



PROTECTOR

forsikring

Protector Forsikring ASA

Q3 results 2010

Investor presentation

28 October 2010

Protector Forsikring ASA

- A focused non-life Norwegian insurance company
- Established Jan.1, 2004. (Listed on Oslo Stock Exchange May 2007)
- Vision: "Protector will be the challenger to the established insurance companies"
- Main targets:
 - Being top three in Protector's defined business segments
 - Cost leadership
 - Being preferred by the brokers

Outlook 2010:

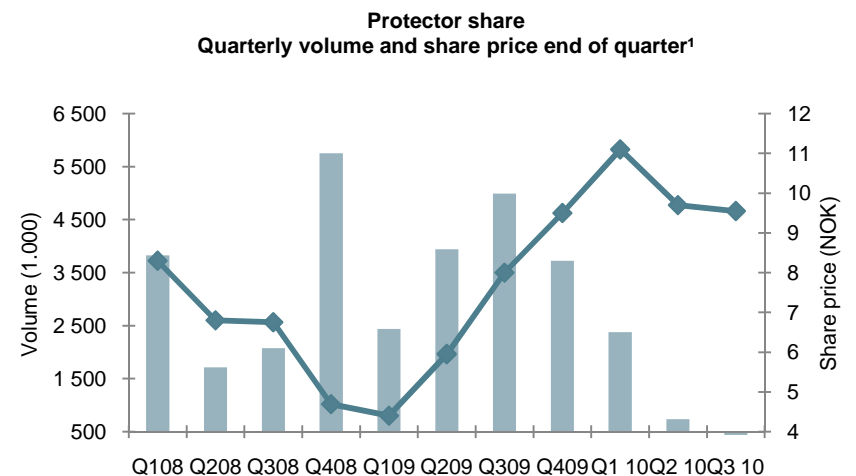
GWP + 12%
CR ~ 91
Operating profit, NOK 180m

Dividend policy:

5-15% of the solvency capital
Share buy backs for additional surplus capital

Dividend of NOK 1 per share expected for the fiscal year 2010 if year-end results are in line with the guiding.

- Ownership; ODIN, Franklin Mutual Funds, Alfred Berg Norge/Gambak, DnB NOR SMB, employees, etc.
- Strong results, average combined ratio 2004 - 2009, 92%
- GWP in 2009: MNOK 871, further growth in 2010
- Solid balance sheet, solvency capital of MNOK 792, investment portfolio > 1.9bn.



¹ Share buy back not included in the volume figures

Highlights Q3 2010

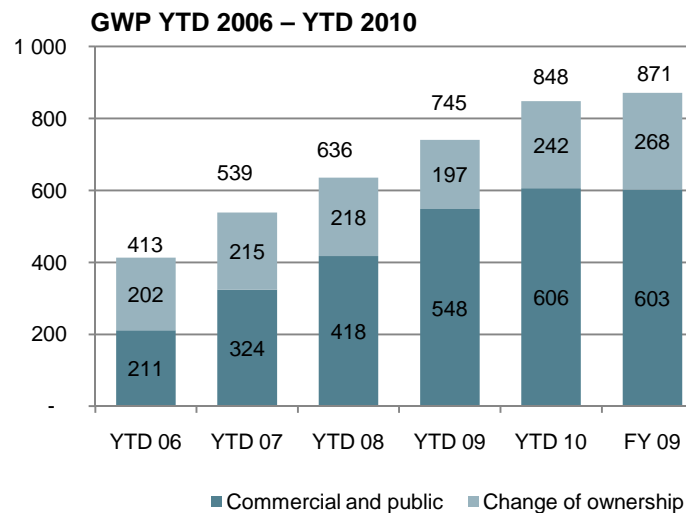
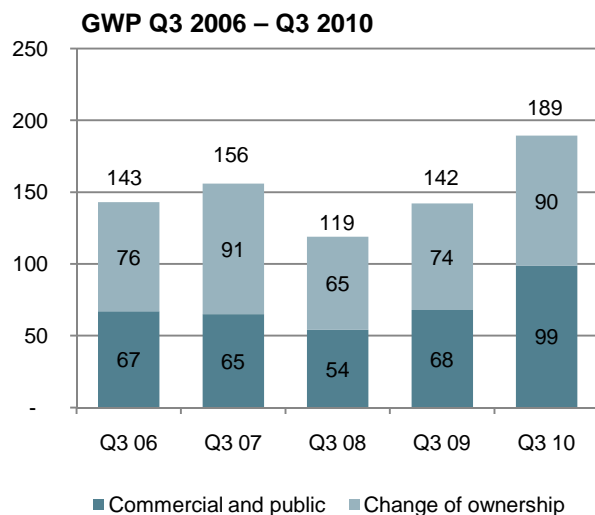
33 % growth and increased guiding

