



PROTECTOR

forsikring

Q3 results 2012
Investor presentation

November 1st 2012

Facts about Protector

- A focused non-life Norwegian insurance company
- Established Jan.1, 2004. (Listed on Oslo Stock Exchange May 2007)
- Entered the Swedish market in 2011 and the Danish market in 2012
- Ownership; ODIN, Franklin Mutual Funds, Alfred Berg Norge/Gambak, DnB, Nordea, employees etc.
- Strong results, average combined ratio 2004 - 2011, 91%
- Outlook GWP in 2012: MNOK 1.517
- Solvency capital of MNOK 1.016, investment portfolio > 3.1 bn.
- Market cap. 29 Oct 2012, MNOK 1.103

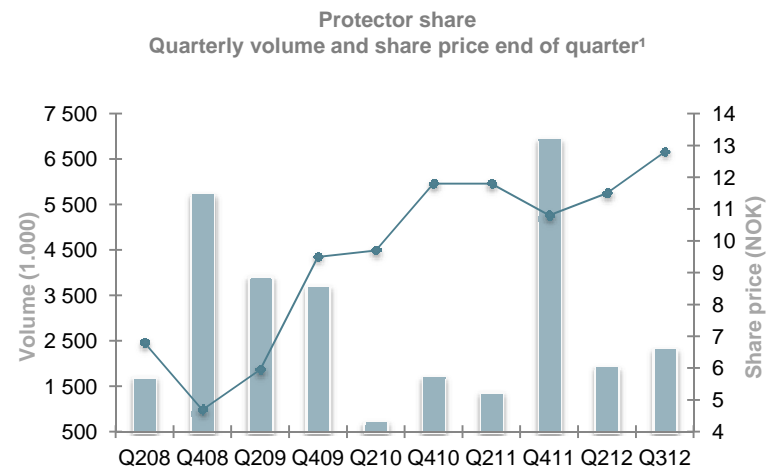
Outlook 2012:

GWP + 26%
CR ~ 84%

Dividend policy:

30 – 50% of profit after tax
Target solvency margin > 250%

- 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



¹ Share buy back not included in the volume figures

Highlights Q3 2012

19% growth, strong result and increased guiding

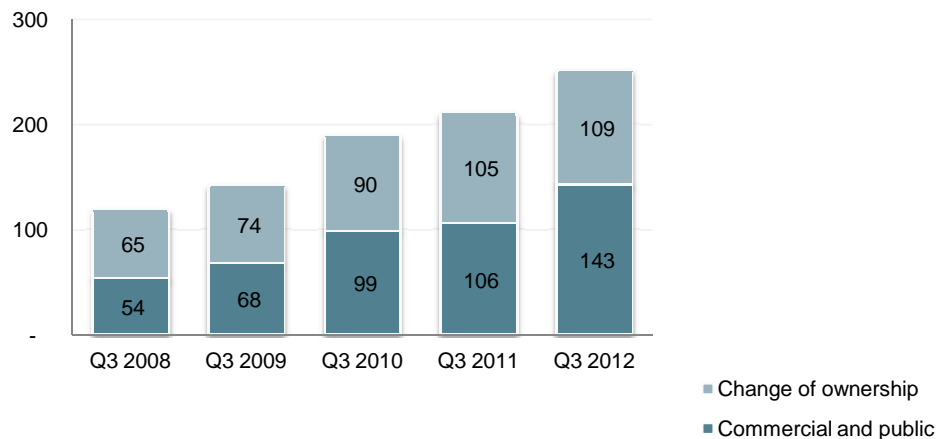
- GWP up 19%
- Net combined ratio, 85.9%, down 2.2 percentage points
- Return on investments, NOK 87.8m (2.8%), up from NOK -110.2m (-4.9%)
- Continued reduced risk in the investment portfolio, equities now 8,7%
- Operating profit, NOK 124.6m, up from NOK - 82m
- Guiding 2012 increased
 - Operating profit up from NOK 315m to NOK 382m, due to the strong return on investments
- New dividend policy, 30 – 50% of profit after tax, target solvency margin > 250%

