	(31,9)	122,2	303,8
Operating profit before security provision etc	45,2	210,5	536,1
Claims ratio, net of ceded business	(1) 96,6 %	88,0 %	85,5 %
Expense ratio, net of ceded business	(2) -8,2 %	-5,6 %	3,2 %
Combined ratio, net of ceded business	(3) 88,3 %	82,4 %	88,7 %
Gross claims ratio	(4) 90,4 %	84,5 %	81,8 %
Gross expense ratio	(5) 6,1 %	7,5 %	7,5 %
Gross combined ratio	(6) 96,5 %	92,0 %	89,4 %
Retention rate	(7) 80,7 %	77,7 %	78,0 %
Earnings per share	(8) 0,19	2,03	5,48

(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

Protector's operations

Protector Forsikring ASA is a general insurance company (P&C) operating in the Nordic region with presence in the UK.

Protector entered the Swedish insurance market in 2011, the Danish insurance market in 2012 and Finland and UK in 2016.

The company has two business areas: commercial and public lines of business, and affinity arrangements for private and commercial clients. Protector is listed on the Oslo Stock Exchange.

Premiums

Gross premiums written totalled NOK 1.912m, representing a 26,1% growth compared to Q1 2015. Gross premiums earned increased by NOK 116,6m to a total of NOK 782,9m. The growth was 65% in Sweden, 71% in Denmark and -5% in Norway compared to Q1 2015.

Gross premiums written within the commercial and public sector totalled NOK 1.746,7m, a 32% growth compared to the same period last year. The growth is due to high level of new sales in both the commercial and public sector markets, especially in Sweden and Denmark.

Gross premiums written within the change of ownership insurance totalled NOK 100,5m, down 20% from Q1 2015. The reduced volume is the result of lower number of policies sold compared with the same period last year.

Premiums earned for own account totalled NOK 631,6m, an increase of 22% compared to Q1 2015.

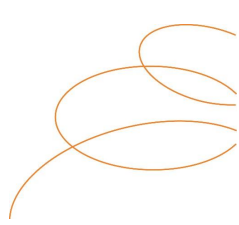
Results

The operating profit before tax totalled NOK 45,2m, down from NOK 210,5m in Q1 2015. The low quarterly profit compared to Q1 2015 is primarily due one-off reserve losses in Change of ownership insurance and to a weaker financial result. Net profit was NOK 9,7m, against a net profit of NOK 160,0m in Q1 2015.

The net combined ratio was 88,3%, 5,9 percentage points higher than the 82,4% reported in Q1 2015. Run-off losses constitutes 12,1% and (one-off) gains from profit sharing with reinsurers was 5,2%, with combined negative impact on net combined ratio of 6,9%. Adjusted for this, net combined ratio was 81,4 %, a slight improvement from 82,4% reported in Q1 2015.

Net combined ratio was 104,1% in Norway (including COI), 69,4% in Sweden and 65,7% in Denmark in Q1 2016. Gross claims ratio was 90,4%, up from 84,5% in Q1 2015. The increase is mainly due to claims paid in Norway, where reserve losses for the Change of ownership segment alone was NOK 86m. Net claims ratio was 96,6%, up from 88,0% in Q1 2015. (COI fully for own account)

The gross expense ratio was 6,1% down from 7,5% in Q1 2015, whilst the net expense ratio was -8,2% down from -5,6%. The reduction in net expense ratio is one-off effect from reinsurance profit sharing agreements from 2014, and would adjusted for this constitute -3.0% (in accordance with previous guiding on reduced levels).



Investment return

Net investment portfolio amounted to a total of NOK 7.160m at 31 March 2016, up 21,6% compared to the portfolio end of Q1 2015.

Investment activities yielded a total return of NOK -31.9m or -0,5% compared to a return of NOK 122,2m or 2,2% in Q1 2015. Equities accounted for a NOK -55,0m loss (-4,2%) against a NOK 72,3m gain (9,1%) in Q1 2015. Return on the fixed income portfolio totalled NOK 23,1m or 0,4% against NOK 49,9m or 1,0% in Q1 2015.