- Strong growth, GWP up 33 %
- Strong net combined ratio, 89.9%, down from 91.5%
 - Maintained pole position in the Norwegian market (YTD 2010)
- Operating profit, NOK 89.4m, up from NOK 65.2m
 - Return on investments, NOK 68.1m (3.7%) up from NOK 49.3m (3.4%)
 - 21% growth in investment portfolio
- Dividend of NOK 1 per share expected for the fiscal year 2010 if year-end results are in line with the guiding.

Gross written premium Q3 2010

GWP up 33%, from NOK 141.8 m to NOK 189.3m

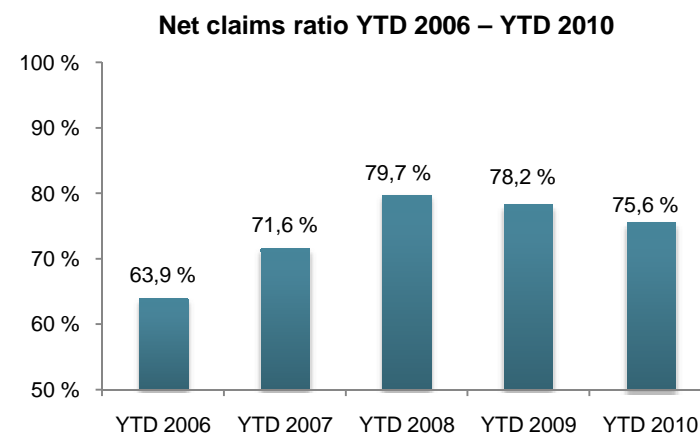
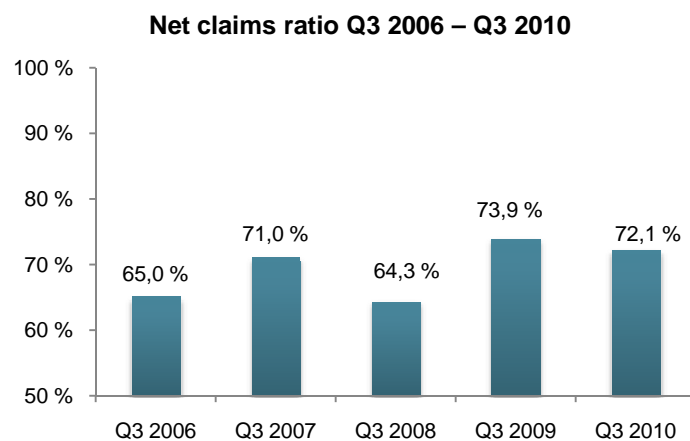
- GWP up 45% within the commercial and public lines of business
 - Strong renewal rate, 93%
 - Underlying growth weaker due to portfolio changes (volume moved from Q2 to Q3)
- Change of ownership insurance, 23% growth
 - Driven by increased real estate prices and higher real estate turnover rate
- Next volume guiding will as usual be communicated to the market ultimo January 2011



Claims development Q3 2010

Net claims ratio 72.1%, down from 73,9%

- One large claim (> NOK 5m) and higher than normal no. of medium sized claims
- Stable reserves
 - Run-off-gains of NOK 3.6m
- Gross claims ratio 73.1%, down from 73.6%

