

# Preliminary year end results

Investor presentation, Q4 2018

Oslo, 1<sup>st</sup> February 2019



# Our DNA

## Vision

The Challenger

## Business Idea

This will happen through unique relationships, best in class decision-making and cost effective solutions

## Main targets

Cost and quality leadership

Profitable growth

Top 3

## Values

Credible

Open

Bold

Committed



# Change of Ownership Exit

**Decided In Board meeting 18.12.2018**

# Preliminary 2018 results

Oslo, 1<sup>st</sup> February 2019

This presentation contains numbers both excl. and incl. COI – on separate slides, for reference only.

In the following quarterly presentations, all numbers will be reported excl. COI. COI will only be reported as a discontinued business in the P&L



# Highlights 2018 results

15% growth – combined ratio 106,9%, and...

- GWP growth of 15% (15 % local currency)
- Net Combined ratio 106,9% up from 93,1%
- Profit before tax -340,6 MNOK down from 562,2 MNOK
- Investment return -56,2 MNOK or -0,6%
- AUM 9,5 bnNOK, float 6,3 bnNOK (both incl. COI)
- Solvency ratio of 174,4 % (incl. COI) - A.M. Best BBB+ maintained

...strong competitive position maintained



# Highlights 2018 results

**19% growth – combined ratio 98,6%, and...**

- GWP growth of 19% (18 % local currency)
- Net Combined ratio 98,6% up from 93,6%
- Profit before tax -23,9 MNOK down from 441,0 MNOK
- Investment return -19,8 MNOK or -0,3%
- AUM 9,5 bnNOK, float 6,3 bnNOK (both incl. COI)
- Solvency ratio of 174,4 % (incl. COI) - A.M. Best BBB+ maintained

**...strong competitive position maintained**



## Guiding 2019

Net combined ratio	<b>96 %</b>
Volume growth	<b>14 %</b>

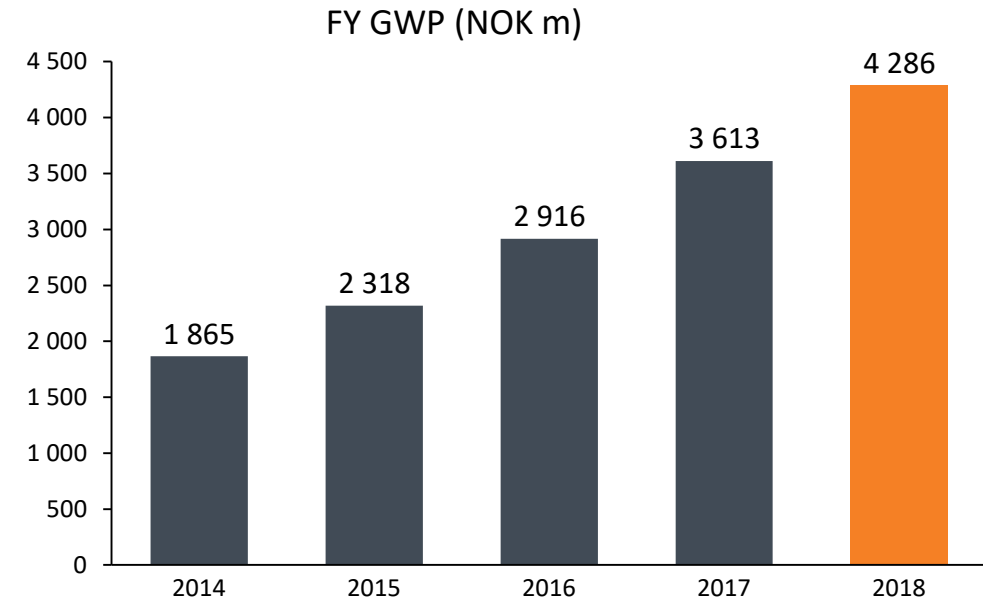


# Gross written premiums 2018

Growth of 19 % (18 % LCY) – driven by Sweden and UK



- GWP 4286 MNOK up 19%
- Norway down 1 % - profitability first
- Sweden up 25 % - steady going
- Denmark up 13% - short tail increased
- UK > 500 MNOK - according to plan



- Volume guiding 2019 – up 14 %
  - Supported by price increases in Nordics

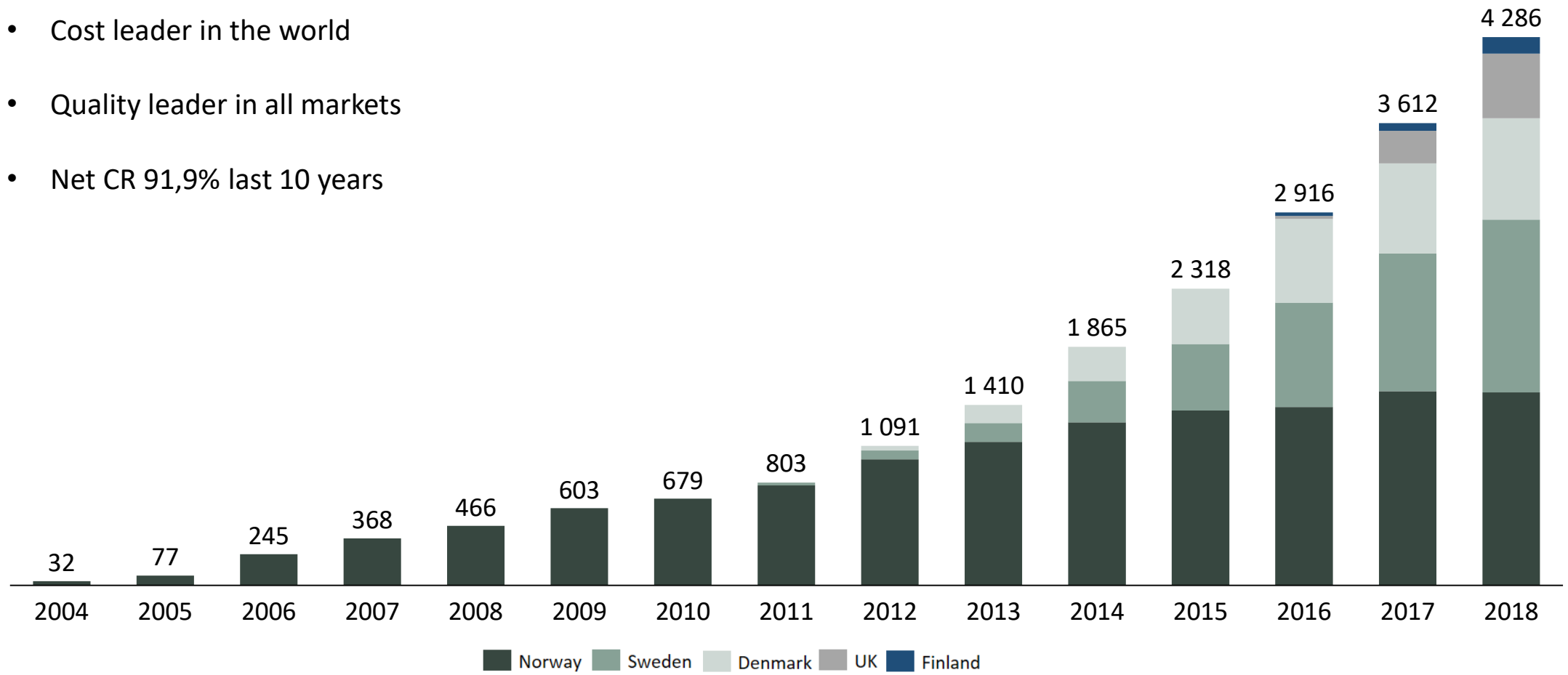
Business unit	FY 18 MNOK	FY 17 MNOK	NOK % growth	LCY % growth
Norway	1509	1517	-1 %	-1 %
Sweden	1350	1078	25 %	28 %
Denmark	793	704	13 %	7 %
UK	505	253	100 %	98 %
Finland	130	60	115 %	105 %
<b>Group</b>	<b>4286</b>	<b>3613</b>	<b>19 %</b>	<b>18 %</b>

# 25 % growth 10 years in a row

Strong competitive position maintained entering 2019



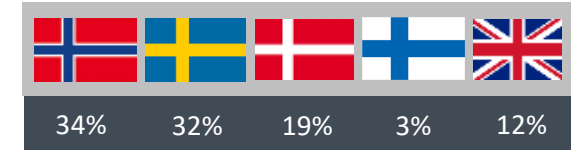
- Cost leader in the world
- Quality leader in all markets
- Net CR 91,9% last 10 years



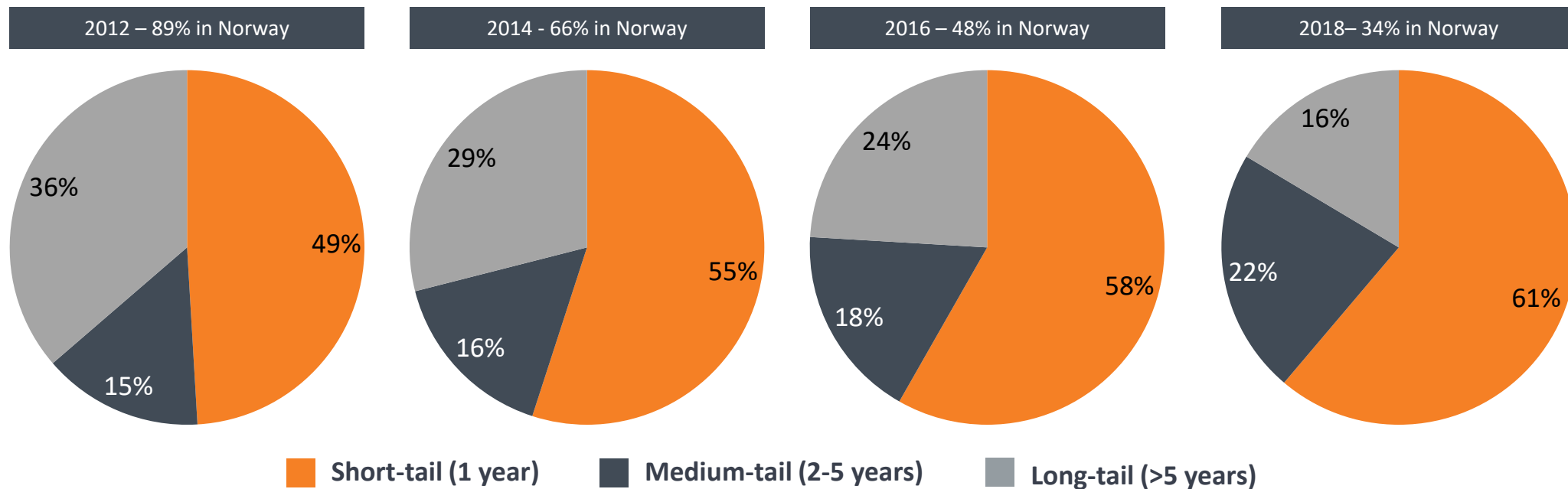


# Reduced Risk Profile

But increased CR volatility due to change of Property reinsurance structure



- Short tail from 49% in 2012 to 61% in 2018
- Geographical diversification increased further in 2018
- Changing Property reinsurance contract from Surplus to Risk XL with up to 100 MNOK in retention

