

Q1 2022 Interim results

Investor Presentation

Oslo, 28 April 2022



Henrik Høye
Chief Executive Officer



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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

Innovative/Open

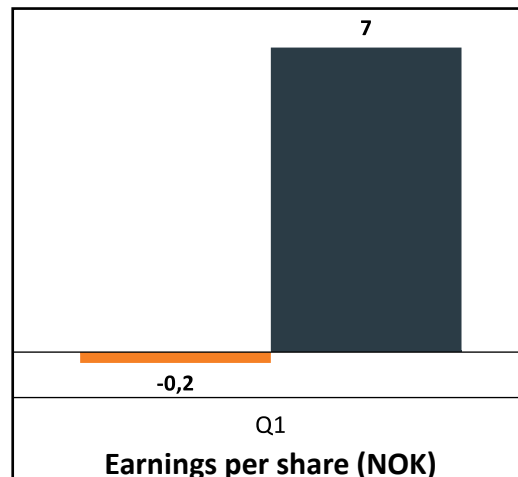
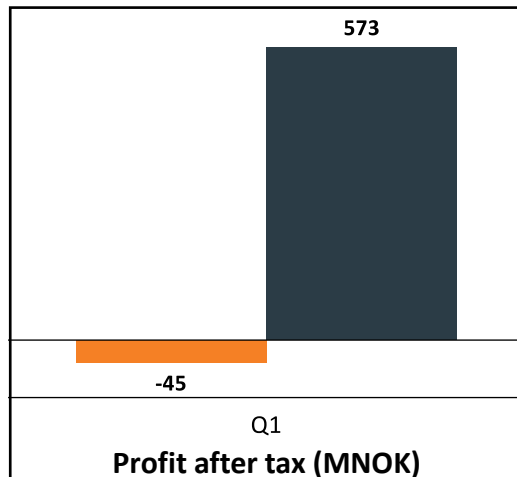
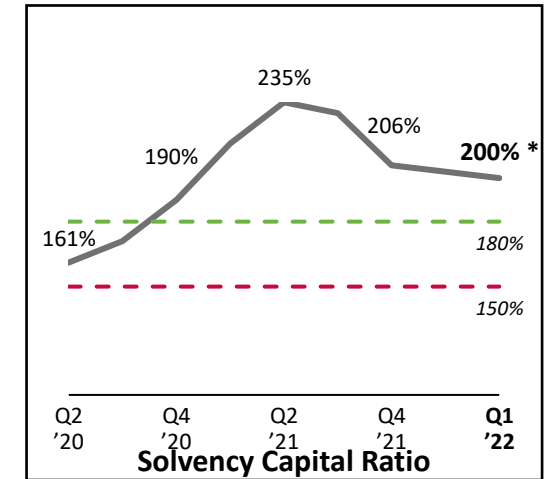
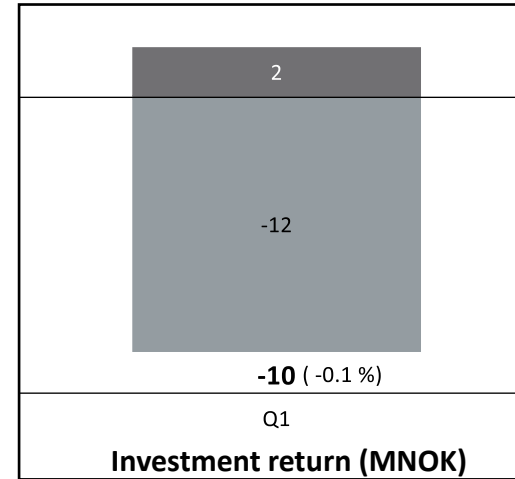
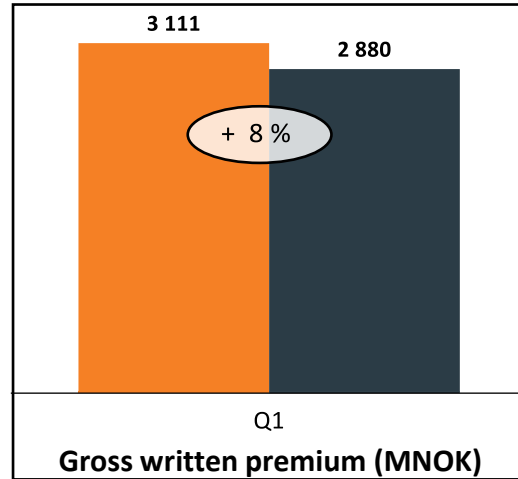
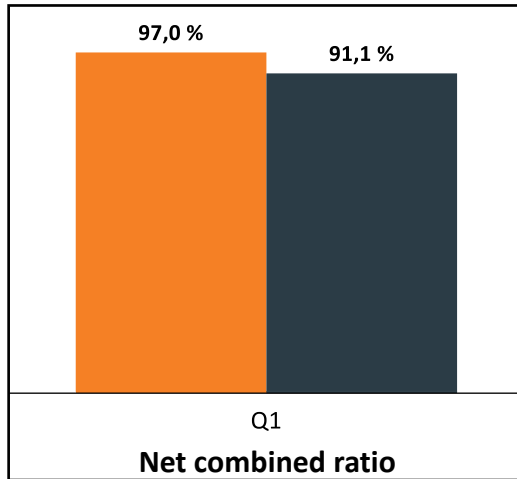
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Committed