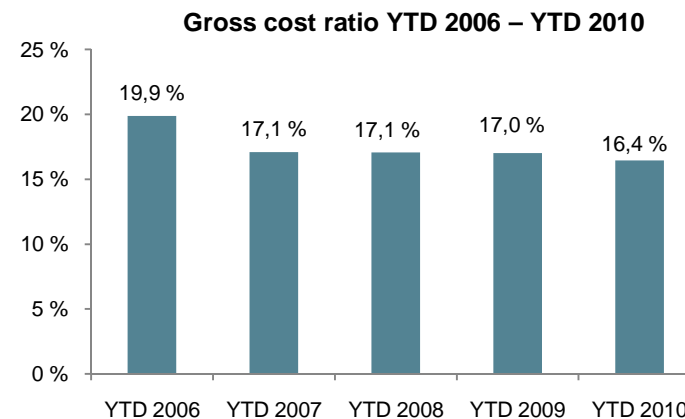
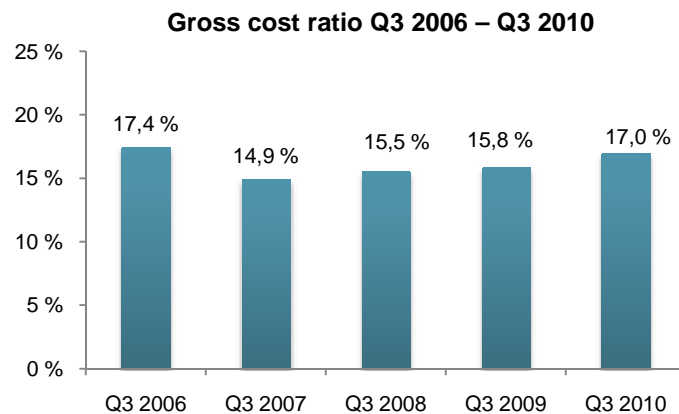


Cost ratio Q3 2010

Gross cost ratio 17.0%, up from 15.8% in Q3 2009

- YTD 16.4%, down from 17% YTD 2009

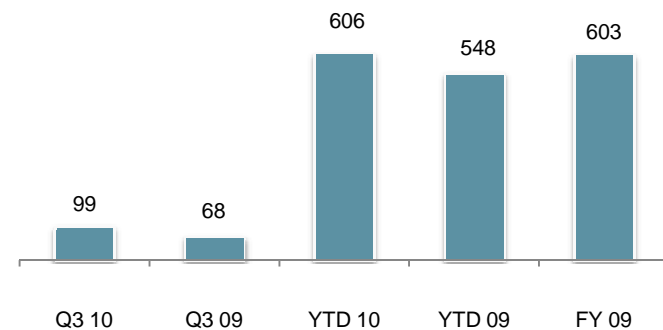
- Increased manning costs due to increased no. of employees
 - Average no. of employees in Q3 108, up from 96 in Q3 2009
 - Increased pension costs
- Agencies drives cost ratio upwards
 - Increased commissions



Highlights Q3 2010 - Commercial and public lines of business

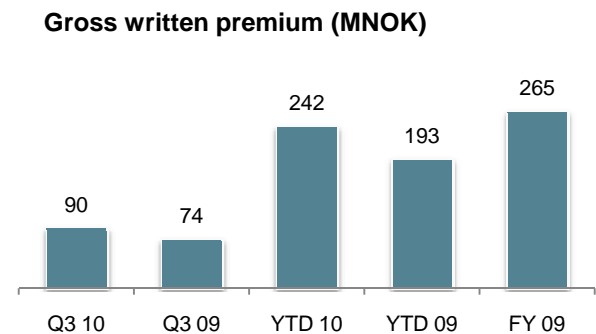
- Volume up 45%
 - Strong new sales, 3 large customers on board
 - Strong renewal rate, 93%
 - Portfolio changes, volume moved from Q2 to Q3
 - Some “price increases” when broker portfolio changes to agency portfolio
- Personal lines of business increasing
 - Negative volume development YTD within other lines
 - Some cost actions will be taken
- Claims development weaker than a “normal” Q3
 - Higher no. of medium sized claims than in a normal Q3
 - One large claim (> NOK 5m)
- “Hunting” and renewal season started
 - Good access to new volume
- Reinsurance renewal season started, good position
- 2011 index approx 3%, still low
- Actions taken to enter the Swedish market January 1st 2011
 - 50- 60 bids will be given in the municipality and commercial sector
 - Bid volume in total, SEK 50 - 75m
 - Some wins expected

Gross written premium (MNOK)