Gross written premium Q3 2012

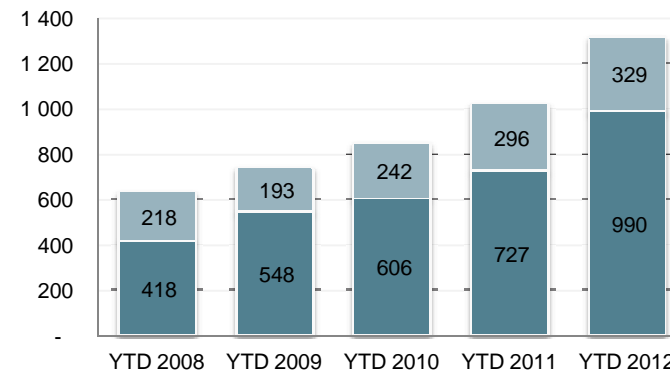
GWP up 19%, from NOK 211.2m to NOK 251.6m

- GWP up 21% within the Norwegian commercial and public lines of business
 - Strong renewal rate, 103 %, up from 94% in Q3 2011
 - 21% growth in the commercial sector, strong new sales and good access to quotations
- GWP in Sweden and Denmark, 8 percentage points of the total growth
 - 56% commercial sector and 44% municipality sector
- Change of ownership insurance, 3% growth
 - Real estate property turnover slowing down
- Next volume guiding will as usual be communicated to the market ultimo January 2013

GWP Q3 2008 – Q3 2012 (NOKm)



GWP YTD 2008 – YTD 2012 (NOKm)

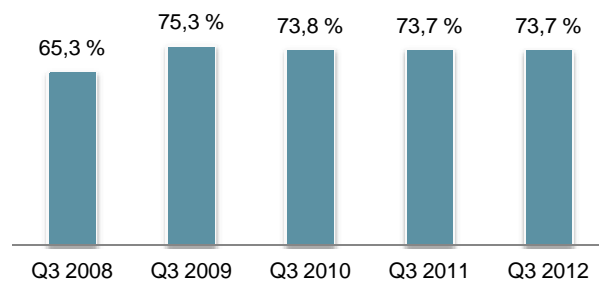


Claims development Q3 2012

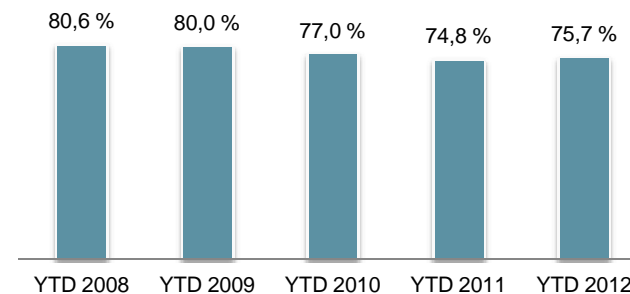
Net claims ratio 73.7%, unchanged from Q3 2011

- Strong development within change of ownership insurance (normally the best quarter due to seasonality)
- Run-off losses of MNOK 6.8 (run-off-gains of MNOK 1 in Q3 2011)
- Gross claims ratio 69.3%, down from 74.0%

