

Q3 results 2013
Investor presentation

October 31st 2013

Facts about Protector

- A focused Norwegian non-life insurance company
- Established Jan.1, 2004. (Listed on Oslo Stock Exchange May 2007)
- Entered the Swedish market in 2011 and Denmark 1 Jan. 2012
- Ownership; ODIN, Franklin Mutual Funds, Alfred Berg Norge/Gambak, DnB NOR SMB, Nordea, employees etc.
- Strong results, average combined ratio 2004 - 2012, 90.3%
- GWP in 2012: MNOK 1.517
- Solvency capital per 30.09.13 of MNOK 1.261, investment portfolio > 3.9 bn.
- Market cap. 29 Oct 2013, MNOK 1.809

- 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

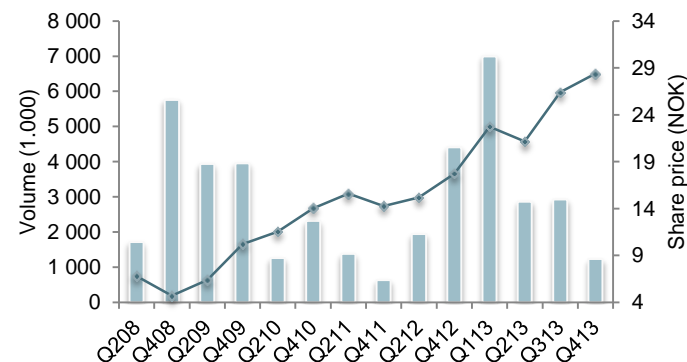
Outlook 2013:

GWP + 22%
CR ~ 88

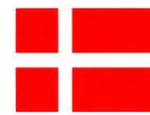
Dividend policy:

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

Protector share
Quarterly volume and share price end of quarter¹



¹ Share buy back not included in the volume figures
Share price adjusted for dividends
Data pr. 21.10.2013



Highlights Q3 2013

Continued profitable growth, increased guiding

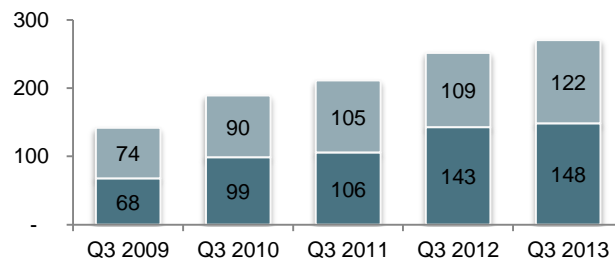
- GWP up 7%
- Net combined ratio, 93.4%, up 7.4 percentage points
- Return on investments, NOK 75.6m (2.0%), down from NOK 87.8m (2.8%)
 - 24 % growth in investment portfolio
- Operating profit, NOK 100.1m, down from NOK 124.6m
- Guiding 2013, increased
 - Operating profit up from NOK 340m to NOK 380m, due to the strong return on investments

Gross written premium Q3 2013

GWP up 7%, from NOK 251.6m to NOK 270.4m

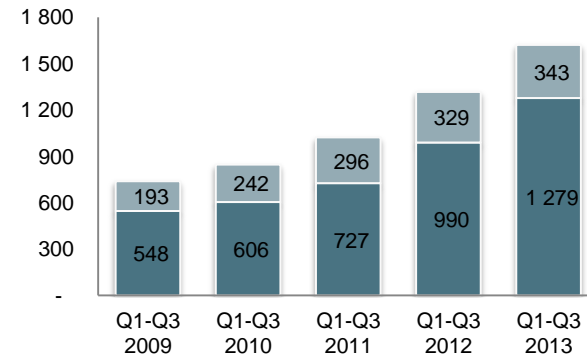
- GWP down 2% within the Norwegian commercial and public lines of business
 - Good renewal rate, 89%, down from a strong 100% in Q3 2012
 - Good access to quotations, but hit-ratio slowing down in commercial sector
- GWP in Sweden and Denmark 48% growth (small volume quarter)
 - 3 % of total volume growth
- Change of ownership insurance, 12% growth
 - High real estate turnover rate and increased no. of policies sold
- Next volume guiding will as usual be communicated to the market ultimo January 2014