Highlights Q3 2010 - Change of ownership insurance

- Volume up 23%
 - Market share unchanged, well above 50%
 - Hit-ratio on a historic high level, above 75%
- Improved market
 - Real estate prices in Sept up 6,8% relative to Sept 09 and up 8% YTD relative to YTD 2009
 - Average sales time down from 34 days in Sept 09 to 30 days in Sept 10
- Operational improvements within claims handling delivered according to plan
 - Efficiency and quality improved
 - Historical high score from the market
 - Strong results in court YTD (28 wins – 6 draw – 6 losses)
- Cost ratio going down
- Black figures in Q3



Results Q3 2010

MNOK	Q3 2010	Q3 2009	YTD 2010	YTD 2009
Premiums written gross	189,2	141,8	848,4	744,9
Premiums earned gross	254,9	221,1	720,0	619,8
Claims incurred gross	(186,2)	(162,7)	(525,4)	(487,9)
Premiums earned for own account	205,6	180,1	575,3	490,3
Claims incurred for own account	(148,3)	(133,1)	(435,1)	(383,2)
Operating costs	(36,6)	(31,8)	(72,7)	(79,7)
Net financial income	68,1	49,3	68,8	161,7
Other income	0,6	0,6	2,6	3,7
Profit before change in security provision etc.	89,4	65,2	138,9	192,7
Change in security provision etc.	(12,9)	(20,2)	(33,0)	(60,7)
Profit after change in security provision etc.	76,5	45,0	105,9	132,0
Net claims ratio	72,1 %	73,9 %	75,6 %	78,2 %
Net cost ratio	17,8 %	17,6 %	12,6 %	16,3 %
Net combined ratio	89,9 %	91,5 %	88,3 %	94,4 %
Retention rate	80,7 %	81,5 %	79,9 %	79,1 %

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

- Pole position in the Norwegian market, net combined ratio 88.3% (YTD 10)
- YTD 2010, 18% return on the solvency capital

Balance sheet Q3 2010

MNOK	30.09.2010	30.09.2009	31.12.2009
Financial assets	1 925,2	1 594,2	1 634,8
Bank deposits	70,8	95,1	85,6
Other assets	298,2	431,3	252,5
Total assets	2 294,1	2 120,5	1 972,9
Total equity	544,3	503,2	562,7
Total reserves	1 665,2	1 400,1	1 358,7
Other liabilities	84,6	217,2	51,5
Total equity and liabilities	2 294,1	2 120,5	1 972,9
Solvency capital	791,9	716,9	777,3
Return on solvency capital	18 %	30 %	38 %
Solvency capital per share, end of period	9,6	8,7	9,4
Solvency margin	117 %	119 %	88 %
Capital adequacy ratio (risk weighted)	28 %	36 %	28 %
NAV	722,6	657,1	717,2
NAV per share, end of period	8,7	7,9	8,7

Note:

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

Return on solvency capital: Operating profit / average solvency capital

Solvency margin = solvency capital / NPW

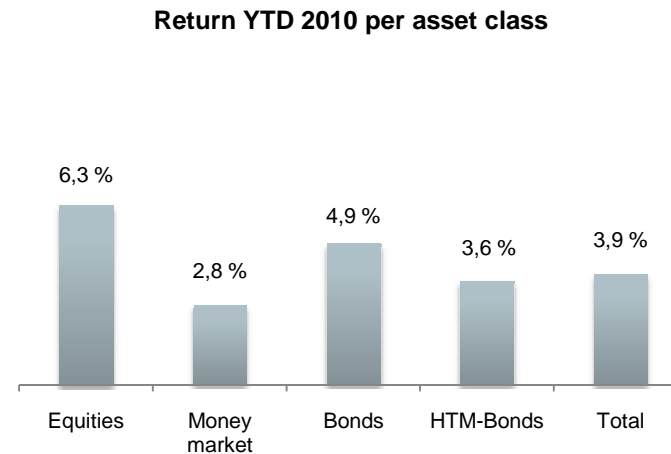
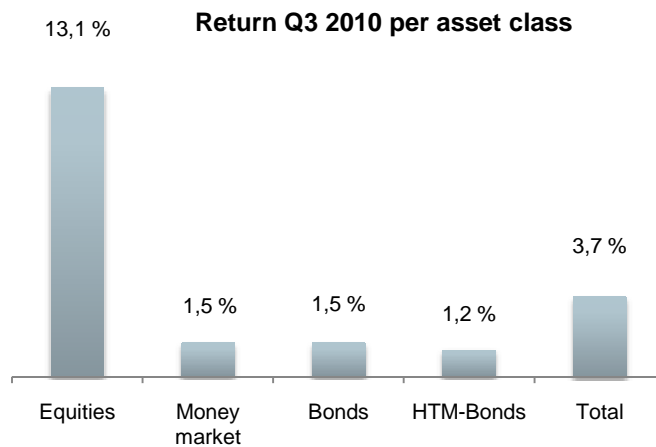
NAV = total equity pluss 72% of the total security provision etc.