Result highlight Q1 2022

Combined ratio at 97 % | Investment return at -0.1 % | EPS at NOK -0.2



Other highlights:

- Large losses in quarter higher than normalised
- Ceding w.r.t. our Solvency Based Reinsurance Agreement reduced from 10 % to 8 %
- Special dividend of 1.5 NOK per share – MNOK 124

Claims update

Q1 net claims ratio at 86.6 % | Q1 gross claims ratio at 83.3 %

- Large losses¹ at 10.7 % (1.2 %), 3.7 %-points higher than normalized
- Net run off gains at 3.6 % in Q1 22 (0.1 % in Q1 21)
- Zero aggregated COVID-19 effects in quarter
 - 2 %-points positive net effect in Q1 21

Business unit	Q1 22 Gross	Q1 22 Net	Q1 21 Gross	Q1 21 Net
Norway	89 %	92 %	68 %	84 %
Sweden	87 %	86 %	61 %	65 %
Denmark	97 %	99 %	104 %	84 %
UK	66 %	74 %	75 %	83 %
Finland	81 %	81 %	102 %	98 %
Protector	83.3 %	86.6 %	74.6 %	78.5 %

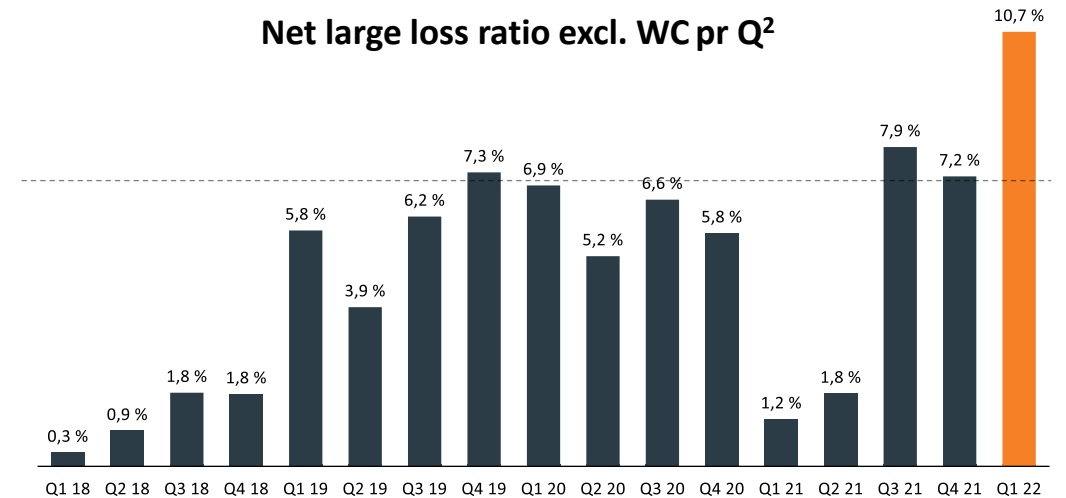
¹ Large losses defined as net losses > MNOK 10