GWP Q3 2009 – Q3 2013 (NOKm)



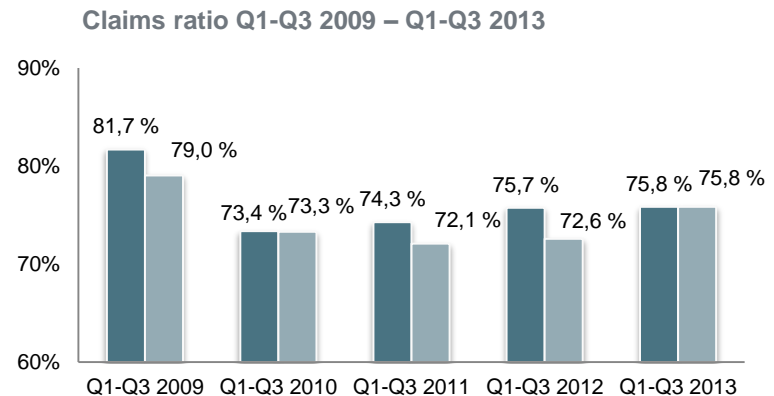
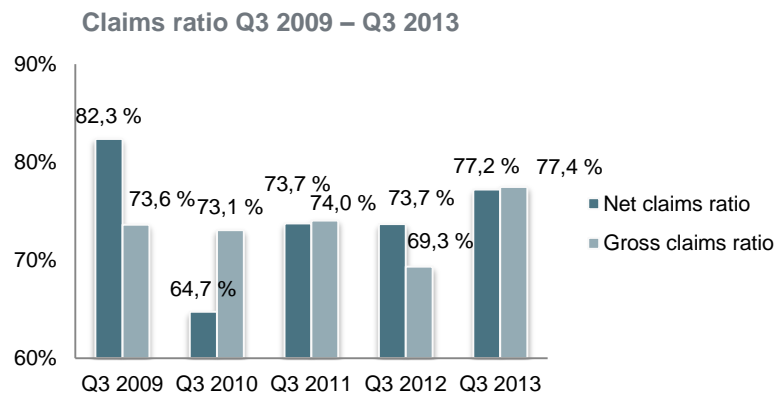
■ Commercial and public
■ Change of ownership

GWP Q1-Q3 2009 - Q1-Q3 2013 (NOKm)



Claims development Q3 2013

- Gross claims ratio¹ 77.4%, up from 69.3%
 - Property, other illness and group life (municipality sector) in Norway behind schedule, all other products in Norway doing well
 - 3 large property claims in Norway, more than normal (1-2)
 - Sweden and Denmark slightly behind schedule
- Stable reserves
- Net claims ratio² 77.2%, up from 73.7%



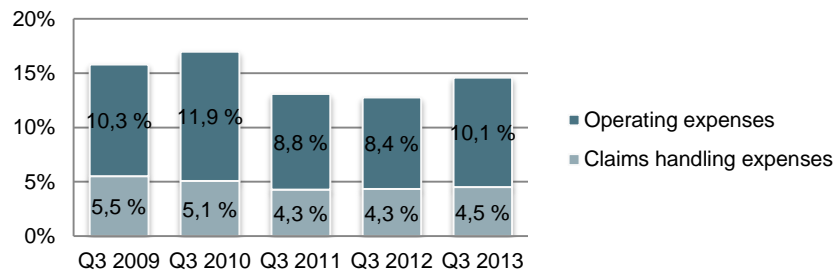
¹ Exclusive claims handling expenses, 4.5 percentage points (4.3) percentage points

² Exclusive claims handling expenses, 5.9 percentage points (5.8) percentage points

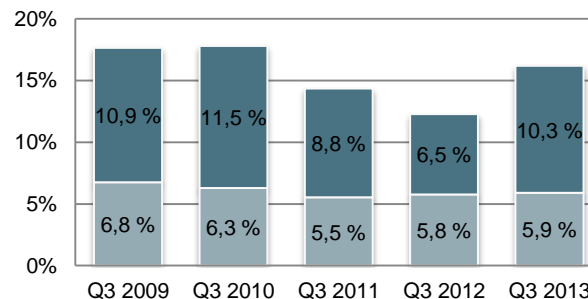
Cost ratio Q3 2013

- Gross cost ratio¹ 14.6 %, up from 12.8%
 - Increased manning in the commercial sector in Sweden, Denmark and Norway
 - Increased no. of employees continues in Q4
 - Increased cost level within change of ownership insurance
- Net cost ratio² 16.2 %, up from 12.3 %
 - Driven by the increased gross costs
- Cost ratio will stabilize and then gradually decrease in 2014