No. of shares = total outstanding shares ex own shares

- 21% growth in the investment portfolio

Investment performance Q3 2010

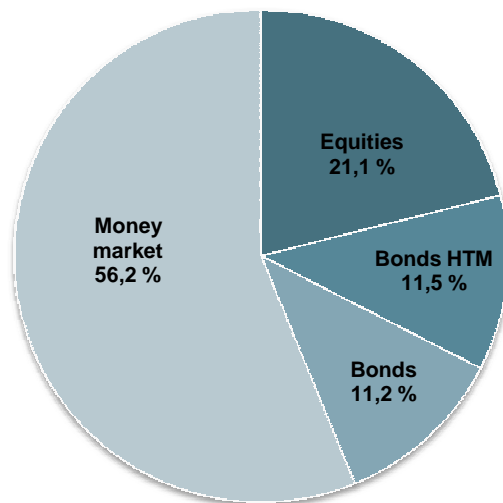
- Net investment result of NOK 68.1 m (NOK 49.3m)
 - Equities; Return of 13,1% (10,3%), OSEBX 16,25%
 - Bond portfolio (inc HTM-Bonds); Return of 1.5% (1,5%)
 - Equities have from 1 October to 27 October increased by NOK 24m i value
- Investment portfolio of NOK 1.925m (NOK 1.594m), 21% growth



Asset allocation

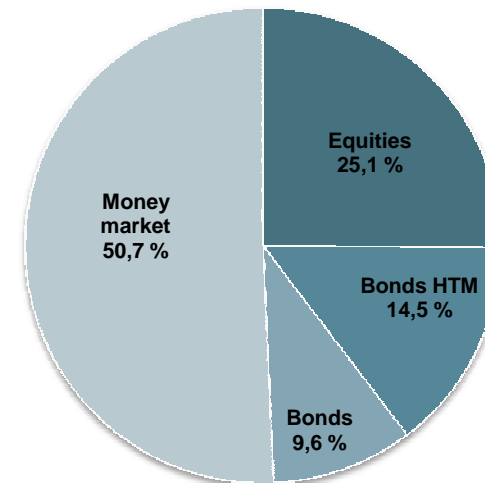
- Bonds 78.9% of portfolio, Norwegian equities 21.1%
 - Exposure in equities increased in July/August, NOK 70m allocated to equities

Asset allocation 30 Sept 2010



Total financial assets; NOK 1.925m

Asset allocation 31 Dec 2009

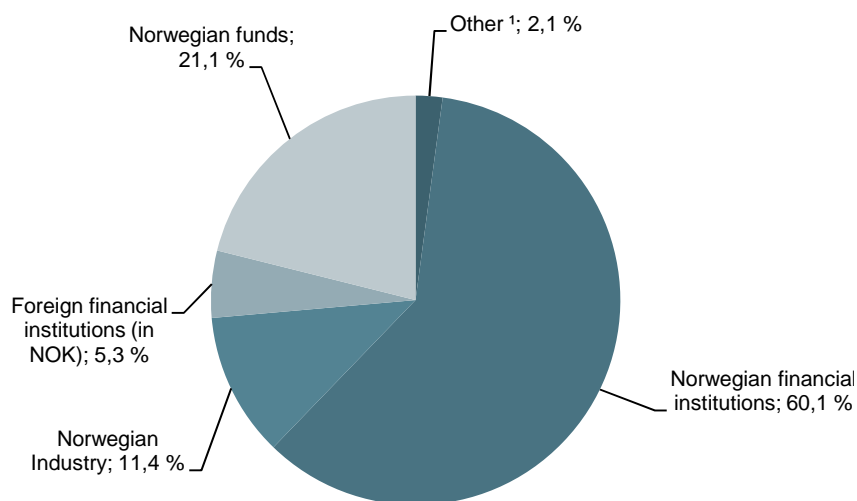


Total financial assets; NOK 1.635m

Portfolio structure and quality bond portfolio

- Duration (credit) of bond portfolio (ex HTM) is 2,3 years (1,8 years)
 - Interest duration (ex HTM) 0,17 years (0,25 years)