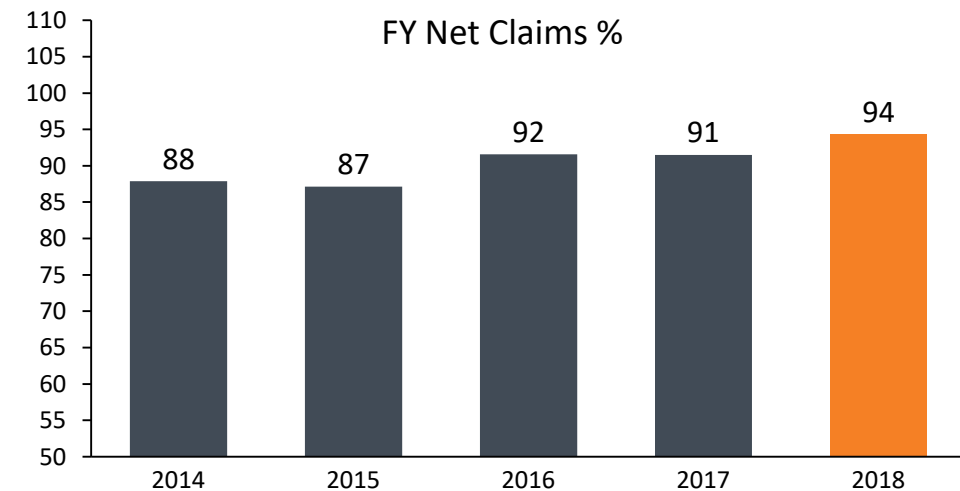
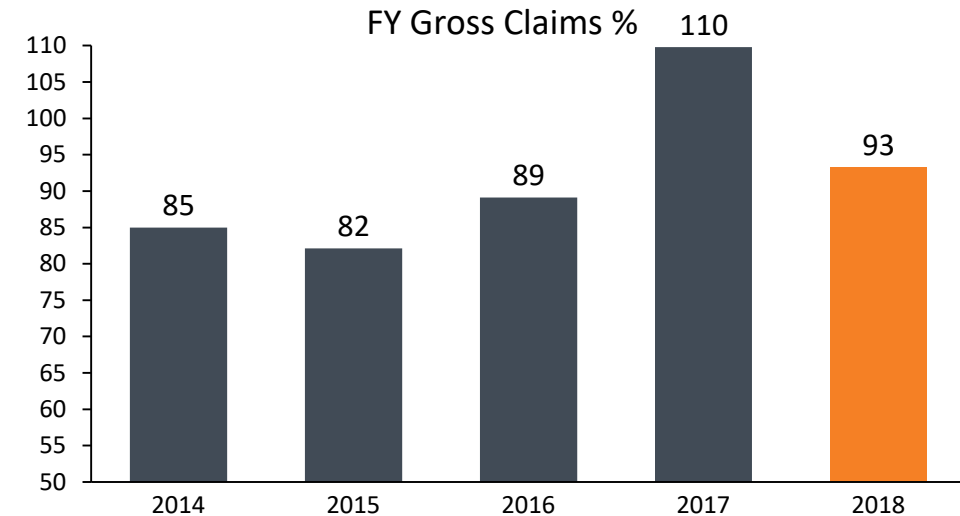


# Claims development 2018

Claims ratio 94,3%, price increase improvements will be seen in 2019



- Gross claims ratio 93,2%, down from 109,8%
- Net claims ratio 94,3%, up from 91,3%
- Run-off gains f.o.a amounted to 60 MNOK or 2 %
  - Norway (WC) and Sweden
- Claims ratio FY 18 too high
  - A mix of products performing unsatisfactory – actions taken
  - One very large claim in Norway

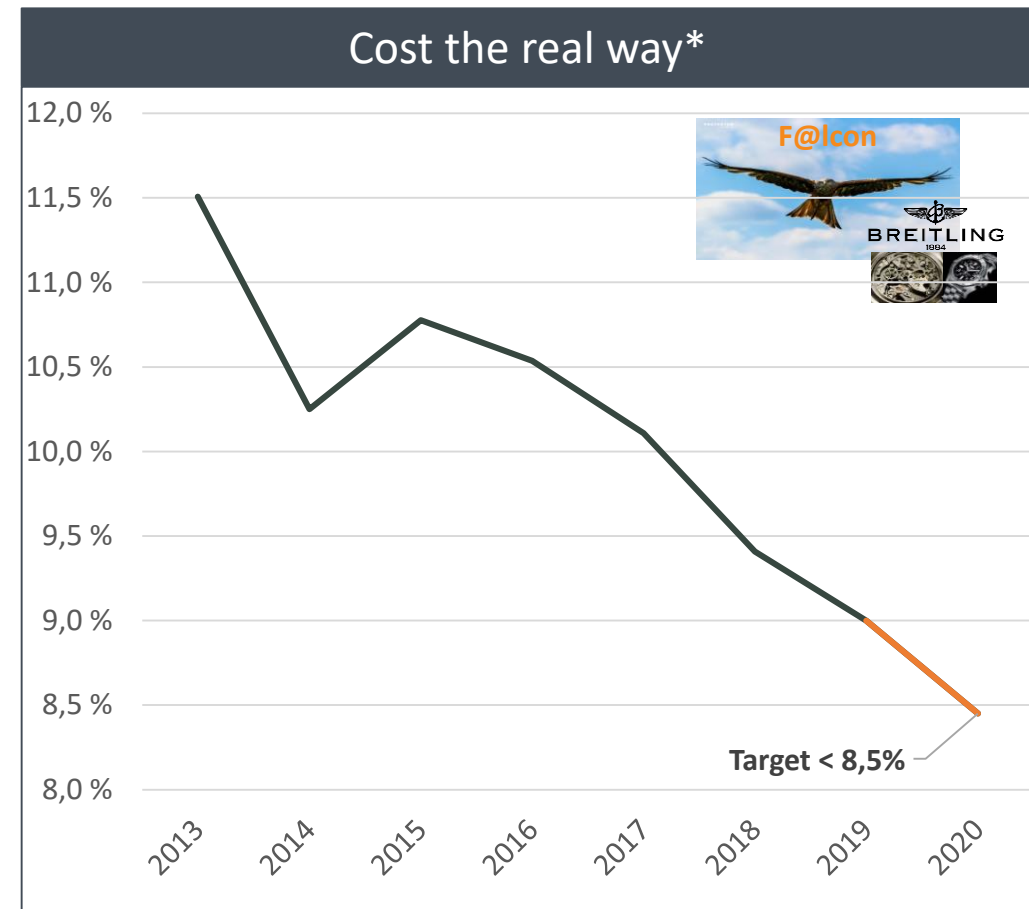


# Cost development 2018

## Cost leader in the world – improving competitive position



- Cost the real way – this is what matters
  - Gross Cost incl. Claims handling ex. Broker commission
  - Improved despite lack of critical mass in UK & Finland
  - Claims handling driver behind development
- Cost position will improve going forward
- Cost the real way 9,4%, down from 10,1%
- Gross cost ratio 8,4%, up from 8,0%
  - Gross cost ratio Scandinavia 7,5%, up from 7,1%
- Net cost ratio 4,2%, up from 2,3%



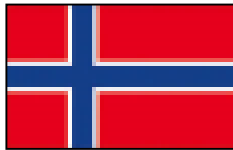
\*Gross Cost incl. Claims handling ex. Broker commission

# Quality leader in all markets

Humble and Proud

Broker satisfaction 2018, index done annually through Protector, Broker houses and/or broker associations

12 years in a row



Back on top 2018



Far ahead of number two - again



6 years in a row



Straight to the top



Easy to do business with

Commercially attractive

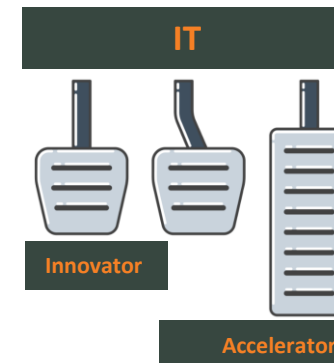
Trustworthy

# Strategy 2018-2021 - Top 8 priorities

“Don’t change strategy”



- Claims Handling – Falcon
- Profitable growth in Nordic
- UK
- ROI peer knock out
- Protector University
- IT as Innovator and Accelerator
- World class HQ
- Manage matrix organization perfectly



# Falcon – Claims handling

## 2017-2020



# The Falcon is killing its prey

Improving in all areas



## Rolls Royce:

555 MNOK vs. target 494 MNOK

## Reductions and Recourse

Very good in absolute terms, good in relative terms – important for profitability