Net claims ratio Q3 2008 – Q3 2012



Net claims ratio YTD 2008 – YTD 2012

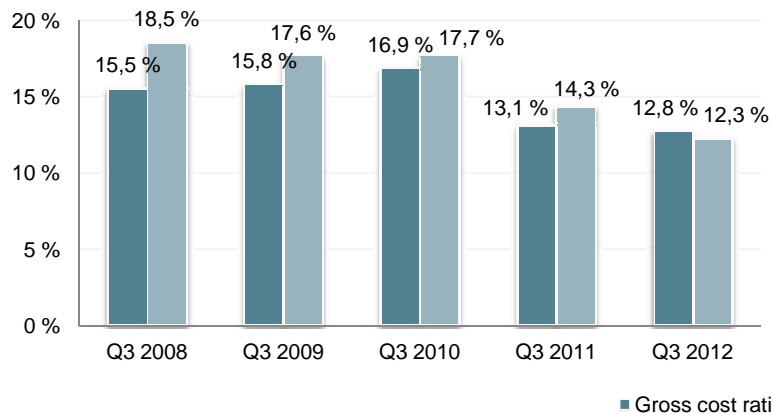


Cost ratio Q3 2012

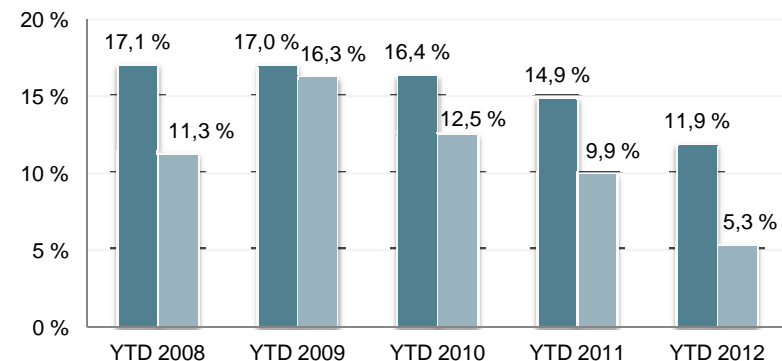
Gross cost ratio 12,8%, down from 13,1% in Q3 2011

- Administration costs increasing in nominal value due to increased manning
- Average manning in Q3 increased by 10 manning years compared to Q3 2011
 - Acceptable manning level reached in Q4
- Guided gross cost ratio < 13%, ahead of schedule
- Strong development in net cost ratio YTD driven by 3 factors
 - Lower gross cost ratio, increased ceded premiums and higher reinsurance commissions

Cos ratio Q3 2008 – Q3 2012



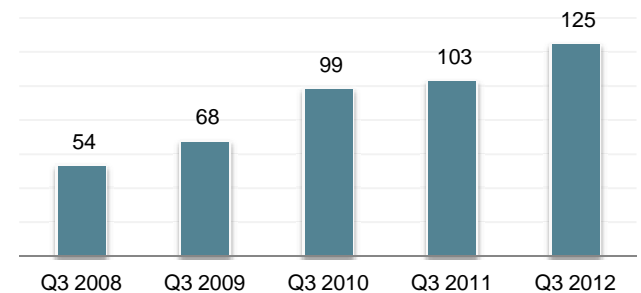
Cost ratio YTD 2008 – YTD 2012



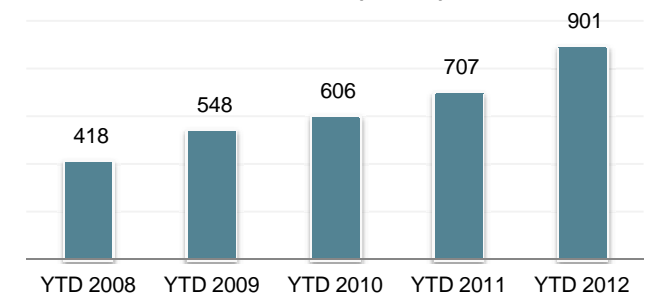
Highlights Q3 12 – Norwegian Commercial/public lines

- Volume up 21%
 - 21% growth in the commercial sector
 - 2 large¹ wins
 - 26% growth in the public sector (low volume)
 - Underlying growth 2%
- Personal lines of business , 73% of volume
- Renewal rate 103%, up from 94% in Q3 2011
- Slow volume start on Q4
 - 1 very large¹ non renewal
- New sales director on board
 - Manager from one of the leading insurance brokers
- Reinsurance renewal season started, good position
- “Hunting” and renewal season started
 - Good start on the renewals and good access to new business
 - 1 large win Jan 1st

GWP Q3 2008 – Q3 2012 (NOKm)



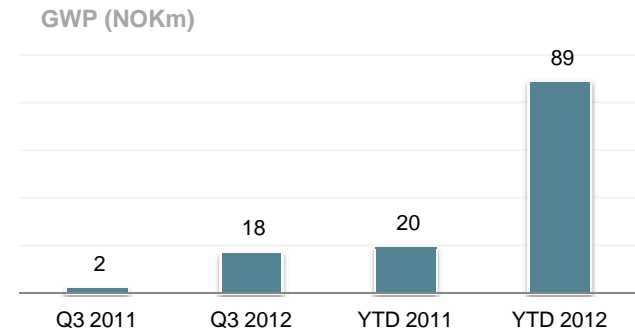
GWP YTD 2008 – YTD 2012 (NOKm)