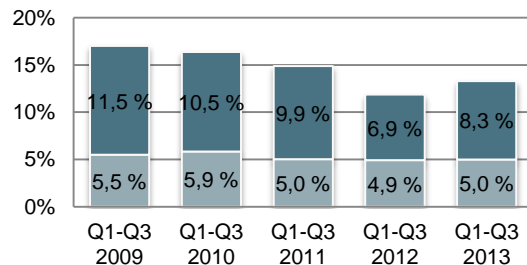
Gross cost ratio Q3 2009 – Q3 2013



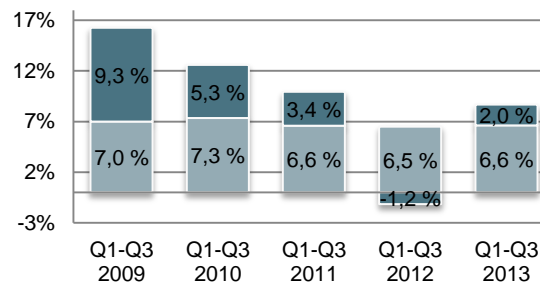
Net cost ratio Q3 2009 – Q3 2013



Gross cost ratio (Q1- Q3) 2009 –2013)



Net cost ratio (Q1-Q3) 2009 – 2013



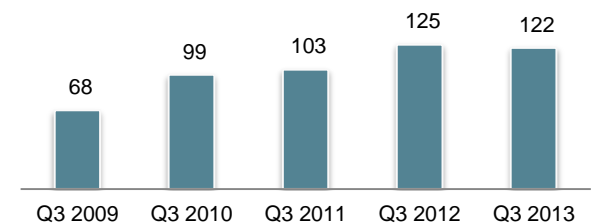
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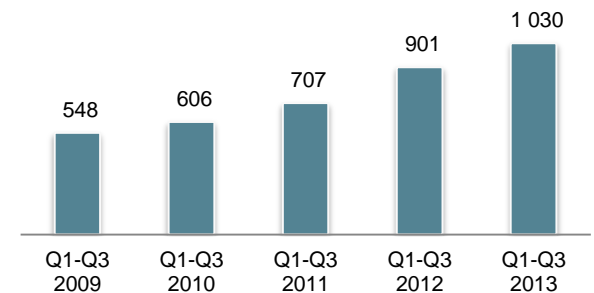
Highlights Q3 2013 – Norwegian Commercial/public lines

- Volume down 2%
 - Good renewal rate, 90% down from strong 103% in Q312
 - One large non-renewal
 - Hit-ratio slowing down in the commercial sector
- Single digit growth in Q4 expected
 - Good access to quotations
 - 1 large non-renewal and 2 large wins
- Reinsurance renewal season started
 - Quota share contracts renewed on similar terms and conditions
- “Hunting” and renewal season started
 - Good start on the renewals and good access to new business

GWP Q3 2009 – Q3 2013 (NOKm)



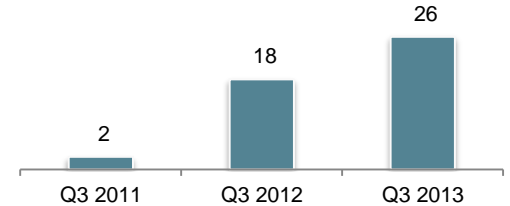
GWP Q1-Q3 2009 – Q1-Q3 2013 (NOKm)