## CleanDesk:

95 % clean

19 356 of 20 374 days Clean

## No delays – without compromising on quality

CleanDesk made culture

#FTEs x #workingdays



## ICF:

Score of 3 out of 4 92 % of the time

## Instant customer feedback

High score. Most of low scores due to claim *outcome* – not claims handling



## FalconEfficiency:

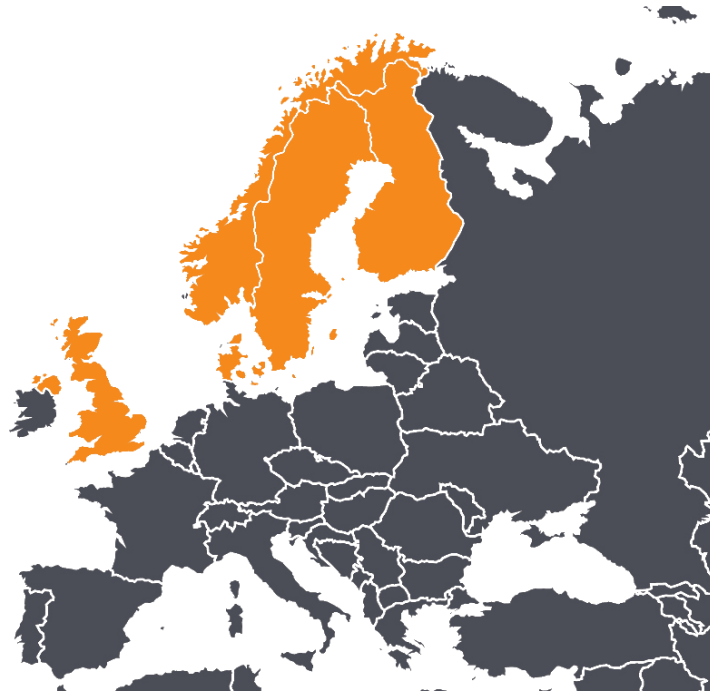
12,9% increase

## Target of 14,7 % efficiency increase 2018 vs. 2017

Efficiency will continue to increase due scalability and IT innovation

# Business Unit Updates

## 2018

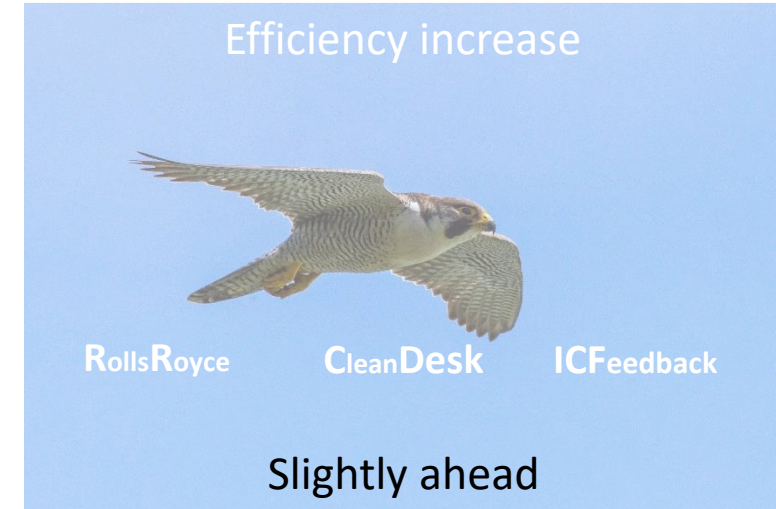




# Norway – Commercial and Public lines

## Price increases in 2019 will continue

- GWP 1509 MNOK, down 1%
  - Two very large clients lost
  - Good hit ratios
- Gross cost ratio 5,4%
- Net Combined ratio 96,5 %, gross combined ratio 109,5%
  - Rate pressure over time, but prices are increasing
  - Some winter effects motor
  - One very large claim on Property – second largest in history
- Price increases taking effect from 1.1.2019
  - High retention and price acceptance in the market
- Risk appetite review (“Microscope”) in certain property and casualty segments necessary (4-6% of accumulated volume in Norway)

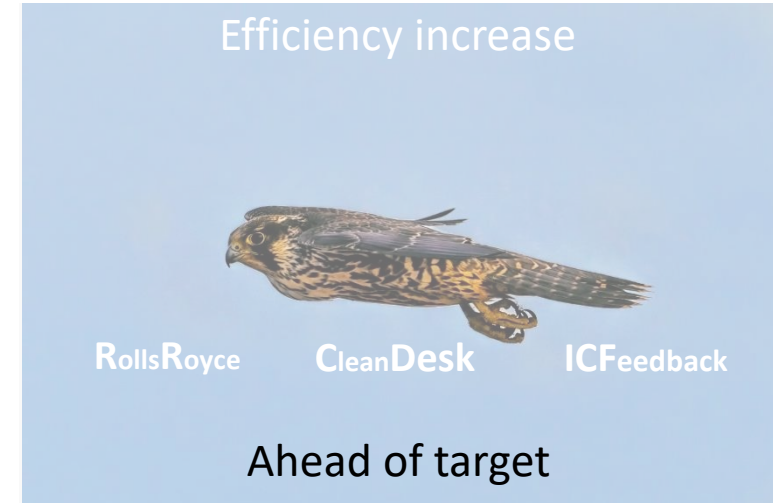


Price increases – 1.1 renewals	
Target	Result
>8%	>8%

# Sweden

## Profitable growth continues

- GWP 1350 MNOK up 25%
  - Despite low hit-ratios during the autumn (<30%)
- Gross cost ratio 11,2%, 4,3% excl. broker commissions
- Net combined ratio of 95,4 %, gross combined ratio of 99,3%
  - Very high Motor claims inflation in 2018
- Many individual price increases
  - Client churn higher than normal
- Higher price increases necessary through 2019



Price increases – 1.1 renewals	
Target	Result
>4%	5,8%

# Denmark

## Back in “black” with some tail wind

- GWP 793 MNOK, up 13%
  - Renewal rate 85% - driven portfolio clean up and premium increases
  - Good new sales - especially on auto
- Gross cost ratio 5,7%
- Net combined ratio of 97,8% Gross combined ratio of 96,7%
  - Workers Compensation portfolio still unprofitable
- Limited growth, but further profitability improvements in 2019
  - Portfolio re-pricing and clean up continues
- Price increases below target due to client churn
  - >250 clients lost
  - Lost clients regarded as underprized



Price increases – 1.1 renewals	
Target	Result
>12%	9,4%

# Finland

## Good growth, profitability behind - challenges are faced

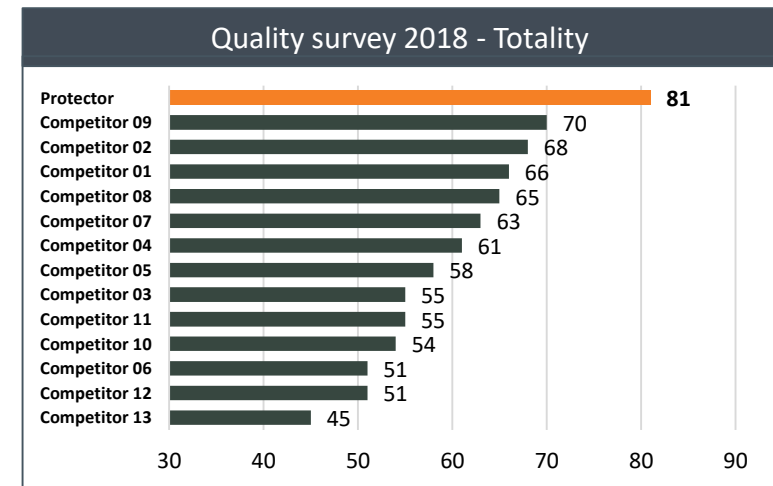
- GWP 130 MNOK, up 115%
- Net combined ratio of 115,6% Gross combined ratio of 112,5%
  - Small volume, too early to say
  - As always in a new country some smaller portfolios must be cleaned up
- Renewal 1.1.2019
  - Renewal rate > 100% due to some price increases
- Combined ratio 2019 will improve
  - In line with development in Sweden/Denmark at the same maturity



# UK – Culture, Claims Handling and IT in focus

On track according to plan

- GWP 505 MNOK up 100%
  - Low hit-ratio in Public, good in Commercial and Housing
  - Motor biggest line of business
  - Volume on schedule
- Gross cost ratio 16,9%, 10,5% excl. broker commissions
  - Cost ratio will rapidly decrease
- Net combined ratio of 115,6%, Gross combined ratio of 83,7%
  - Dont be too alarmed or too exited about either of them
  - Critical mass not reached – yet
- Grenfell Tower arbitration with Munich Re in May 2019
- Largest client in Protector history won January 1<sup>st</sup>
- UK #1 on Quality again