¹ Large , GWP > 3 mill, Very large, GWP > 10 mill

Highlights Q3 12 – Sweden and Denmark

- Steady growth in Sweden and Denmark
 - Posten (Motor) in Sweden and Denmark on board July 1st
 - New business in municipality sector (1 large win)
 - Some new commercial clients
 - 100 mill in GWP end year still realistic
- Well received among Swedish and Danish leading Brokers
- Access to new business higher than in Norway, lower hit-ratio expected
- 6-10 new employees on board year-end
- Protector office in Copenhagen established
- Sweden and Denmark will support double digit growth on company level in 2013 and 2014
 - 1 very large win Jan 1st



Malmö

Posten

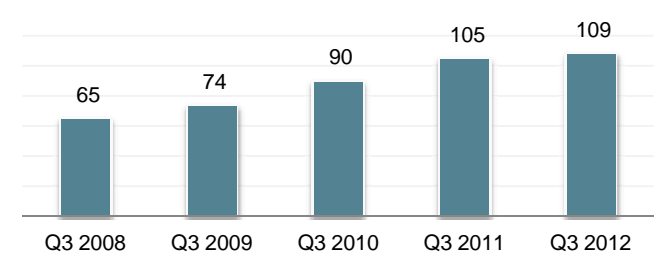
Aarhus



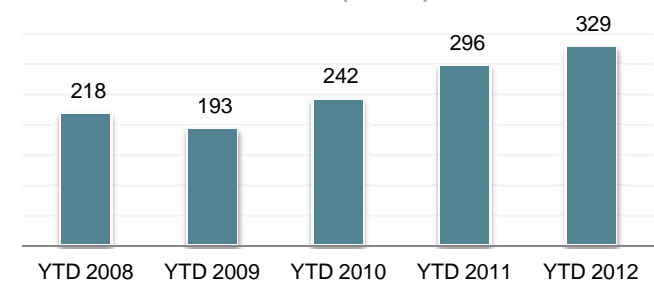
Highlights Q3 2012 - Change of ownership insurance

- Volume up 3%
 - Stable market share well above 50%
 - Hit-ratio stable on a high level approx. 80%
 - Real estate prices YTD up 7,3% relatively to 2011¹
 - No. of properties sold flattens or slightly drops
- Profitable in Q3 and YTD
 - Profitability actions yields results
- Recovery level historical high
- Good results in court YTD , 37-21-20 (wins, draws, losses)
- Mandatory home sales report (technical survey)
 - Mandatory from 1.1.2015.
 - Supported by Protector
 - Technical survey quality will be a challenge
- Single digit growth (in the lower end) expected in Q4

GWP Q3 2008 – Q3 2012 (NOKm)



GWP YTD 2008 – YTD 2012 (NOKm)



¹ Source: NEF

Results Q3 2012

NOKm	Q3 2012	Q3 2011	YTD 2012	YTD 2011	2011
Premiums written gross	251,6	211,2	1 318,8	1 023,0	1 202,5
Premiums earned gross	374,9	301,0	1 088,7	876,8	1 177,0
Claims incurred gross	(259,9)	(222,9)	(790,1)	(635,9)	(839,2)
Premiums earned for own account	281,6	232,2	827,9	674,0	903,5
Claims incurred for own account	(207,4)	(171,2)	(627,1)	(504,5)	(670,3)
Operating costs for own account	(34,6)	(33,3)	(44,2)	(67,0)	(100,6)
Other income/costs	(2,8)	0,6	(4,3)	0,9	1,7
Net financial income	87,8	(110,2)	184,4	(99,4)	(51,4)
Profit before change in security provision etc.	124,6	(82,0)	336,8	4,1	82,9
Change in security provision etc.	(29,0)	(25,8)	(49,8)	(52,9)	(49,9)
Profit after change in security provision etc.	95,6	(107,7)	287,0	(48,8)	33,0
Net claims ratio	73,7 %	73,7 %	75,7 %	74,8 %	74,2 %
Net cost ratio	12,3 %	14,3 %	5,3 %	9,9 %	11,1 %
Net combined ratio	85,9 %	88,1 %	81,1 %	84,8 %	85,3 %
Retention rate	75,1 %	77,2 %	76,0 %	76,9 %	76,8 %