Large losses¹ and run-off

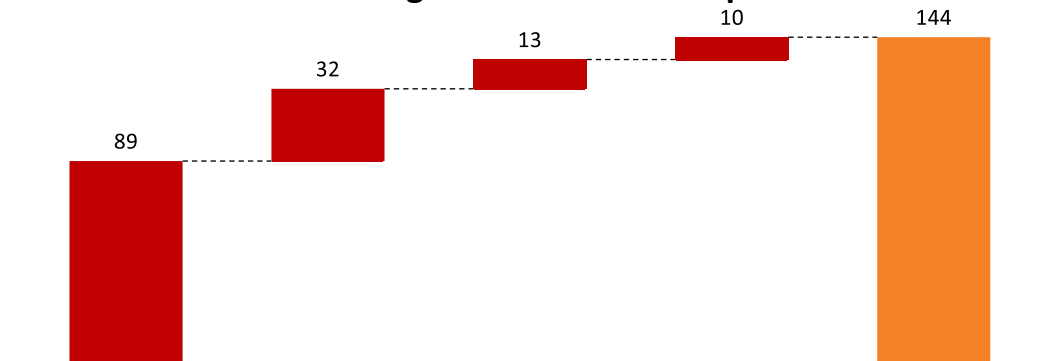
Net large losses of MNOK 144 (10.7 %), net run-off gains at 3.6 %

- Net large losses of MNOK 144, or 10.7 % in Q1 22
 - One very large fire in Sweden (Property)
 - UK Storm Eunice, 14th-19th February '22
 - 84 accumulated claims
- Net run off gains at 3.6 % in Q1 22 (gain of 0.1 % in Q1 21)
 - Whereof 1.1 %-points are directly linked to large losses from earlier years

Net large loss ratio excl. WC pr Q²



Net large loss effect build-up



¹ Large losses defined as net losses > MNOK 10

Volume update

GWP growth 8 % in Q1 2022 (11 % in local currencies (LCY))

- GWP of MNOK 3 111 in Q1 2022 (MNOK 2 880)
 - MNOK 230 (8%) growth (11% in LCY)
- Growth driven by Scandinavia
 - Supported by price increases above claims inflation
 - Low client churn
 - Renewal rate at 90.7%
- Small volume quarter for UK

MNOK

Business unit	Q1 22	Q1 21	Growth	...NOK %	...LCY%
Norway	955	856	99	12%	12%
Sweden	943	895	48	5%	13%
Denmark	812	727	85	12%	16%
UK	196	238	-42	-18%	-19%
Finland	204	164	40	24%	29%
Protector	3 111	2 880	230	8%	11%

Country-by-country key metrics

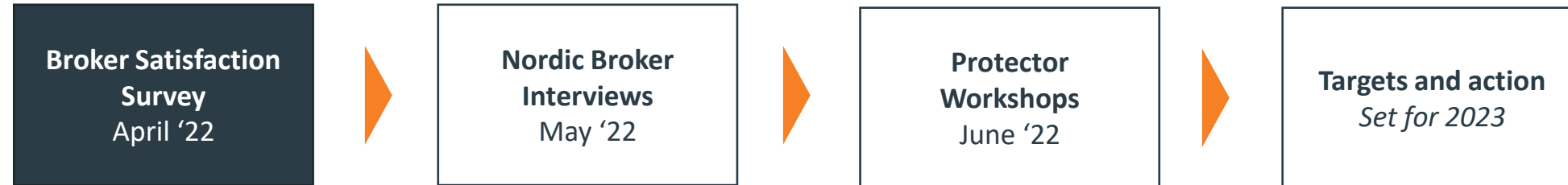
Quarterly volatility must be expected, especially by country