# London office opening

Offices has been chosen



## The Leadenhall Building – up and running in March 2019

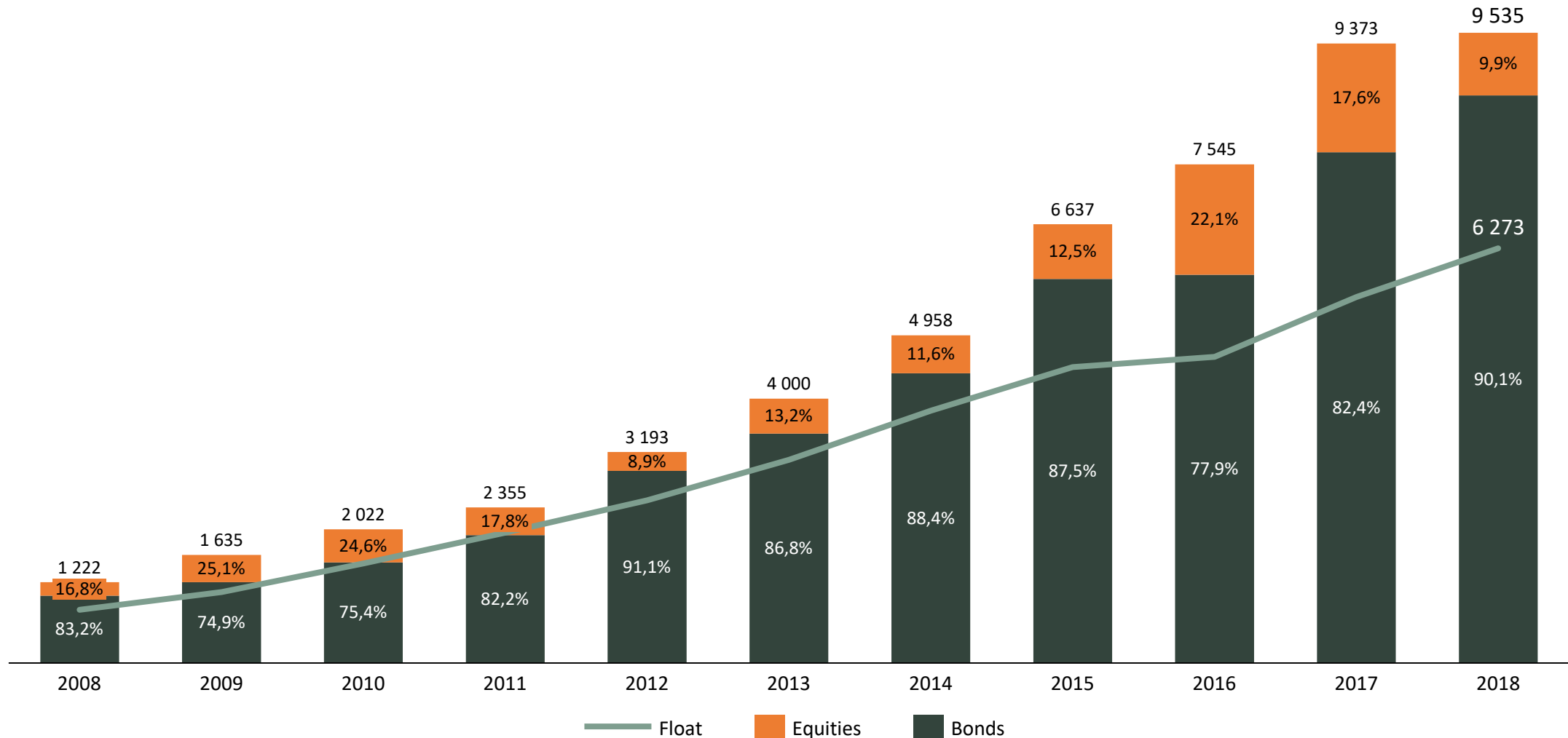


UW/RM team of 4 will grow to 10 next 2 years – no hurry, slow start

Will give us access to a much larger commercial market

# Investments

Steady increasing float



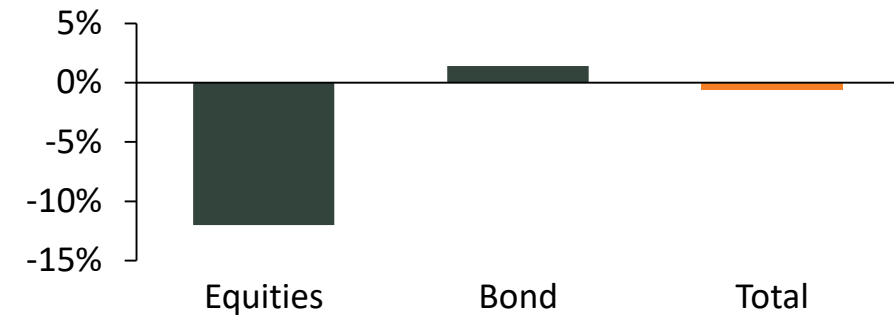
# Investment performance 2018

**-0,6% after a turbulent year**

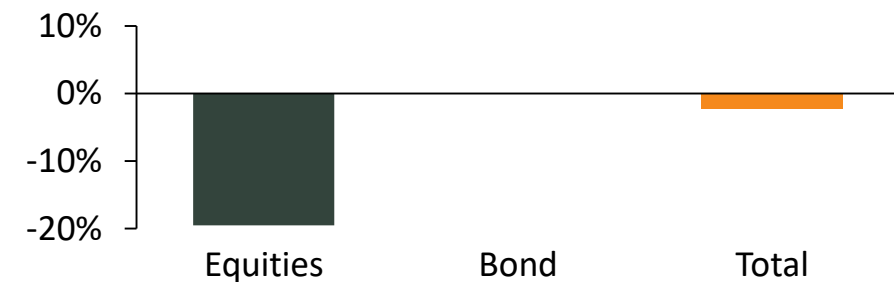


- -0,6% return on investment portfolio, net result of -56,2 MNOK
  - Q4: -2,2% return, net result of NOK -217m
- Equity return of -177 MNOK or -12,0%
  - Q4 return of -19,5%
  - Some companies with poor underlying development
- Bond portfolio return of 120 MNOK or 1,4%
  - Q4 return of 0,0%
  - Good underlying development for companies
  - One default in the Bond portfolio in Q4
    - Attractive bondholder outcome - bond re-payment above par

2018 investment returns



Q4 2018 investment returns





# Equity portfolio statistics

## Behind benchmark 2018

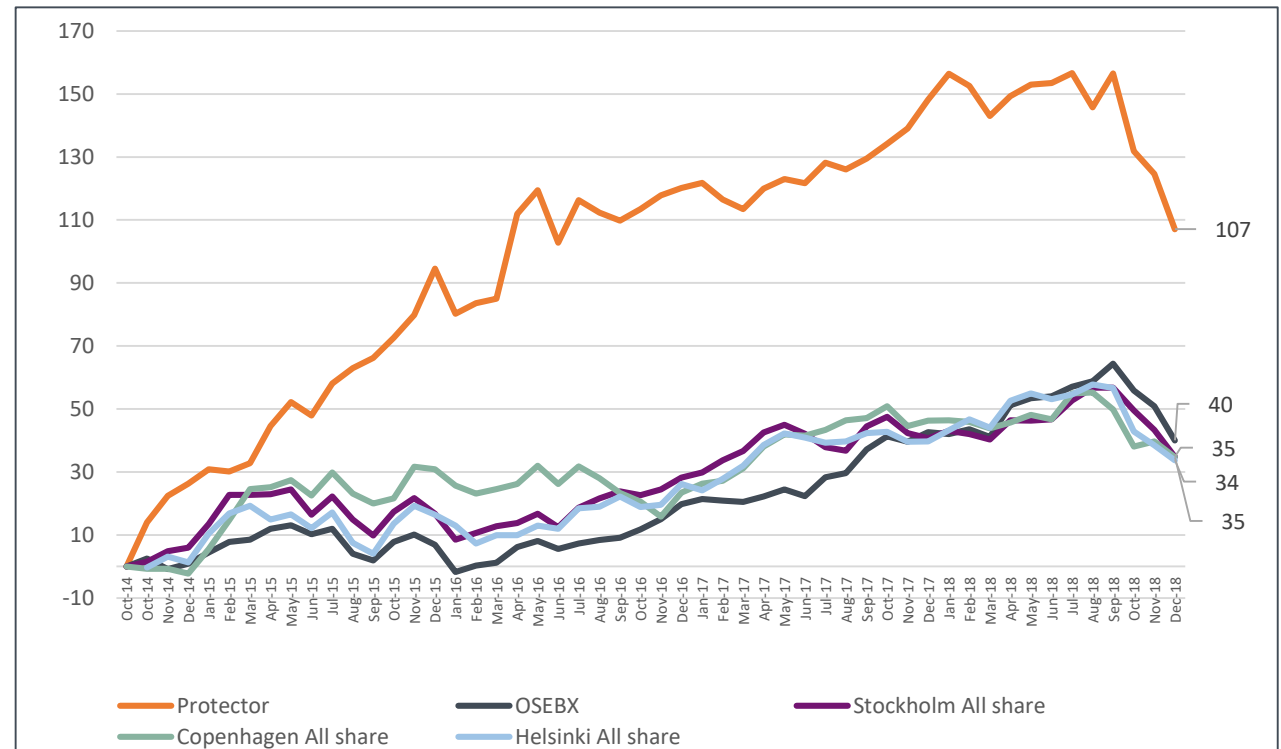


Key figures	In-house Managed	
	Portfolio	OSEBX
Performance	107,1%	40,0%
Dividend yield	3,4%	3,2%
P/E NTM*	12,7	12,5
3 yr sales CAGR	23%	8%
3 yr EPS CAGR	0%	7%

\*Factset estimates except for one company not listed where own estimates are used

- Equity share of 9,9%, down from 11,1% in Q3
  - Portfolio consist of 15 companies
- Return of 107,1 % after insourcing
  - OSEBX 40 % same period
- More downgrades than upgrades to intrinsic value estimates during 2018

Performance return in % – Equity portfolio vs. benchmarks (08.10.2014 – 30.12.2018)



# Portfolio statistics bonds

## Some spread widening in Q4

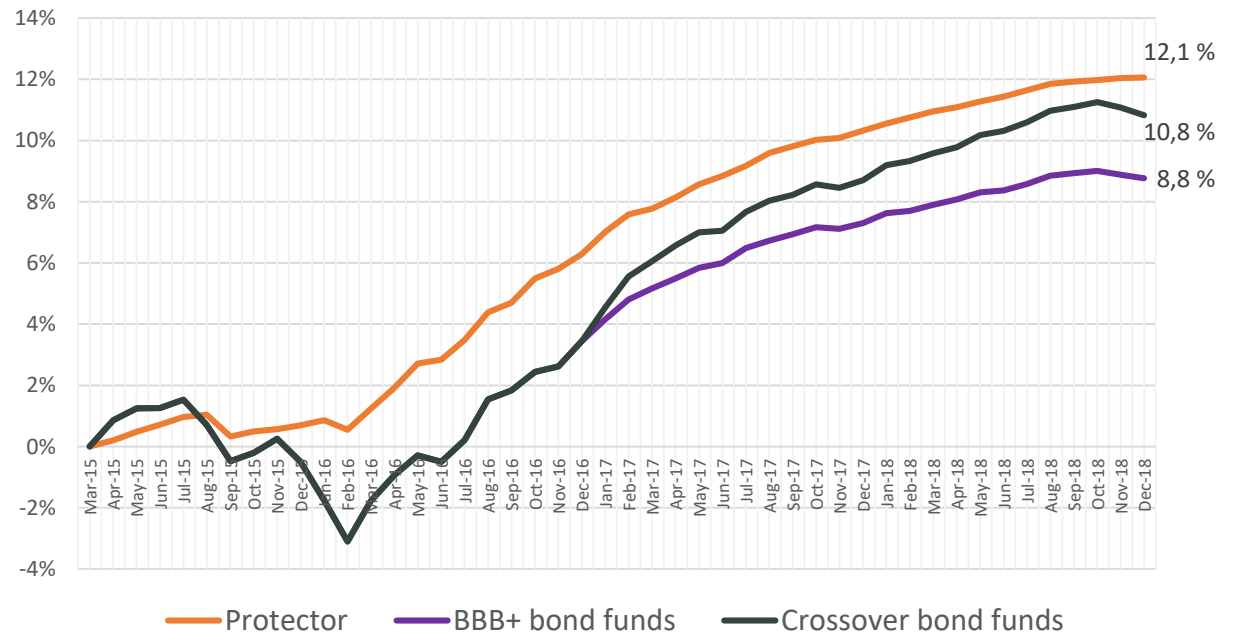


Portfolio data 31.12.2018	
Size bond & cash eq. (NOK m)	8 474
Avg. ref. rate (NIBOR, STIBOR etc.)	0,8%
Avg. spread/risk premium (bp)	139
Yield	2,2%
Duration	0,3
Credit duration	2,3
Avg. rating	A+