• GWP up 29% YTD
- No. 1 Nordic

• CR YTD 81,1%
- No. 1 Nordic

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 Q3 2012

NOKm	30.09.2012	30.09.2011	31.12.2011
Financial assets	3 173,3	2 248,8	2 354,8
Bank deposits	153,6	103,5	112,7
Other assets	478,4	371,4	332,4
Total assets	3 805,3	2 723,7	2 799,8
Total equity	609,6	322,7	384,5
Subordinated loan capital	148,1	-	-
Total reserves	2 703,6	2 191,1	2 132,6
Other liabilities	343,9	210,0	282,6
Total equity and liabilities	3 805,3	2 723,7	2 799,8
Solvency capital	1 016,2	682,4	741,3
Return on solvency capital	38 %	1 %	11 %
Solvency capital per share, end of period	12,3	8,3	9,0
Solvency margin	101 %	88 %	80 %
Capital adequacy ratio (risk weighted)	26 %	18 %	19 %
NAV	902,3	581,7	641,4
NAV per share, end of period	10,9	7,0	7,8

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

- Investment portfolio, 41% growth
 - Issue of Tier 2 bond, 7 percentage points of the growth
- Subordinated loan capital (NOK 150m) strengthens the capital adequacy and solvency margin capital

Dividend policy and long term financial objectives

- Protector's target is to maintain a solvency margin (as defined by the Financial Supervisory Authority of Norway) of at least 250%
- Protector's dividend policy shall be competitive with comparable investments.
- Unless otherwise indicated by the need for capital, the Board of Directors' target is to distribute **30 to 50 per cent of the profit after tax** for the year as dividend.

Solvency margin capital 2008 - YTD 2012

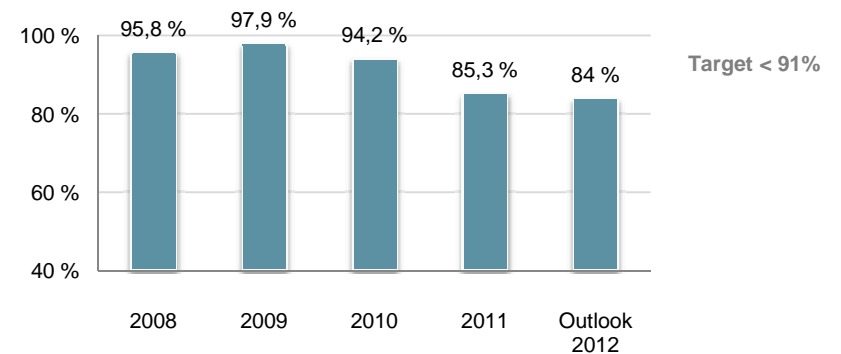
[MNOK]	2008	2009	2010	2011	YTD 2012
Total equity	373	504	516	385	610
Subordinated loan					150
Proposed dividend	(30)	(104)	(124)	-	-
Natural perils fund	(25)	(33)	(42)	(31)	(22)
Guarantee scheme	(24)	(32)	(38)	(45)	(51)
Intangible assets	(7)	(8)	(13)	(13)	(10)
Core capital	288	327	300	295	677
Reinsurance provision	-15	-7	(8)	(11)	(14)
Net primary capital	272	320	292	284	663
Proportion of security provision	82	110	183	219	242
Proportion of Natural perils pool	6	8	10	8	5
Solvency margin capital	360	438	485	511	910
Adjustments					(99)
Solvency margin capital adjusted	360	438	485	511	811
Minimum solvency margin requirement	108	160	205	233	233
In excess of requirement	252	278	280	278	578
Solvency margin capital in percent of minimum requirement	333 %	273 %	236 %	219 %	348 %

- Solvency margin capital YTD 2012, 348%
 - MNOK 578 above requirement
 - Minimum requirement will increase for the FY