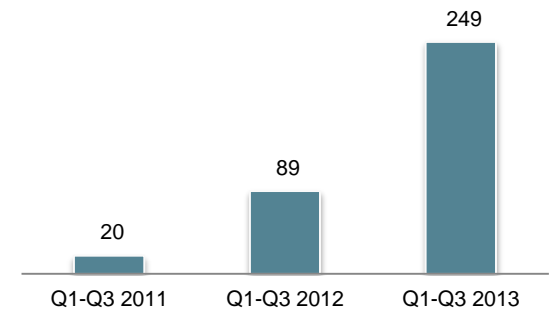
Highlights Q3 2013 – Sweden and Denmark

- Continued growth
 - 3 percentage points of the growth on company level
- Well prepared for “hunting” and renewal season
 - 18 on board in Sweden per 30.09, 14 on board in Denmark
 - Minor increase in human capital in Q4
- One very large win in Q3 in Denmark (affinity arrangement)
 - Second biggest commercial client in history
 - Will gradually increase volume in Q4 and Q1 14
- Still no significant profitability issues, but some customers need increased prices January 1st 2014
- Cost ratio will peak in 2013, stabilize early 2014 and then fall rapidly
- Sweden and Denmark will support double digit growth on company level in 2014 and 2015

GWP Q3 2011 – Q3 2013



GWP Q1-Q3 2011 – Q1-Q3 2013



Highlights Q3 2013 - Change of ownership insurance

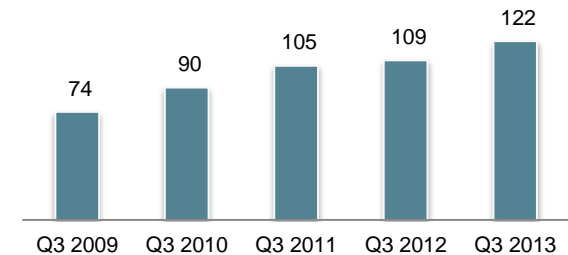
- Volume up 12%
 - Stable market share well above 50%
 - Hit-ratio stable on a high level, approx. 80%
 - Real estate prices in Q1-Q3 up 5.7% relatively to 2012¹
 - High turnover rate

- Good profitability in Q3
 - Profitability actions yields further results
 - More claims management capacity => improved quality
 - Average claims size is increasing

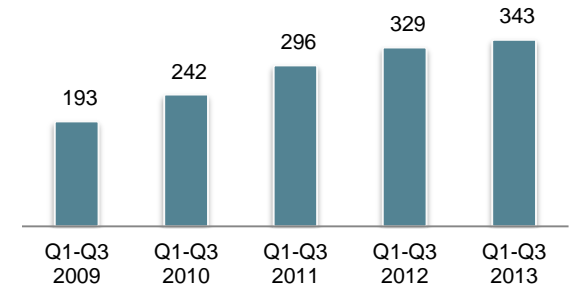
- Very good court results in Q3
 - Win – draw – losses: 60% - 27% - 13%
 - Results supported by high internal technical competence

- Price growth is expected to flatten or slightly decline in Q4
 - Single digit volume growth (in the lower end) expected in Q4

GWP Q3 2009 – Q3 2013



GWP Q1-Q3 2009 – Q1-Q3 2013



¹ Source: NEF

Results Q3 2013

NOKm	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	FY 2012
Premiums written gross	270,4	251,6	1 622,9	1 318,8	1 517,0
Premiums earned gross	468,6	374,9	1 346,2	1 088,7	1 464,2
Claims incurred gross	(384,0)	(276,1)	(1 088,2)	(843,9)	(1 171,0)
Premiums earned for own account	357,9	281,6	1 021,1	827,9	1 107,4
Claims incurred for own account	(297,3)	(223,6)	(841,6)	(680,8)	(940,1)
Operating costs for own account	(36,9)	(18,3)	(20,9)	9,6	(14,4)
Other income/costs	0,8	(2,8)	2,3	(4,3)	(5,0)
Net financial income	75,6	87,8	172,9	184,4	245,6
Profit before change in security provision etc.	100,1	124,6	333,7	336,8	393,5
Change in security provision etc.	(31,2)	(29,0)	(74,5)	(49,8)	(146,5)
Profit after change in security provision etc.	68,9	95,6	259,3	287,0	246,9
Tax	(10,4)	(17,5)	(58,9)	(61,9)	(48,3)
Profit before comprehensive income	58,4	78,0	200,3	225,1	198,6
Comprehensive income	-	-	-	-	8,9
Profit for the period	58,4	78,0	200,3	225,1	207,5
Net claims ratio	83,1 %	79,4 %	82,4 %	82,2 %	84,9 %
Net expense ratio	10,3 %	6,5 %	2,0 %	-1,2 %	1,3 %
Net combined ratio	93,4 %	85,9 %	84,5 %	81,1 %	86,2 %
Retention rate	76,4 %	75,1 %	75,8 %	76,0 %	75,6 %