<sup>1</sup> Average based on official rating (>65%) and Protector rating (<35%) & is based on linear rating (as usual). WARF methodology would give a lower rating.

- Avg. yield up to 2,2% at year-end (1,8% in Q3)
- Increase in spread in Q4 due to;
  - Spread widening for bonds portfolio
  - Some new investments
- Benchmark portfolio is not relevant since our portfolio through a cycle very often will be either lower (today) or higher risk. Performance reporting relative to benchmark will not continue in 2019

Performance return in % – Bond portfolio vs. benchmarks(31.03.2015 – 31.12.2018)<sup>1,2,3</sup>



<sup>1</sup> Crossover fund benchmark consist of: Storebrand Rente +, Arctic Return Class I, Carnegie Corp. Bond, Handelsbanken Høyrente, Holberg Kreditt, Pareto Høyrente, Alfred Berg Income, Eika Kreditt, Landkreditt Høyrente

<sup>2</sup> BBB+ rating benchmark consist of: Storebrand Rente +, Arctic Return Class I, Carnegie Corp. Bond, Handelsbanken Høyrente, Pareto Høyrente, Alfred Berg Income, Nordea OMF likviditet

<sup>3</sup> Protector graph adjusted for the difference between NIBOR, STIBOR and CIBOR from February and March '17 when portfolios were created in Sweden and Denmark, respectively

# Profit & loss 2018

19% growth, Combined Ratio 98,6%



in millions	Q4 2018	Q4 2017	FY 2018	FY 2017	
Gross premiums written	475,1	424,5	4 286,1	3 612,7	19 % growth
Gross premiums earned	1 123,2	881,7	4 139,6	3 255,0	
Gross claims incurred	(1 161,7)	(799,6)	(3 859,3)	(3 573,9)	
Earned premiums, net of reinsurance	759,0	604,1	2 817,8	2 402,8	
Other insurance related income	12,0	0,8	25,5	5,1	
Claims incurred, net of reinsurance	(739,3)	(575,9)	(2 658,3)	(2 193,8)	
Sales cost	(49,4)	(97,5)	(205,6)	(151,5)	Growing due to UK & SE
Administration cost	(46,1)	31,0	(143,1)	(108,8)	
Commission from reinsurer	31,1	22,7	229,2	204,4	Close to 0 in 2019
Other insurance related expenses	(2,1)	(1,3)	(20,2)	(8,2)	
<b>Technical result</b>	<b>(34,8)</b>	<b>(16,2)</b>	<b>45,3</b>	<b>150,0</b>	
Other income/costs	(12,3)	(12,0)	(49,4)	(46,9)	
Net financial income	(141,9)	124,9	(19,8)	337,8	Volatility must be expected
<b>Profit before tax</b>	<b>(189,1)</b>	<b>96,7</b>	<b>(23,9)</b>	<b>441,0</b>	
Claims ratio, net of ceded business	97,4 %	95,3 %	94,3 %	91,3 %	
Expense ratio, net of ceded business	8,5 %	7,3 %	4,2 %	2,3 %	
<b>Combined ratio, net of ceded business</b>	<b>105,9 %</b>	<b>102,6 %</b>	<b>98,6 %</b>	<b>93,6 %</b>	
Gross claims ratio	103,4 %	90,7 %	93,2 %	109,8 %	
Gross expense ratio	8,5 %	7,5 %	8,4 %	8,0 %	Cost the real way decreasing (9,4%)
<b>Gross combined ratio</b>	<b>111,9 %</b>	<b>98,2 %</b>	<b>101,7 %</b>	<b>117,8 %</b>	

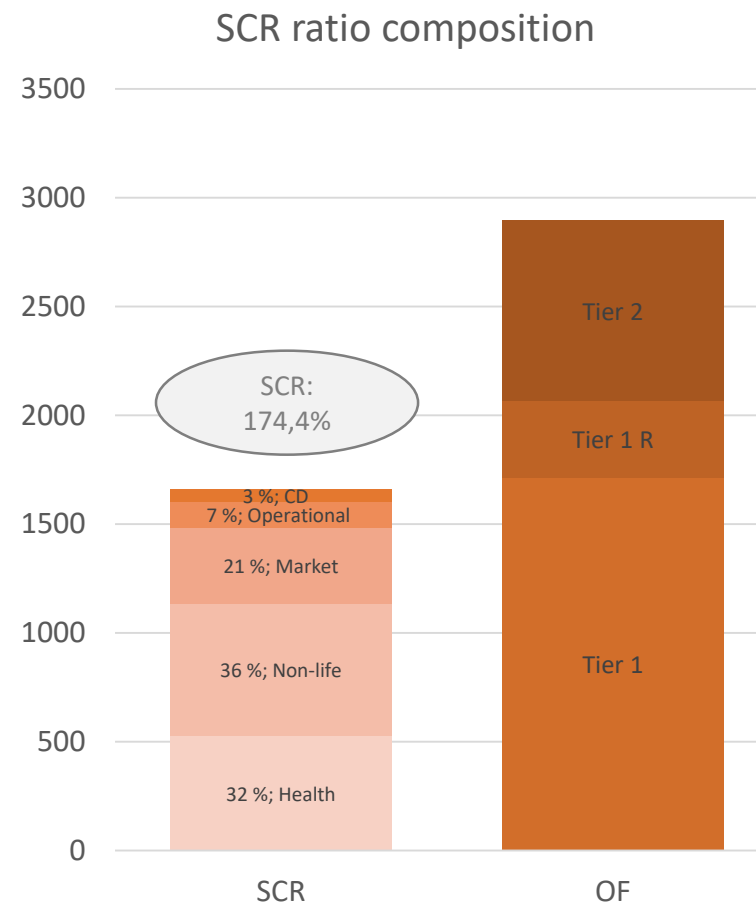
# Balance sheet Q4 2018

SCR 174,4 % based on standard formula



In millions	31.12.2018	31.12.2017
Owner-occupied property	13,4	13,5
Financial assets	7.591,8	7.878,0
Derivatives	25,7	2,5
Bank deposits	278,6	316,6
Other assets	2.744,8	2.375,9
Discontinued operations	2.117,2	1.685,7
<b>Total assets</b>	<b>12.771,5</b>	<b>12.272,1</b>
Total equity	2.018,7	2.591,3
Subordinated loan capital	1.243,3	1.243,3
Total reserves	7.102,1	6.135,7
Derivatives	8,6	9,2
Other liabilities	1.092,3	1.269,6
Discontinued operations	1.306,5	1.023,1
<b>Total equity and liabilities</b>	<b>12.771,5</b>	<b>12.272,1</b>

- SCR coverage ratio 174,4% pr. 31.12:
  - Reduction in own funds driven by weak Q4 results
  - Positive effect from reduction in SCR due to decreased market risk:
    - Put option bought in Q4. Reduces risk related to investments in equities
- SCR fully covered by Tier 1 capital only
- Full Tier 2 utilization; some Tier 1 restricted capacity