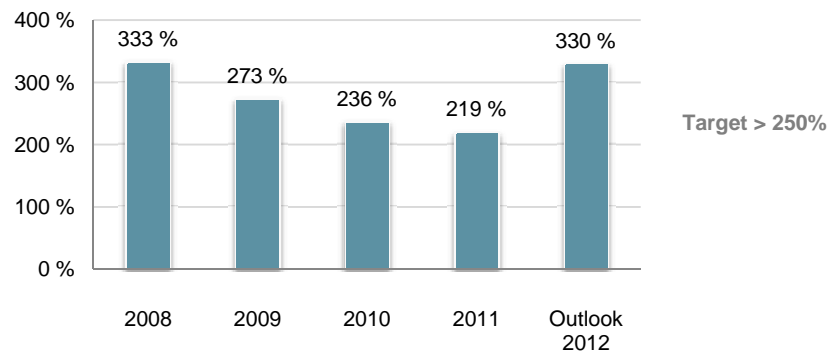
Long term financial objectives

- Medium term GWP growth rate: 10%
- Net combined ratio: 91% (92%)
- Solvency margin: > 250% (new)
- Return on solvency capital (before tax): 20%

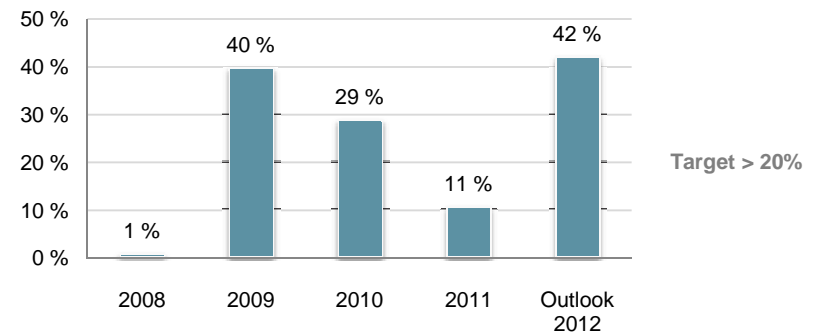
Net Combined Ratio



Solvency margin¹



Return on solvency capital

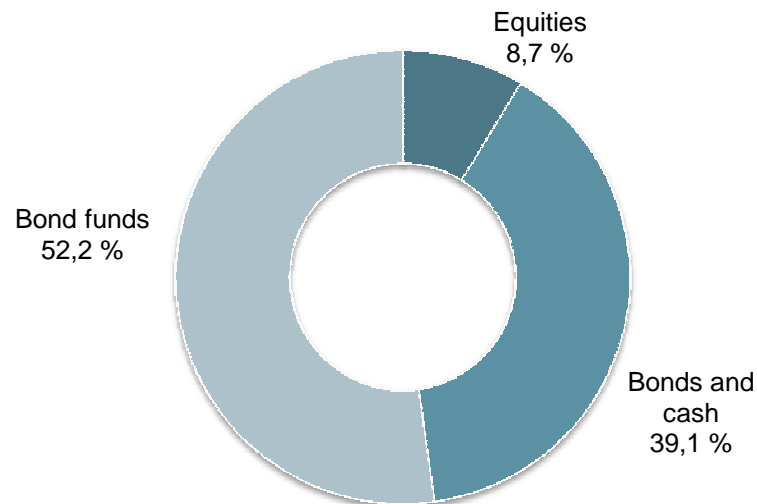


¹ As defined by the Financial Supervisory Authority of Norway

Asset allocation

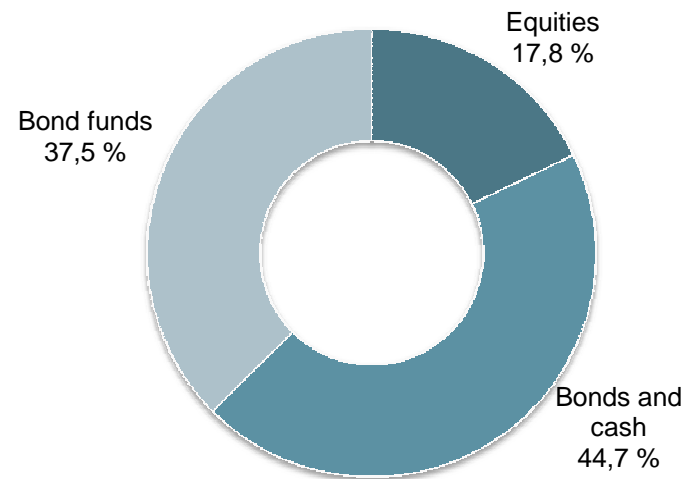
- Reduced risk in the investment portfolio
 - Allocation in equities reduced from 12.9% end of Q2 2012 to 8.7% end of Q3 2012
 - Reallocation of NOK 150m from equities to bonds and all new capital allocated to bonds
- Bonds 91.3% of portfolio, Norwegian equities 8.7%