• GWP up 23% YTD
- No. 1 Nordic

• CR YTD 84,5%
- No. 1 Nordic

Note:

Net claims ratio = claims incurred for own account / NPE

Net expense ratio = (sales costs + admin costs + commission on reinsurance ceded)/NPE

Retention rate = NPE in % of GPE

Balance sheet Q3 2013

NOKm 30.09.2013 30.09.2012 31.12.2012

Financial assets	3 943,4	3 173,3	3 192,8
Bank deposits	92,1	153,6	141,9
Other assets	651,7	478,4	430,9
Total assets	4 687,3	3 805,3	3 765,6
Total equity	683,3	609,6	582,1
Subordinated loan capital	148,1	148,1	148,1
Total reserves	3 501,1	2 703,6	2 748,0
Other liabilities	354,7	343,9	287,4
Total equity and liabilities	4 687,3	3 805,3	3 765,6

- Investment portfolio, 24% growth

Solvency capital	1 261,1	1 016,2	1 085,4
Return on solvency capital, after tax	23 %	31 %	38 %
Solvency capital per share, end of period	15,3	12,3	13,1
Solvency ratio	103 %	101 %	93 %
Solvency margin	353 %	348 %	304 %
Capital adequacy ratio (risk weighted)	21 %	26 %	20 %
NAV	1 099,3	902,3	944,5
NAV per share, end of period	13,3	10,9	11,4

- Solvency margin Q3, 353%
 - NOK 680 mill above minimum requirement
 - Minimum requirement will increase for the FY

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.

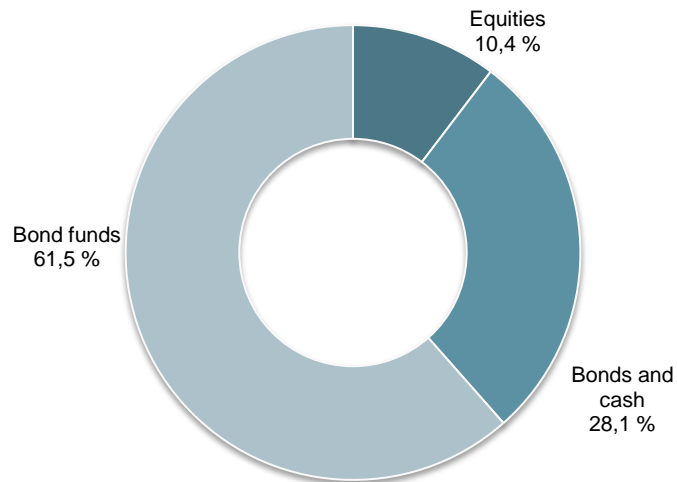
NAV = total equity plus 72% of the total security provision etc.

No. of shares = total outstanding shares ex own shares

Asset allocation

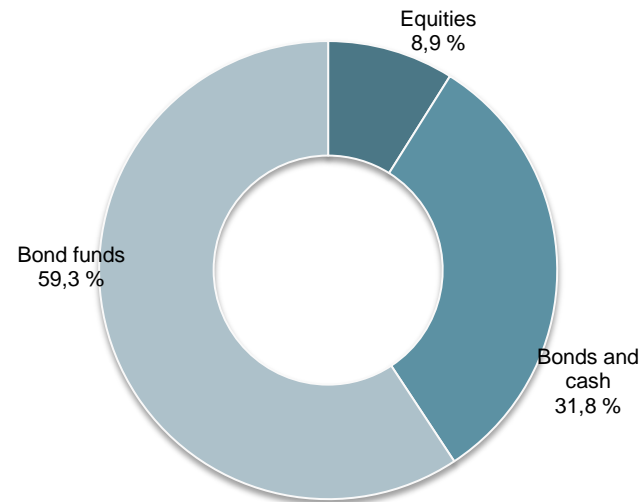
- Bonds 89.6% of portfolio, Norwegian equities 10.4%