Bond portfolio 30 Sept 2010



¹ Municipalities and government bonds

Quality bond portfolio 30 Sept 2010

Split of fixed income portfolio	NOK mill	%
Money market instruments	977 840	64 %
Money market funds	104 138	7 %
Total money market	1 081 978	71 %
Bonds:		
Bonds held to maturity	221 221	15 %
Bond funds	216 403	14 %
Total bonds	437 623	29 %
Total	1 519 601	100 %
Rating including internal rating by Norwegian banks		
Investmentgrade	1 114 189	73 %
High yield	84 872	6 %
Non rated (funds)	320 541	21 %
Total	1 519 601	100 %

Shareholder matters 26 October 2010

Shareholder	No. shares	Percent
ODIN NORDEN	7 218 055	8,38 %
MSF-MUTUAL FINANCIAL SERVICES FD	4 479 410	5,20 %
DNB NOR LUXEMBOURG SA	3 671 980	4,26 %
ALFRED BERG GAMBAK VPF	3 590 742	4,17 %
PROTECTOR FORSIKRING ASA	3 570 661	4,14 %
OJADA AS	3 563 116	4,14 %
BERGTOR AS	3 083 300	3,58 %
DNB NOR SMB VPF	2 826 100	3,28 %
TJONGSFJORD INVEST AS ¹	2 661 809	3,09 %
GABLER RÅDGIVNING AS ²	2 652 751	3,08 %
MORGAN STANLEY & CO	2 466 928	2,86 %
MP PENSJON	2 375 706	2,76 %
VPF NORDEA NORGE	1 942 497	2,25 %
LETRA INVEST AS	1 873 451	2,17 %
HATHON HOLDING AS	1 785 988	2,07 %
ALFRED BERG NORGE + VPF	1 726 000	2,00 %
FROGNES AS	1 649 916	1,92 %
PETROSERVICE AS	1 479 712	1,72 %
JOHAN VINJE AS	1 437 841	1,67 %
TRAFALGAR AS	1 344 331	1,56 %
TOTAL 20 LARGEST	55 400 294	64,30 %
OTHERS	30 755 311	35,70 %
TOTAL SHARES	86 155 605	100,00 %

No. Shareholders 2.704

¹ CEO Sverre Bjerkeli

² Chairman of the Board, Jostein Servoll

Option program

- Outstanding options: 2.175.293
Strike price of NOK 7,75
Strike dates: 28 Feb 2011, 28 Aug 2011

Employees have in 2010 exercised 734 041 options. Protector has used its own shares to cover this redemption in stock options.

CEO Sverre Bjerkeli has in Q1 2010 exercised 400 000 options and holds after the transaction 100 000 options in Protector.

Related parties shareholding

- Management's direct and indirect shareholding totals 4,5m shares or 5,3 % of current outstanding shares
- Board members directly and indirectly own a total of 6,5m shares or 7,5% of current outstanding shares
- 46 employees own directly a total of 5m shares or 5.8% of current outstanding shares (incl. management)
- Protector own 3.570.661 own shares or 4,14% of current outstanding shares

Outlook 2010, increased

NOKm	2009	2010 Feb	2010 Apr	2010 July	2010 Oct
Premium growth (%)	20	15	15	10	12
Operating profit	258.8	150	180	150	180
Investment Income	224.6	88	118	76	106
Gross cost ratio (%)	17.6	16	16	16	17
Net combined ratio (%)	96.5	92	92	90	91
Return on solvency (%)	38	20	24	20	23

- Dividend of NOK 1 per share expected if year-end results are in line with guiding.

Return assumptions for Q4:

Equity allocation approx. 21%
Return equities: 1.56% (8% p.a) from 20 Oct
Return bonds: 1.125% (4.5% p.a.)