Q1 2022

MNOK	Norway		Sweden		Denmark		UK		Finland		Protector	
	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21
Gross premium written	955	856	943	895	812	727	196	238	204	164	3 111	2 880
Gross premium earned	372	343	449	434	244	207	387	334	72	70	1 525	1 388
Net premium earned	338	305	411	373	219	180	303	254	66	62	1 337	1 175
Gross claims ratio	89.0 %	68.1 %	86.6 %	61.1 %	96.6 %	103.6 %	66.1 %	75.2 %	81.1 %	101.6 %	83.3 %	74.6 %
Gross cost ratio	6.9 %	8.9 %	12.3 %	14.7 %	7.4 %	10.4 %	13.2 %	18.5 %	3.5 %	8.2 %	10.0 %	13.2 %
Gross combined ratio	95.8 %	77.0 %	98.9 %	75.7 %	104.0 %	114.0 %	79.3 %	93.7 %	84.7 %	109.8 %	93.3 %	87.8 %
Net claims ratio	91.9 %	83.7 %	85.8 %	65.1 %	99.3 %	84.1 %	73.9 %	83.2 %	81.4 %	98.3 %	86.6 %	78.5 %
Net cost ratio	6.9 %	10.5 %	12.4 %	13.3 %	8.4 %	6.5 %	14.9 %	19.0 %	2.4 %	9.2 %	10.4 %	12.6 %
Net combined ratio	98.9 %	94.2 %	98.1 % ←	78.4 %	107.7 % ←	90.6 %	88.7 % ←	102.2 %	83.8 %	107.5 %	97.0 % ←	91.1 %

Target: Nr 1 in all markets on Quality and Claims

Behind target in Scandinavia. Nr 1 position requires a thorough understanding and actions.



Norway	2022	Target '22	2021/20	2019/18	2017
Tender & new sales	79	80	78	75	69
Customer care and service	80	80	79	75	69
Claims Handling	70	75	70	69	68
BSI Total quality leader	1st	1st	2nd	1st	1st
BSI Claims Handling quality leader	2nd	1st	6th	2nd	1st

Sweden	2022	Target '22	2021/20	2019/18	2017
Tender & new sales	72	80	73	75	78
Customer care and service	75	80	74	77	79
Claims Handling	61	75	60	60	72
BSI Total quality leader	3rd	1st	4th	1st	1st
BSI Claims Handling quality leader	4th	1st	5th	2nd	1st

Denmark	2022	Target '22	2021/20	2019/18	2017
Tender & new sales	69	78	63	73	63
Customer care and service	68	75	61	69	60
Claims Handling	66	70	59	71	61
BSI Total quality leader	2nd	1st	3rd	1st	1st
BSI Claims Handling quality leader	3rd	1st	2nd	3rd	1st

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Investment performance and statistics

-0,1 % return in Q1 | Bond portfolio yield at 2.4 %, before cost of risk

- **Q1** return on investment portfolio at **-0.1 %**, or **MNOK -10**

- Equity portfolio returning -0,3 %, or MNOK -7
- Bond portfolio returning 0.0 %, or MNOK 2
- Return of put options MNOK -6

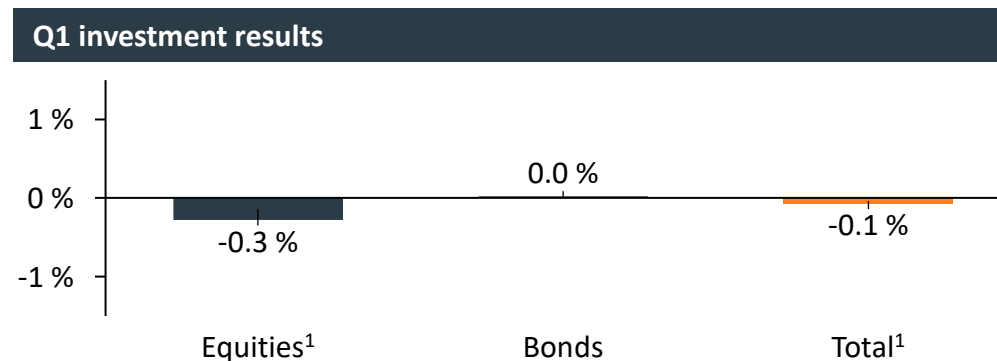
- HY portfolio totalling BNOK 3.2 vs. BNOK 3.5 in Q4 '21

- Nordic high yield: volatile, but calmer towards quarter-end
 - DNB Markets Nordic HY index return -0.5 %