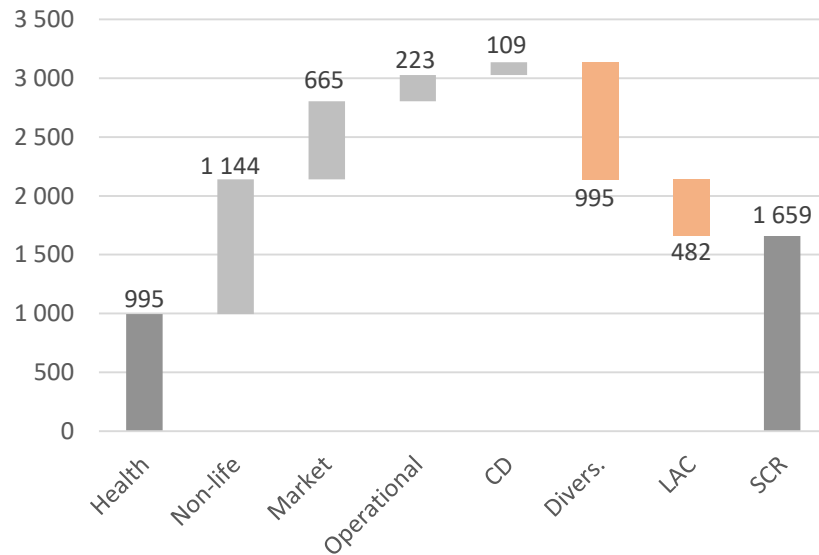


# Solvency II

## Composition of SCR:

- Net insurance risk 68%
- Net market risk 21%
- Other risks 11%

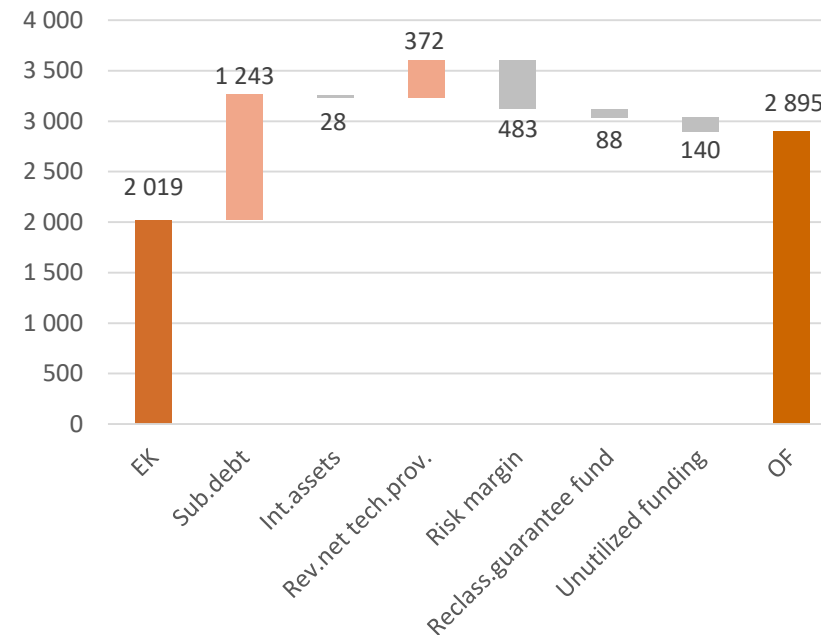
SCR composition



## Eligible SII capital:

- No dividend
- Guarantee provision subtracted from own funds

Eligible SII capital



# Shareholder's matters

Per 31.12.2018

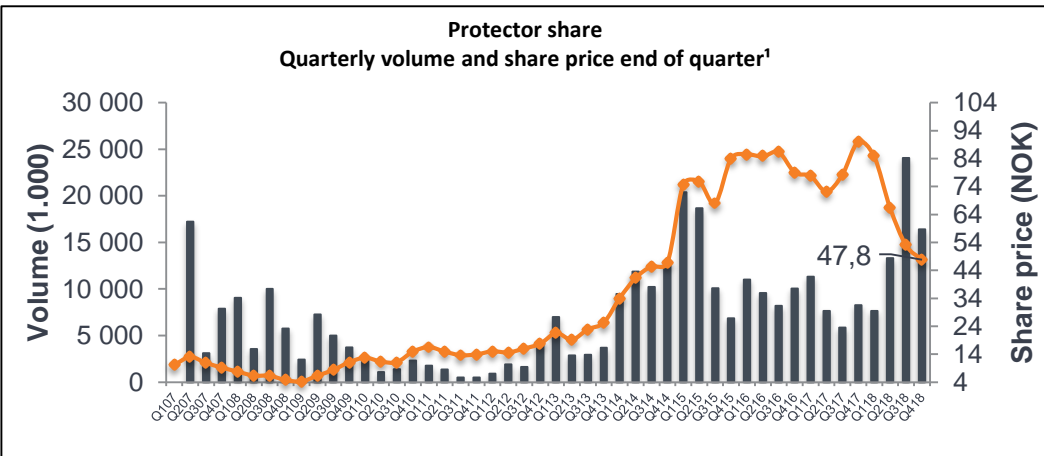


SHAREHOLDER NAME	# SHARES	%
STENSHAGEN INVEST AS	7 526 353	8,74 %
AWILHELMSSEN CAPITAL HOLDINGS AS	5 011 283	5,82 %
GLOBAL PORTFOLIO INVESTMENTS, S.L.	4 616 123	5,36 %
ODIN NORDEN	4 433 850	5,15 %
PROTECTOR FORSIKRING ASA	4 406 762	5,11 %
OJADA AS	3 563 116	4,14 %
HVALER INVEST AS*	3 186 809	3,70 %
SWEDBANK ROBUR SMABOLAGSFOND	2 833 193	3,29 %
ARTEL AS	1 800 000	2,09 %
UTMOST PANEUROPE DAC - GP11940006	1 692 513	1,96 %
NORDNET BANK AB	1 408 443	1,63 %
MORGAN STANLEY & CO. LLC	1 403 425	1,63 %
SWEDBANK ROBUR NORDENFON	1 350 000	1,57 %
TANJA A/S	1 225 918	1,42 %
JOHAN VINJE AS	1 187 841	1,38 %
LF MITON EUROP OPPORTUNITIES FUND	1 185 739	1,38 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 124 231	1,30 %
DNB NOR BANK ASA	1 105 678	1,28 %
DYVI INVEST AS	1 050 933	1,22 %
ODIN NORGE	1 031 201	1,20 %
20 LARGEST	51 143 411	59,36 %
OTHER	35 012 194	40,64 %
TOTAL SHARES	86 155 605	100,00 %

\*CEO Sverre Bjerkeli

## Related parties shareholding

- Management's direct and indirect shareholding totals 3,5m shares or 4,0% of current outstanding shares
- Board members directly own a total of 12,1m shares or 14 % of current outstanding shares
- Lars Ola Rambøl, Director Commercial Norway, acquires 3500 shares in Q4
- AWILHELMSSEN Capital Holding AS and Odin Norden surpasses a 5 % stake in Q4
- Protector owns a total of 4 407 087 own shares



<sup>1</sup> Share price adjusted for dividends, no reinvestment of dividends  
Data pr. 31.12.2018

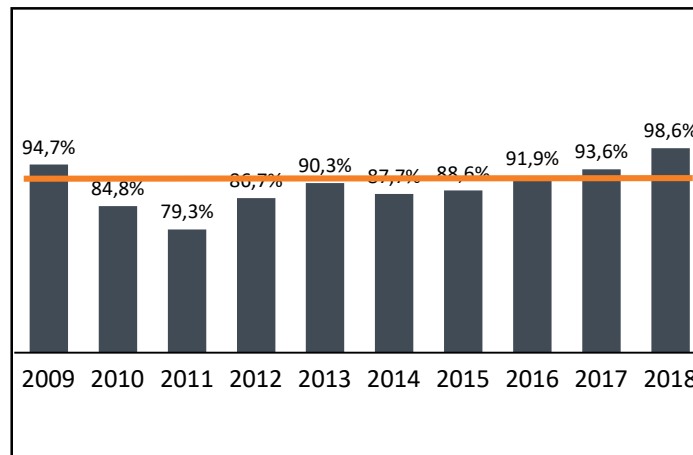
# Long term financial objectives

## New targets decided in Board meeting 31.01.2019

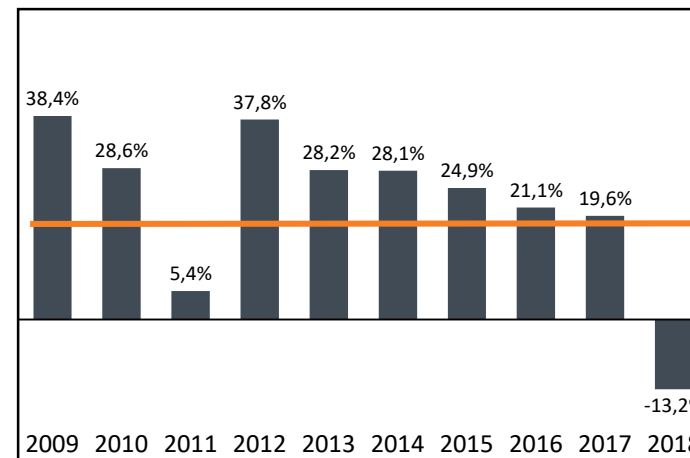


	Old	New
• Net Combined Ratio	92 %	94 %
• Solvency II Capital ratio	> 150 %	> 150 %
• Return on Equity (excl. COI)	> 20 %	> 20 %
• GWP growth rate	15 %	10-15 %

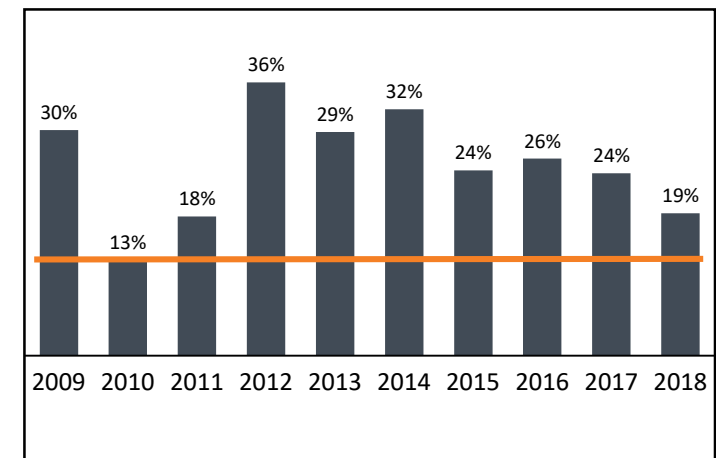
**Net Combined Ratio**



**Return on Equity (incl. COI)\***



**GWP Growth**



\*Return on Solvency Capital until 2016 when reflecting changes in accounting principles from Jan. 1<sup>st</sup> 2016 where Shareholder's Equity includes security provisions

\*\*Annualized

# Summary 2018 & Q&A

## Poor 2018 - Strong competitive position maintained

- Growth 19%
- Net Combined ratio 98,6%
- Profit before tax of -23,9 MNOK
- Investment return -19,8 MNOK or -0,3%
- Solvency ratio of 174,4% - A.M. Best maintains BBB+ rating
- London offices opening in UK



### Guiding 2019

Net combined ratio **96 %**

Volume growth **14 %**





# Appendix

## Oslo, 1<sup>st</sup> February 2019

This appendix contains numbers inclusive of COI.