Allocation of investments 30.09.2012



Total financial assets; NOK 3,173m

Allocation of investments 31.12.2011

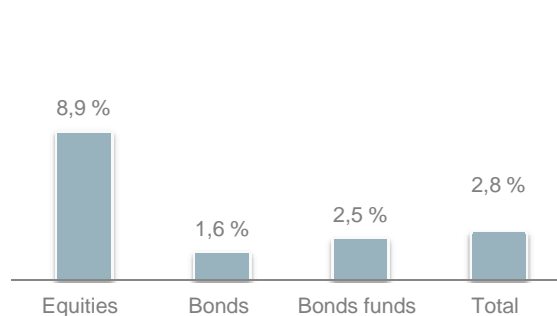


Total financial assets; NOK 2,355m

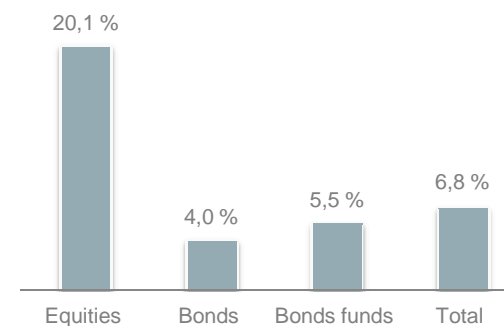
Investment performance Q3 2012

- Net investment result of NOK 87.8 m, 2,8% return (NOK -110.2m, -4,9%)
- YTD; Net investment result of NOK 184.4m, 6,8% return (NOK -99.4m, -4,5%)
- Equities, return of 8.9% (-21.6%), OSEBX 9.5%, OSEFX10.4%
- Bond portfolio, return of 2.1% (-0.2%)
- Investment portfolio of NOK 3,173m (NOK 2,249m), 41% growth
- Subordinated loan capital, 7 percentage points of the growth

Return Q3 2012 per asset class



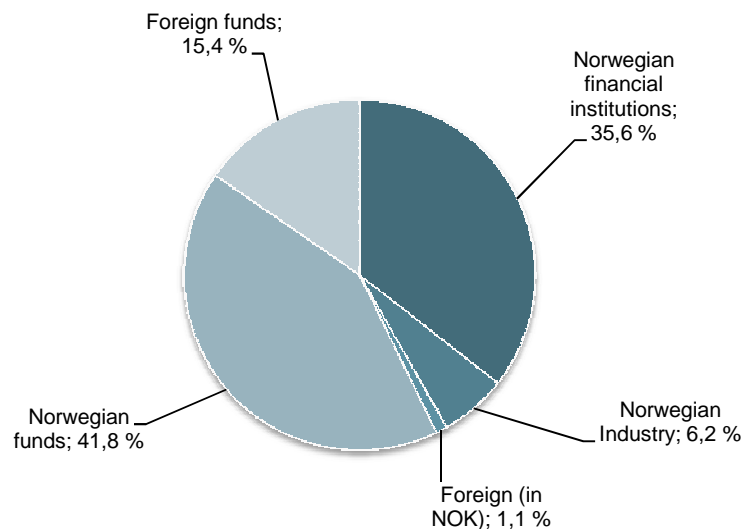
Return YTD 2012 per asset class



Portfolio structure and quality - bond portfolio

- Duration (credit) of bond portfolio is 2,58 years (2,18 years)
- Interest duration years 0,59 (0,23 years)
- Increased risk in non rated funds

Bond portfolio 30 Sept 2012



Quality bond portfolio 30 Sept 2012

Split of fixed income portfolio	NOK mill	%
Bonds	1 052	36 %
Bond funds	1 657	57 %
Bank deposits	189	7 %
Total	2 898	100 %
Rating including internal rating by Norwegian financial institutions		
Investmentgrade	1 234	43 %
BB	65	2 %
B	4	0 %
Non rated (funds)	1 595	55 %
Total	2 898	100 %