Allocation of investments 30.09.2013



Total financial assets; NOK 3.943m

Allocation of investments 31.12.2012

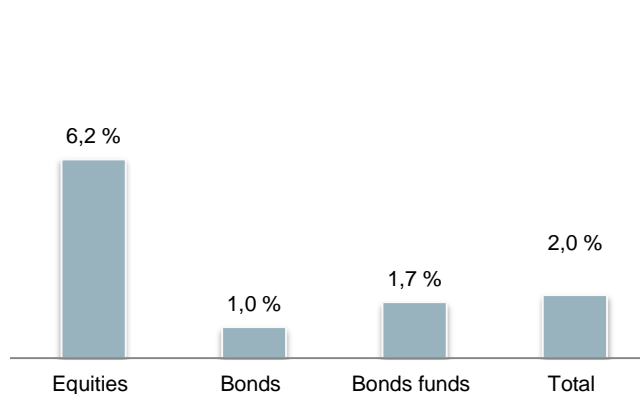


Total financial assets; NOK 3.193m

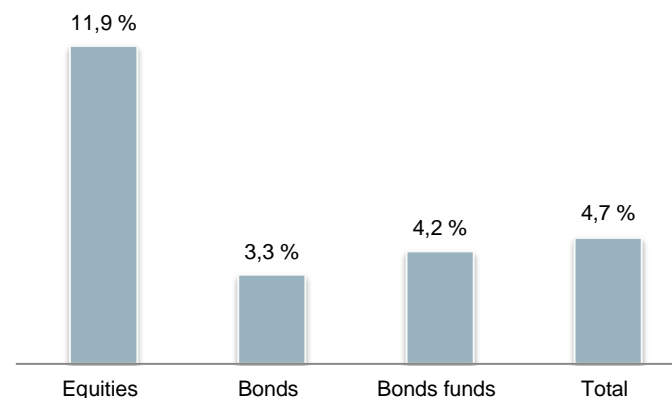
Investment performance Q3 2013

- Net investment result of NOK 75.6 m, 2,0% return (NOK 87.8m, 2,8%)
- Equities, return of 6.2% (8.9%), OSEBX 6.6%, OSEFX 6.4%
- Bond portfolio, return of 1.5% (2.1%)
 - Credit spreads are tightening
- YTD; Net investment result of NOK 172.9m, 4,7% return (NOK 184.4m, 6,8%)
- Investment portfolio of NOK 3,943m (NOK 3,173m), 24% growth

Return Q3 2013 per asset class



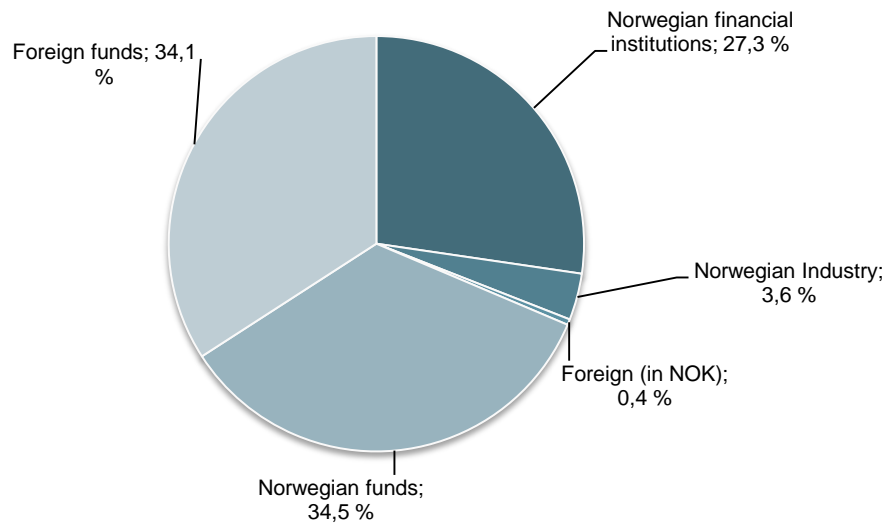
Return Q1-Q3 2013 per asset class



Portfolio structure and quality - bond portfolio

- No currency risk
- Duration 1,16 years (0,59) average maturity is 3,52 years (2,58 years)
- Increased risk in non rated funds