Summary Q3 2010

- GWP up 33%
- Strong net combined ratio, 89.9%, down from 91.5%
 - Pole position in the Norwegian market (YTD 2010)
- Operating profit of NOK 89.4m, up from NOK 65.2m
 - Strong return on investments NOK 68.1m (3.7%), up from NOK 49.3m (3.4%)
- Guiding increased
 - Operating profit NOK 180m , volume growth 12% and combined ratio 91%
- Dividend of NOK 1 per share expected for the fiscal year 2010 if year end results are in line with the guiding.
- Optimistic about Q1 2011

Appendix

Claims handling, Change of ownership insurance

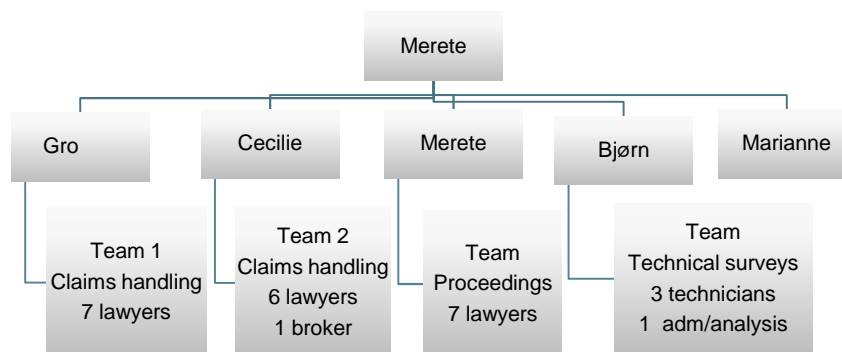
- Approx. 4.000 claims reported per year
- 200 law suits per year
- 3 teams, 2 within claims handling and 1 within process
- 24 lawyers, 3 technical support
- Claims handling department:

**MERETE C BERNAU (44) –
Change of Ownership Director of Claims**



Education:
Lawyer from the University of Oslo

Relevant experience:
Long experience from Storebrand/If as a lawyer in commercial liability



Improved quality and efficiency within claims handling

- External factors
 - “New” Supreme Court decision
 - Established Court practice
- Internal factors
 - Management development
 - Changes in management
 - Role clarification
 - One-year management program fulfilled
 - Less turn-over on lawyers
 - Increased wages and improved incentive structures
 - Business control improvements
 - New system implemented, following up scores within quality and efficiency
 - Claims handling quality improvement
 - Telephone training, recourse and technical training, better reporting means more relevant coaching

Efficiency and quality, claims handling Change of ownership

	No. of claims				No. of claims closed				No. of open claims				Total			
	Lawyer	Q2	Q3	M9	YTD	Q2	Q3	M9	YTD	Q2	Q3	M9	YTD	Q3	M	YTD
Efficiency	Team 1	402	303	165	1 212	845	477	231	2 133	943	729	737	737			
	Team 2	282	370	149	884	305	248	97	887	532	619	644	644			
	Total	684	673	314	2 096	1 150	725	328	3 020	1 475	1 348	1 381	1 381			
	Lawyer															
Quality		Offer accepted <=14 days				Refusal <=7days				Return rate refusal				Total		
	Lawyer	Q2	Q3	M9	YTD	Q2	Q3	M9	YTD	Q2	Q3	M9	YTD	Q3	M	YTD
	Team 1	78 %	60 %	52 %	67 %	79 %	80 %	75 %	81 %	18 %	19 %	19 %	19 %			
	Team 2	74 %	64 %	50 %	62 %	62 %	48 %	47 %	60 %	22 %	24 %	24 %	24 %			
Total	74 %	60 %	49 %	63 %	79 %	76 %	76 %	80 %	18 %	19 %	19 %	19 %				
Lawyer																

Change of ownership insurance

- Black figures
- No. of lawsuits decreasing
- Historical high win ratio in court
 - 28 – 6 – 6 (win – draw – loss)
- Documented improved quality and efficiency within claims handling
- Further potential 2011 – 2013, 8 percentage points on claims ratio

Potential MNOK	2011	2012	2013	Totalt
Claims reduction actions and recourse	8,7	11,1	12,2	32,1
Law suit improvement	4,3	6,4	7,0	17,7
Technical surveys	1,4	6,4	15,7	23,6
Total	14,5	23,9	35,0	73,3

Target for the period: Deliver 50-75% of the potential