Shareholder matters 23 October 2012

Shareholder	No. shares	Percent
ODIN NORDEN	7 469 255	8,67 %
MSF-MUTUAL FINANCIAL SERVI FD	4 479 410	5,20 %
HANSARD EUROPE LTD	3 893 193	4,52 %
VPF NORDEA NORGE VERDI	3 875 743	4,50 %
PROTECTOR FORSIKRING ASA	3 570 661	4,14 %
OJADA AS	3 563 116	4,14 %
VPF ALFRED BERG GAMBAK	3 401 642	3,95 %
TJONGSFJORD INVEST AS	2 811 809	3,26 %
GABLER RÅDGIVNING AS	2 652 751	3,08 %
DNB NOR SMB	2 508 488	2,91 %
MP PENSJON PK	2 375 706	2,76 %
MORGAN STANLEY & CO INTERNAT. PLC	2 122 870	2,46 %
LETRA INVEST AS	1 873 451	2,17 %
FROGNES AS	1 649 916	1,92 %
VPF ALFRED BERG NORGE	1 560 288	1,81 %
JOHAN VINJE AS	1 437 841	1,67 %
PETROSERVICE AS	1 343 815	1,56 %
NORDEA NORDIC SMALL CAP FUND	1 256 653	1,46 %
TROND HØYE	1 235 562	1,43 %
VPF ALFRED BERG AKTIV	1 044 492	1,21 %
TOTAL 20 LARGEST	54 126 662	62,82 %
OTHERS	32 028 943	37,18 %
TOTAL SHARES	86 155 605	100,00 %

No. Shareholders 2.662

¹ CEO Sverre Bjerkeli

² Chairman of the Board, Jostein Servoll

Related parties shareholding

- Management's direct and indirect shareholding totals 3,2m shares or 3,7% of current outstanding shares
- Board members directly and indirectly own a total of 6,5m shares or 7,5% of current outstanding shares
- 37 employees own directly a total of 4.9 m shares or 5.7% of current outstanding shares (incl. management)
- Protector own 3.570.661 own shares or 4,14% of current outstanding shares

Notifications of trade in Q3

- CEO Sverre Bjerkeli has 28 Sept through his company Tjongsfjord Invest bought 150,000 shares in Protector at a price of NOK 12,80 per share
- Board member Eva Redhe Ridderstad has 16 July bought 10,000 shares in Protector shares at an average price of NOK 11,90 per share

Outlook 2012, increased

Guiding 13 July 2012



Guiding 1 Nov 2012

- GWP up 26%
 - Status per Q3, on schedule
- Combined ratio 85%
 - Status per Q3, ahead of schedule
- Return on investments 5,8 %
 - Status per Q3, ahead of schedule
- Operating profit NOK 315m
 - Status per Q3, ahead of schedule
- Return on solvency capital 36%
 - Status per Q3, ahead of schedule

GWP up 26 %

Combined ratio 84%

Return on investments 7,8 %

Operating profit NOK 382m

Return on solvency 42%

Outlook 2012, increased

NOKm	Res 2011	29 Feb 2012e	7 May 2012e	13 July 2012e	New 2012e
Premium growth (%)	19	18	22	26	26
Operating profit	82.9	250	270	315	382
Investment Income	-51.4	125	136	167	219
Gross cost ratio (%)	15.0	13	13	13	13
Net combined ratio (%)	85.3	88	88	85	84
Return on solvency (%), before tax	11	29	31	36	42

Return assumptions Q4 2012:

Equity allocation approx. 9%

Return equities: 2%

Return bonds: 1%

Average invested capital: NOK 3 200m

Summary

- GWP up 19%
- Net combined ratio, 85.9%
- Return on investments, NOK 87.8m (2.8%), up from NOK -110.2m (-4.9%)
- Continued reduced risk in the investment portfolio, equities now 8,7%
- Operating profit, NOK 124.6m, up from NOK - 82m
- Guiding 2012 increased
 - Operating profit up from NOK 315m to NOK 382m, due to the strong return on investments
- New dividend policy, 30 – 50% of profit after tax, target solvency margin > 250%