In the following quarterly presentations, all numbers will be reported excl. COI. COI will only be reported as a discontinued business in the P&L

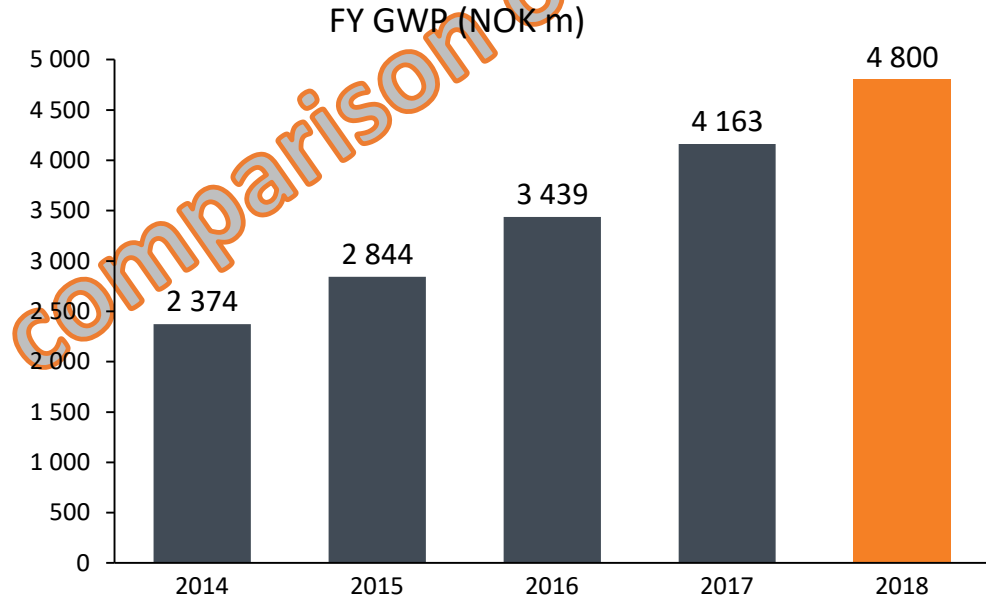


# Gross written premiums 2018

Growth of 15 % (15 % LCY) – driven by Sweden and UK



- GWP 4800 MNOK up 15%
- Norway down 2 % - difficult year
- Sweden up 25 % - steady going
- Denmark up 13% - short tail increased
- UK > 500 MNOK - according to plan
- Volume guiding 2019 – up 14 % (excl. COI)
  - Supported by price increases in Nordics



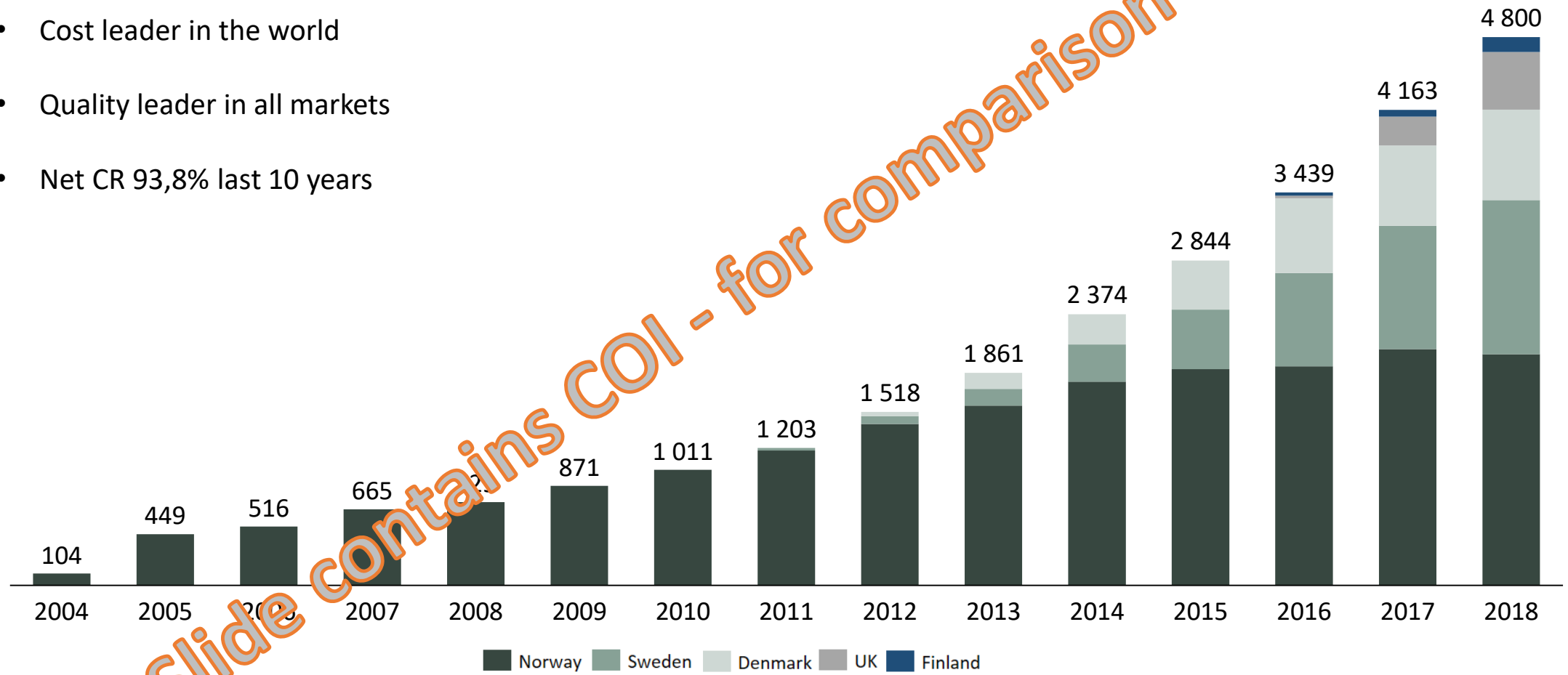
Business unit	FY 18 MNOK	FY 17 MNOK	NOK % growth	LCY % growth
Norway (Com. & Publ)	1509	1517	-1 %	-1 %
COI	514	551	-7 %	-7 %
Sweden	1350	1078	25 %	28 %
Denmark	793	704	13 %	7 %
UK	505	253	100 %	98 %
Finland	130	60	115 %	105 %
<b>Group</b>	<b>4800</b>	<b>4163</b>	<b>15 %</b>	<b>15 %</b>

# 20 % growth 10 years in a row

Strong competitive position maintained entering 2019

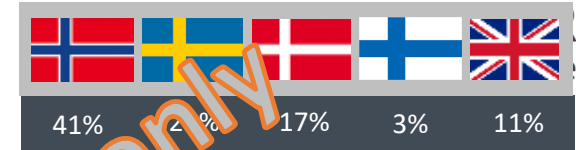


- Cost leader in the world
- Quality leader in all markets
- Net CR 93,8% last 10 years

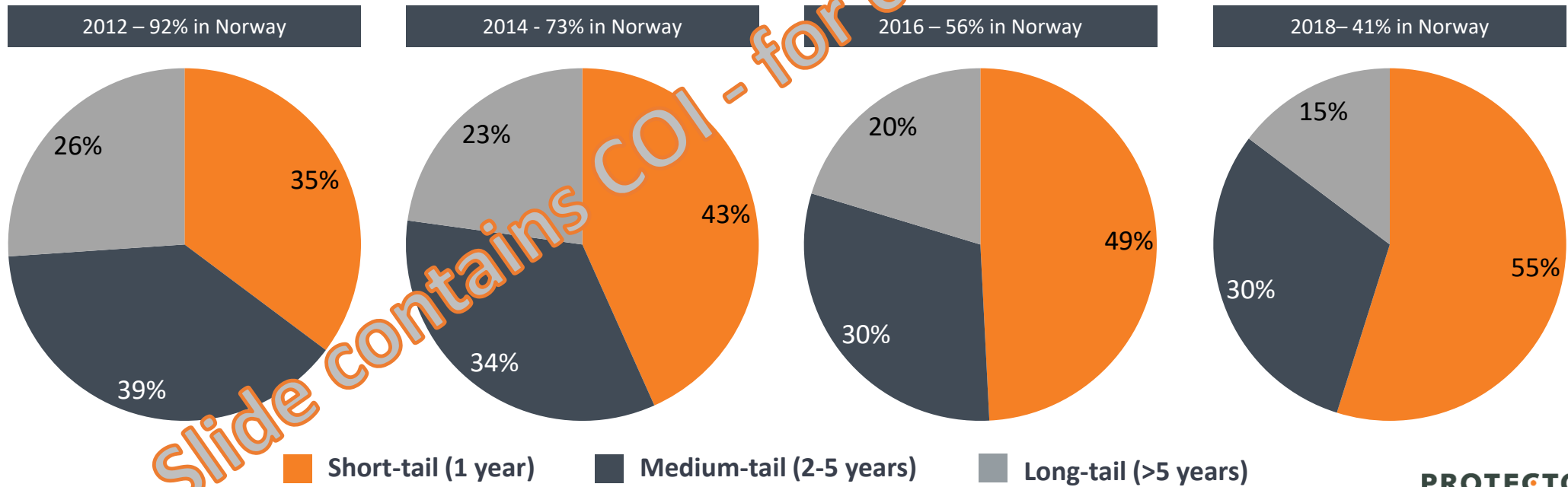


# Reduced Risk Profile

But increased CR volatility due to change of Property reinsurance structure



- Short tail from 35% in 2012 to 55% in 2018
- Geographical diversification increased further in 2018
- Changing Property reinsurance contract from Surplus to Risk XL with up to 200 MNOK in retention



# The Falcon is killing its prey

Improving in all areas



## Rolls Royce:

607 MNOK vs. target 552 MNOK

## Reductions and Recourse

Very good in absolute terms, good in relative terms – important for profitability