End of Q1 2016, 18,5% of Protector's financial assets were invested in equities, up from 13,7% end of 2015.

Capital and shareholder issues

In April Protector Forsikring ASA successfully placed a subordinated loan of 500 MNOK. The terms of the loan comply with existing and expected future requirements for subordinated debt eligible as tier 2 capital.

The AGM on 21 April 2016 approved the payment of a dividend of NOK 2,25 per share. This pay-out will reduce the equity by NOK 193,9m in the second quarter.

Prospects

The Board is satisfied with the premium growth and that measures has been taken to improve claims ratio in the Change of ownership segment. The Board expects continued growth and combined ratio in line with guiding for the full year. The expectation is based on a very good start to 2016 in especially Sweden and Denmark and continued good access to profitable business.

The uncertainty in claims development, and the inherent volatility of capital markets, are regarded as the most important risk factors that could affect the company's profit in 2016.

Oslo, 28th April 2016

The Board of Directors of Protector Forsikring ASA

Income statement

Profit and loss account

[1.000.000 NOK]	Q1 2016	Q1 2015	FY 2015
Premium income			
Gross written premiums	1.912,2	1.515,8	2.843,4
Ceded insurance premiums	(362,5)	(363,0)	(592,1)
Change in provisions for unearned premiums	(1.129,2)	(849,5)	(52,3)
Change in reinsurers' share of provisions for unearned premiums	211,2	214,6	(23,0)
Earned premiums, net of reinsurance	631,6	518,0	2.176,0
Other income	10,1	1,1	3,9
Claims incurred			
Claims paid	(549,2)	(420,4)	(1.657,5)
Reinsurers' share of paid claims	93,5	77,4	306,7
Change in provisions for claims	(158,6)	(142,4)	(626,1)
Change in reinsurers' share of claims provisions	4,2	29,6	115,9
Claims incurred, net of reinsurance	(610,0)	(455,9)	(1.861,0)
Operating expenses			
Sales costs	(14,4)	(3,1)	(28,2)
Administration costs	(33,2)	(46,8)	(182,0)
Commission from reinsurers	99,6	79,2	141,1
Total operating expenses, net of reinsurance	52,0	29,2	(69,1)
Other expenses	(4,1)	(1,6)	(6,5)
Technical result	79,7	90,8	243,2
Net income from financial assets	(31,9)	122,2	303,8
Other income	0,1	0,4	0,5
Other costs	(2,8)	(2,9)	(11,4)
Non-technical result	(34,5)	119,7	292,9
Profit before tax	45,2	210,5	536,1
Tax	(28,6)	(42,7)	(71,9)
Profit before components of comprehensive income	16,6	167,8	464,2
Actuarial gain and loss from defined benefit pension plans- benefits to	-	-	9,6
Currency changes from foreign enterprise	(9,2)	(7,7)	14,4
Taxes on components of comprehensive income	2,3	-	(6,5)
Profit for the period	9,7	160,0	481,7
Earnings per share	0,19	2,03	5,48
Earnings per share, diluted	0,19	2,03	5,48

Balance Sheet

[1.000.000 NOK]	31/03/2016	31/03/2015	31/12/2015
Assets			
Intangible fixed assets			
Other intangible fixed assets	15,7	14,5	15,8
Total intangible fixed assets	15,7	14,5	15,8
Buildings and other real estates			
Owner-occupied property	13,8	-	13,6
Total buildings and other real estates	13,8	-	13,6
Financial current assets			
Shares	1.327,7	966,6	860,9
Securities, bonds etc	5.700,4	4.768,2	5.362,5
Financial derivatives	376,4	273,5	252,6
Other financial assets	155,2	148,7	147,1
Total financial assets	7.559,8	6.156,9	6.623,0
Reinsurers share of gross technical provisions			
Reinsurers share of gross premium provisions	320,8	311,5	102,5
Reinsurers share of gross claims provisions	564,4	465,1	563,5
Total reinsurers share of gross technical provisions	885,2	776,6	666,0
Receivables			
Policyholders	207,6	92,3	32,5
Intermediaries	76,3	82,4	59,8
Other receivables	1,1	1,3	3,5
Total receivables	285,0	176,0	95,9
Other assets			
Tangible fixed assets	13,2	7,8	14,2
Cash and bank deposits	52,0	185,7	144,1
Total other assets	65,2	193,5	158,3
Total prepaid expenses	213,2	146,1	132,5
Total assets	9.037,8	7.463,5	7.705,1