Bond portfolio 30 Sept 2013



Quality bond portfolio 30 Sept 2013

Split of fixed income portfolio	NOK mill	%
Bonds	1 093	31 %
Bond funds	2 426	69 %
Bank deposits	16	0 %
Total	3 535	100 %
Rating including internal rating by Norwegian financial institutions		
Investmentgrade	1 523	43 %
BB	50	1 %
B	4	0 %
Non rated (funds)	1 958	55 %
Total	3 535	100 %

Shareholder matters 23 October 2013

Shareholder	No. shares	Percent
ODIN NORDEN	6 780 422	7,87 %
MSF-MUTUAL FINANCIAL SERVI FD	4 479 410	5,20 %
PROTECTOR FORSIKRING ASA	3 570 661	4,14 %
OJADA AS	3 563 116	4,14 %
HANSARD EUROPE LTD	3 319 875	3,85 %
STENSHAGEN INVEST AS	3 284 873	3,81 %
TJONGSFJORD INVEST AS	2 811 809	3,26 %
VERDIPAPIRFONDET ALFRED BERG GAMBAK	2 726 136	3,16 %
GABLER RÅDGIVNING AS	2 502 751	2,90 %
MP PENSJON PK	2 375 706	2,76 %
ARTEL HOLDING A/S	1 873 451	2,17 %
VPF NORDEA NORGE VERDI	1 681 268	1,95 %
FROGNES AS	1 649 916	1,92 %
VARMA MUTUAL PENSION INSURANCE	1 642 329	1,91 %
VERDIPAPIRFONDET DNB SMB	1 624 549	1,89 %
AVANZA BANK AB	1 607 341	1,87 %
VERDIPAPIRFONDET HANDELSBANKEN	1 604 734	1,86 %
JOHAN VINJE AS	1 437 841	1,67 %
PETROSERVICE AS	1 343 815	1,56 %
NORDEA NORDIC SMALL CAP FUND	1 283 713	1,49 %
TOTAL 20 LARGEST	51 163 716	59,39 %
OTHERS	34 991 889	40,61 %
TOTAL SHARES	86 155 605	100,00 %

No. Shareholders 2.554

¹ CEO Sverre Bjerkeli

² Chairman of the Board, Jostein Sørvoll

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 6,3m shares or 7,3% of current outstanding shares
- 32 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

- Chairman of the Board Jostein Sørvoll has 22 Aug. through his company Gabler Rådgivning sold 150,000 shares in Protector at a price of NOK 19,00 per share
- Member of the Control Committee Thorvald M. Haraldsen has 18 Sept. sold 150,000 shares in Protector at an average price of NOK 18,169 per share

Outlook 2013, increased

Guiding 11 July 2013

- GWP up 22%
 - Status per Q3, on schedule
- Combined ratio 88%
 - Status per Q3, on schedule
- Return on investments 4,9%
 - Status per Q3, ahead of schedule
- Operating profit NOK 340m
 - Status per Q3, ahead of schedule
- Return on solvency capital 25%
 - Status per Q3, ahead of schedule



Guiding 31 Oct 2013

- GWP up 22 %
- Combined ratio 88%
- Return on investments 5,9 %
- Operating profit NOK 380m
- Return on solvency 28%

Outlook 2013, increased

NOKm	Res 2012	28 Feb 2013e	14 May 2013e	11 July 2013e	New 2013e
Premium growth (%)	26	18	20	22	22
Operating profit	393	270	310	340	380
Investment Income	246	160	200	180	220
Gross cost ratio (%)	12.7	12.5	> 13	> 13	> 13
Net combined ratio (%)	86.2	91	91	88	88
Return on solvency (%)	38	20	23	25	28

Return assumptions 2013:

Equity allocation approx. 10 %

Return equities: 13.3 % p.a.

Return bonds: 5.0 % p.a.

Average invested capital: 3.750''



Summary

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- Return on investments, NOK 75.6m (2.0%), down from NOK 87.8m (2.8%)
 - 24 % growth in investment portfolio
- Operating profit, NOK 100.1m, down from NOK 124.6m

- Guiding 2013, increased
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