## CleanDesk:

96 % clean

26 942 of 28 172 clean days

## No delays – without compromising on quality

CleanDesk made culture

#FTEs x #workingdays



## ICF:

Score of 3 out of 4 92 % of the time

## Instant customer feedback

High score. Most of low scores due to claim outcome – not claims handling



## FalconEfficiency:

14,7 % increase

## Target of 14,7 % efficiency increase 2018 vs. 2017

Efficiency will continue to increase due scalability and IT innovation

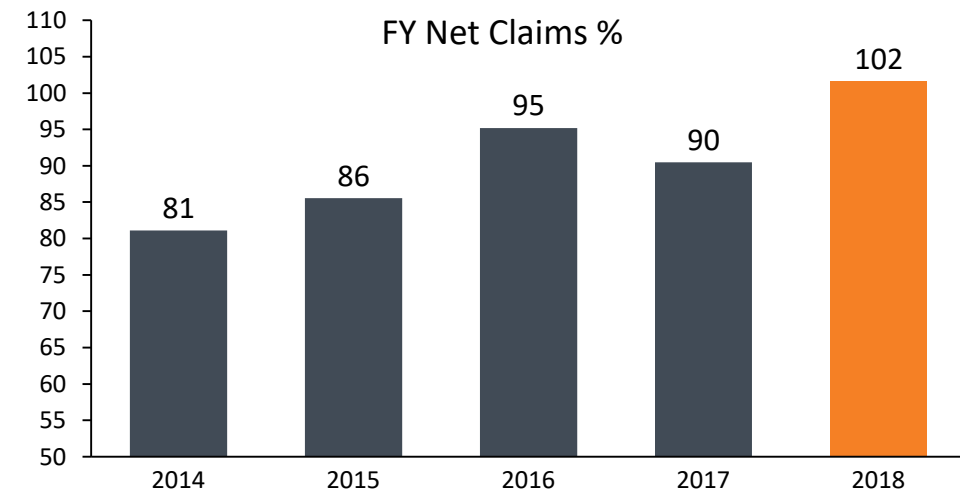
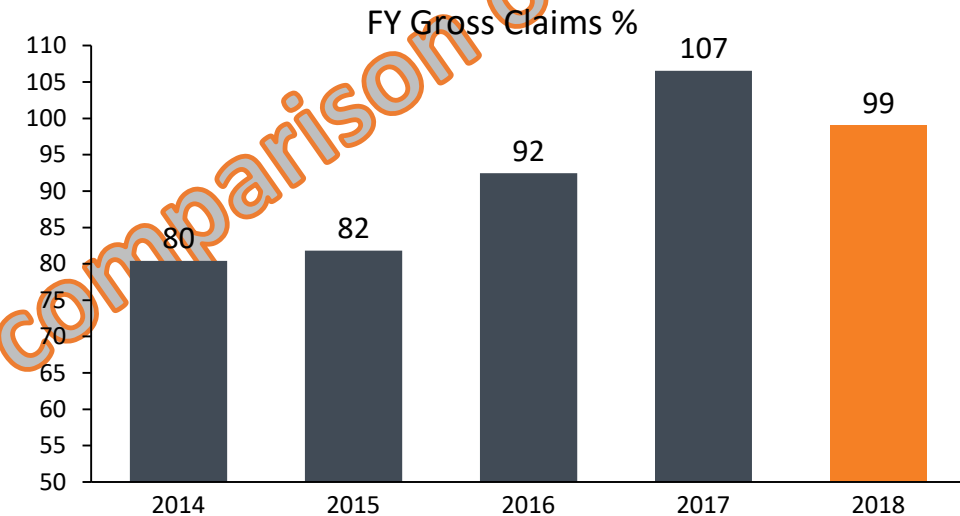
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# Claims development 2018

Claims ratio 101,6%, price increase improvements will be seen in 2019



- Gross claims ratio 99,0%, down from 106,5%
- Net claims ratio 101,6%, up from 90,5%
- Run-off gains f.o.a amounted to -130 MNOK or -4 %
  - Change of Ownership
  - Norway Commercial & Public (WC) and Sweden
- Claims ratio FY 18 too high
  - A mix of products performing unsatisfactory – actions taken
  - One very large claim in Norway

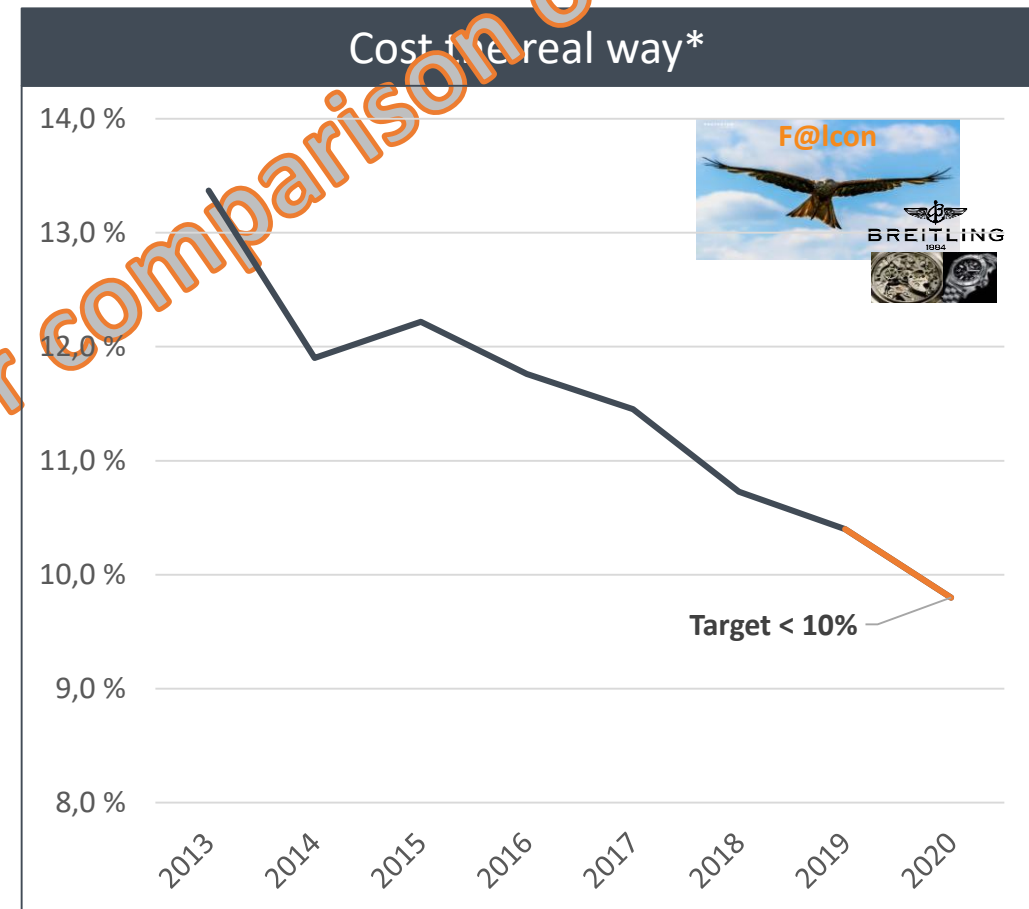


# Cost development 2018

Cost leader in the world – improving competitive position



- Cost the real way – this is what matters
  - Gross Cost incl. Claims handling ex. Broker commission
  - Improved despite lack of critical mass in UK & Finland
  - Claims handling driver behind development
- Cost position will improve going forward
- Cost the real way 10,7%, down from 11,5%
- Gross cost ratio 8,1%, up from 7,4%
  - Gross cost ratio Scandinavia 7,3%, up from 6,6%
- Net cost ratio 5,3%, up from 2,6%



\*Gross Cost incl. Claims handling ex. Broker commission

# Profit & loss 2018

15% growth, Combined Ratio 106,9%



in millions	Q4 2018	Q4 2017	FY 2018	FY 2017	
Gross premiums written	566,6	540,2	4 799,7	4 163,2	15 % growth
Gross premiums earned	1 214,8	997,5	4 653,2	3 805,5	
Gross claims incurred	(1 296,3)	(901,2)	(4 608,1)	(4 054,2)	
Earned premiums, net of reinsurance	841,4	708,3	2 801,1	2 925,9	
Other insurance related income	12,0	0,8	25,5	5,1	
Claims incurred, net of reinsurance	(860,3)	(667,5)	(3 332,9)	(2 647,5)	
Sales cost	(50,8)	31,1	(211,3)	(158,1)	Growing due to UK & SE
Administration cost	(64,4)	24,4	(166,4)	(122,5)	
Commission from reinsurer	7,5	23,1	202,9	204,1	Close to 0 in 2019
Other insurance related expenses	(.1)	(1,3)	(20,2)	(8,4)	
<b>Technical result</b>	<b>116,7</b>	<b>(11,4)</b>	<b>(222,3)</b>	<b>198,6</b>	
Other income/costs	(15,6)	(14,4)	(62,2)	(55,9)	
Net financial income	(217,5)	161,9	(56,2)	419,5	Volatility must be expected
<b>Profit before tax</b>	<b>(349,8)</b>	<b>136,2</b>	<b>(340,6)</b>	<b>562,2</b>	
Claims ratio, net of ceded business	102,2 %	94,2 %	101,6 %	90,5 %	
Expense ratio, net of ceded business	12,8 %	7,3 %	5,3 %	2,6 %	
<b>Combined ratio, net of ceded business</b>	<b>115,0 %</b>	<b>101,5 %</b>	<b>106,9 %</b>	<b>93,1 %</b>	
Gross claims ratio	106,7 %	90,4 %	99,0 %	106,5 %	
Gross expense ratio	9,5 %	7,5 %	8,1 %	7,4 %	Cost the real way decreasing (10,7%)
<b>Gross combined ratio</b>	<b>116,2 %</b>	<b>97,8 %</b>	<b>107,2 %</b>	<b>113,9 %</b>	



# Summary 2018 & Q&A

Poor 2018 - Strong competitive position maintained



- Growth 15%
- Net Combined ratio 106,9%
- Profit before tax of -340,6 MNOK
- Investment return -56,2 MNOK or -0,6%
- Solvency ratio of 174,4 % - A.M. Best maintains BBB+ rating
- London offices opening in UK

Slide contains COI - for comparison only



# Key ratio description



## Ratio

- (1) Claims ratio, net of ceded business
- (2) Expense ratio, net of ceded business
- (3) Combined ratio, net of ceded business
- (4) Gross claims ratio
- (5) Gross expense ratio
- (6) Gross combined ratio
- (7) Retention rate
- (8) Earnings per share

## Ratio calculation

- (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