Balance Sheet

[1.000.000 NOK]	31/03/2016	31/03/2015	31/12/2015
Equity and liabilities			
Shareholders' equity			
Share capital [86.155.605 shares]	86,2	86,2	86,2
Own shares	-	(3,6)	-
Other paid-in equity	267,6	4,8	267,7
Total paid-in equity	353,8	87,4	353,8
Earned equity			
Natural perils fund	(8,6)	(4,9)	0,2
Guarantee scheme	79,1	75,8	77,7
Other equity	1.598,1	1.419,8	1.580,9
Total earned equity	1.668,7	1.490,7	1.658,9
Total equity	2.022,5	1.578,1	2.012,7
Subordinated loan capital	148,1	148,1	148,1
Technical provisions			
Provisions for unearned premiums	1.573,2	1.198,4	448,1
Provisions for claims	3.997,4	3.303,8	3.858,4
Total technical provisions	5.570,6	4.502,1	4.306,5
Provisions for other risks and liabilities			
Pension liabilities	10,9	19,0	10,9
Deferred tax liability	122,5	164,0	115,3
Total provisions for other risks and liabilities	133,4	182,9	126,2
Liabilities			
Liabilities in connection with insurance	107,3	13,4	29,0
Liabilities in connection with reinsurance	530,4	486,9	318,8
Financial derivatives	375,7	270,7	260,1
Other liabilities	69,5	158,1	217,1
Total liabilities	1.082,9	929,1	824,9
Incurred expenses and prepaid income			
Other incurred expenses and prepaid income	80,3	123,1	286,7
Total incurred expenses and prepaid income	80,3	123,1	286,7
Total equity and liabilities	9.037,8	7.463,5	7.705,1

Cash flow statement

[1.000.000 NOK]	Q1 2016	Q1 2015	FY 2015
Cash flow from operations			
Paid in premiums	1.515	1.364	2.850
Paid claims	(566)	(447)	(1.694)
Paid reinsurance	33	(92)	(61)
Paid operating expenses including commissions	(82)	(30)	(161)
Interest / dividend income	23	8	69
Net payments from financial instruments	(939)	(1.082)	(1.301)
Payable tax	(61)	(38)	(124)
Net cash flow from operations	(78)	(317)	(423)
Cash flow from investment activities			
Net investments in equities	-	-	263
Invested in own occupied property	(0)	-	(14)
Invested in inventory	(1)	(1)	(5)
Invested in intangible assets	(2)	(3)	(10)
Net cash flow from investment activities	(4)	(3)	234
Cash flow from financial activities			
Dividend paid	-	-	(165)
Interest payments on subordinated loan	(3)	(3)	(11)
Net cash flow from financial activities	(3)	(3)	(176)
Net cash flow for the period	(84)	(323)	(366)
Net change in cash and cash equivalents	(84)	(323)	(366)
Cash and cash equivalents opening balance	291	657	657
Cash and cash equivalents closing balance	207	334	291

Statement of changes in equity

	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
Equity at 31.12.2014	86,2	(3,6)	4,8	16,7	70,5	816,9	991,4
Change of accounting principle - security provisions						426,6	426,6
Equity at 01.01.2015	86,2	(3,6)	4,8	16,7	70,5	1.243,5	1.418,1
Profit for the period				(21,5)	5,3	176,3	160,0
Equity at 31.03.2015	86,2	(3,6)	4,8	(4,9)	75,8	1.419,8	1.578,1
Dividend pay out						(165,2)	(165,2)
Own shares	-	3,6	262,8	-	-	-	266,4
Profit for the period				5,3	(1,2)	107,1	111,1
Equity at 30.06.2015	86,2	-	267,6	0,4	74,5	1.361,7	1.790,4
Profit for the period				0,6	1,8	54,4	56,8
Equity at 30.09.2015	86,2	-	267,6	1,0	76,3	1.402,3	1.833,5
Profit for the period				(0,8)	1,4	153,2	153,8
Equity at 31.12.2015	86,2	-	267,6	0,2	77,7	1.580,9	2.012,7
Profit for the period				(8,8)	1,3	17,2	9,7
Equity at 31.03.2016	86,2	-	267,6	(8,6)	79,1	1.598,1	2.022,5

Accounting principles

These interim accounts have been prepared in accordance with IAS 34 and in line with the accounting principles described in the annual report for 2015. The company's financial statements are prepared in accordance with the Norwegian Accounting Act, financial statement regulations for insurance companies and generally accepted accounting principles. For further information, please see the 2015 annual report.

The financial statement regulation for insurance companies has been revised effective as of January 1, 2016. These revisions led to a change in the accounting policies regarding the security provision, which is no longer required by the regulations. As of December 31, 2015, the provision, which was included in the balance sheet with NOK 584,4m, was restated with 75% as other (earned) equity and 25% as deferred tax liability. The comparative amounts for prior periods have been restated accordingly.

Furthermore, allocated return on investments are no longer transferred from non-technical to technical account due to the changes in the regulation. All comparative amounts for prior periods have been restated.

Segment information

[1.000.000 NOK]	Norway			Sweden			Denmark		
	Q1 2016	Q1 2015	FY 2015	Q1 2016	Q1 2015	FY 2015	Q1 2016	Q1 2015	FY 2015
Gross premiums written	864,0	908,8	1.891,7	482,5	290,8	520,7	565,6	316,2	430,9
Gross premiums earned	432,9	457,4	1.863,3	176,7	107,3	493,9	173,4	101,6	433,9
Gross claims incurred	(452,7)	(396,0)	(1.506,7)	(118,8)	(89,4)	(386,5)	(136,2)	(77,4)	(390,4)
Earned premiums, net of reinsurance	358,5	356,6	1.453,2	140,8	83,7	394,5	132,3	77,7	328,3
Claims incurred, net of reinsurance	(402,0)	(321,8)	(1.235,9)	(97,9)	(67,5)	(298,7)	(110,1)	(66,6)	(326,5)
Net commission income	44,5	52,8	94,9	9,2	10,1	(6,6)	31,6	13,1	24,5
Operating expenses	(15,8)	(28,3)	(93,8)	(9,0)	(6,7)	(37,8)	(8,5)	(11,9)	(50,4)
Other income/costs	4,6	(3,0)	(13,3)	(0,0)	(0,0)	(0,2)	(1,2)	(0,0)	0,0
Net financial income	(28,8)	97,8	292,4	(1,9)	22,6	12,9	(1,1)	1,9	(1,5)
Operating profit before tax	(38,9)	154,2	497,5	41,1	42,1	64,1	43,0	14,1	(25,5)
Claims ratio, net of ceded business	112,1 %	90,2 %	85,0 %	69,6 %	80,6 %	75,7 %	83,2 %	85,7 %	99,4 %
Expense ratio, net of ceded business	-8,0 %	-6,9 %	-0,1 %	-0,2 %	-4,0 %	11,2 %	-17,4 %	-1,6 %	7,9 %
Combined ratio, net of ceded business	104,1 %	83,3 %	85,0 %	69,4 %	76,6 %	87,0 %	65,7 %	84,1 %	107,3 %
Gross claims ratio	104,6 %	86,6 %	80,9 %	67,2 %	83,3 %	78,3 %	78,6 %	76,2 %	90,0 %
Gross expense ratio	3,7 %	6,3 %	5,1 %	13,1 %	8,8 %	13,0 %	4,9 %	11,7 %	11,6 %
Gross combined ratio	108,3 %	92,8 %	86,0 %	80,3 %	92,1 %	91,3 %	83,5 %	87,9 %	101,6 %

Financial assets, fair value estimation

Financial assets through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	993	334	-	1.328
Bonds and other fixed income securities	NOK	2.677	3.023	-	5.700
Cash and cash equivalents	NOK	155	-	-	155
Foreign currency contracts	NOK	-	376	-	376
Total assets Q12016		3.826	3.734	-	7.560
Total assets Q12015		1.307	4.850	-	6.157

Financial liabilities at fair value through profit or loss [1.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK	-	-376	-	-376
Liabilities to credit institutions	NOK	-24	-	-	-24
Total financial liabilities Q12016		-24	-376	-	-400
Total financial liabilities Q12015		-	-271	-	-271

Fair value of financial assets traded in active markets are based on market value on the accounting day. A market is considered active if the market rates are easily and regularly available from a stock exchange, distributor, broker, industrial classification, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The market price applied to financial assets is the existing bid price. These instruments are included in level 1.

Fair value of financial instruments not traded in an active market is determined by using valuation methods. These valuation methods maximise the use of observable data where available, and are based as little as possible on own estimates. The instrument is included in level 2 if all essential data are based on observable market data.

The instrument is included in level 3 if one or more essential data are not based on observable market data.

Quarterly outline

[1.000.000 NOK]	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Gross premiums written	1.912,2	325,3	366,5	635,8	1.515,8	281,8	341,8	542,2	1.208,6
Gross premiums earned	782,9	698,7	719,9	706,1	666,3	593,7	591,5	590,9	530,7
Gross claims incurred	(707,7)	(617,0)	(585,2)	(518,7)	(562,8)	(451,6)	(457,7)	(473,2)	(472,0)
Earned premiums, net of reinsurance	631,6	535,1	562,4	560,5	518,0	453,4	458,0	460,7	403,2
Claims incurred, net of reinsurance	(610,0)	(475,7)	(461,5)	(467,9)	(455,9)	(337,7)	(370,6)	(387,8)	(343,5)
Total operating expenses, net of reinsurance	52,0	(41,3)	(37,1)	(19,9)	29,2	(37,5)	(36,9)	(7,3)	21,3
Other income/costs	3,4	(4,4)	(3,0)	(3,0)	(3,0)	(2,0)	(3,1)	(2,7)	(2,4)
Net income from financial assets	(31,9)	152,8	(19,9)	48,7	122,2	13,6	27,9	111,6	83,8
Operating profit before changes in security provision	45,2	166,5	40,7	118,4	210,5	89,8	75,3	174,5	162,4
Changes in security provision etc.	-	-	-	-	-	-	-	-	-
Profit before tax	45,2	166,5	40,7	118,4	210,5	89,8	75,3	174,5	162,4
Tax	(28,6)	(16,4)	6,7	(19,5)	(42,7)	(6,8)	(21,0)	(33,4)	(38,8)
Profit before components of comprehensive income	16,6	150,1	47,4	98,9	167,8	83,0	54,3	141,1	123,6
Components of comprehensive income	(9,2)	2,8	15,1	13,8	(7,7)	(20,4)	(2,5)	(4,0)	(6,0)
Taxes on components of comprehensive income	2,3	0,9	(5,7)	(1,6)	-	5,5	0,7	1,1	1,6
Profit for the period	9,7	153,8	56,8	111,1	160,0	68,1	52,5	138,3	119,2
Key ratios									
Claims ratio, net of ceded business	96,6 %	88,9 %	82,1 %	83,5 %	88,0 %	74,5 %	80,9 %	84,2 %	85,2 %
Expense ratio, net of ceded business	-8,2 %	7,7 %	6,6 %	3,5 %	-5,6 %	8,3 %	8,1 %	1,6 %	-5,3 %
Combined ratio, net of ceded business	88,3 %	96,6 %	88,7 %	87,0 %	82,4 %	82,7 %	89,0 %	85,8 %	79,9 %
Gross expense ratio	6,1 %	9,6 %	6,4 %	6,7 %	7,5 %	8,2 %	8,4 %	6,0 %	8,1 %
Gross claims ratio	90,4 %	88,3 %	81,3 %	73,5 %	84,5 %	76,1 %	77,4 %	80,1 %	88,9 %
Gross combined ratio	96,5 %	97,9 %	87,6 %	80,2 %	92,0 %	84,3 %	85,7 %	86,1 %	97,0 %