- Equity share at **16.2 %**, up from 15.1 % in Q4 '21

- 12 new companies and MNOK 300 invested since 24.02.22

- Limited direct exposure to Ukraine / Russia



Investment portfolio data ²		31.03.22	31.03.21	31.12.21
Bonds	Size bond & cash eq. (MNOK)	12 368	12 472	12 003
	Avg. ref. rate (NIBOR, STIBOR, etc.)	0.9 %	0.1 %	0.5 %
	Avg. spread/risk premium (bps)	152	179	151
	Yield	2.4%	2.0%	2.0%
	Duration	0.4	0.4	0.4
	Credit duration	1.1	1.4	1.3
	Avg. rating ³	A	A-	A-
Equities	Portfolio size ⁴	2 400	2 413	2 166
	Share of total	16.2 %	16.2 %	15.1 %
	Estimated intrinsic value discount	33 %	15 %	26 %
	No. of companies	32	20	20

¹ Equity return excludes results from put options, total return includes results from put options

² Includes bank deposits and excludes currency swap contracts

³ Avg. linear rating based on official rating (>55 %) and 'Protector rating' (<45 %)

⁴ Portfolio size based on book values (B3 Consulting Group booked using equity method (associated company))

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Balance Sheet

SCR ratio at 200% post dividend

In millions	31.03.2022	31.03.2021	31.12.2021
Financial assets	13 840	13 400	13 067
Derivatives	92	73	94
Bank deposits	166	165	300
Other assets	4 648	4 495	4 338
Discontinued operations	1 245	1 876	1 448
Total assets	19 991	20 011	19 246
Total equity	3 290	3 585	3 582
Subordinated loan capital	1 245	1 473	1 385
Total reserves	11 501	10 520	9 980
Derivatives	117	60	26
Other liabilities	3 139	3 349	3 440
Discontinued operations	698	1 024	834
Total equity and liabilities	19 991	20 011	19 246

Numbers may not add up due to rounding

- Positive contribution from technical result and negative contribution from investment result
- Positive effect from change in discounting rates
- Negative effect on SCR ratio from proposed dividend of NOK 1.50 per share

SCR ratio composition

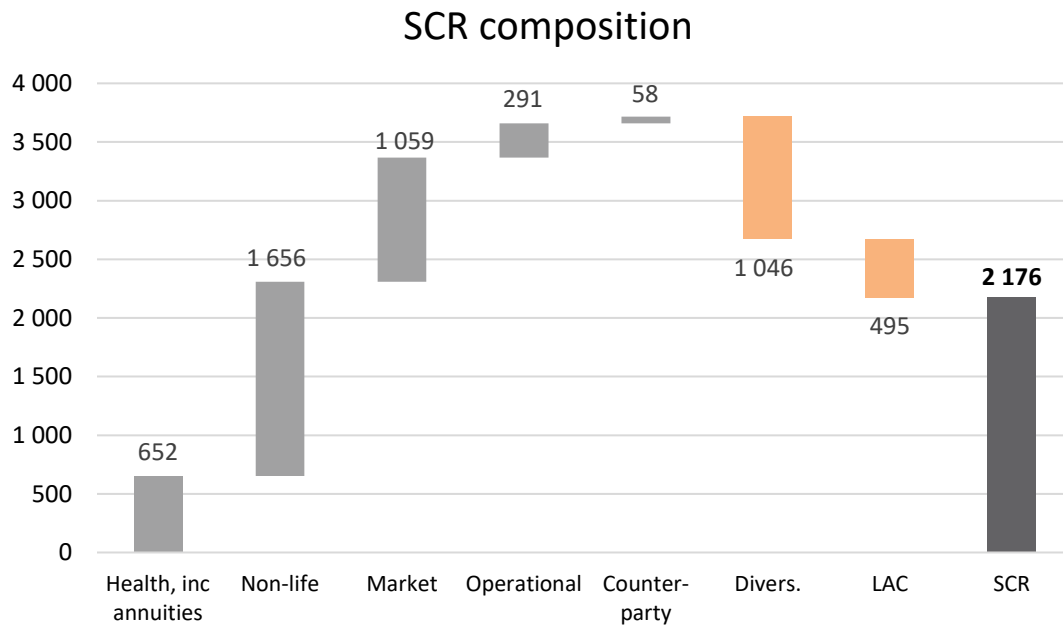


Solvency II

SCR ratio at 200% post dividend

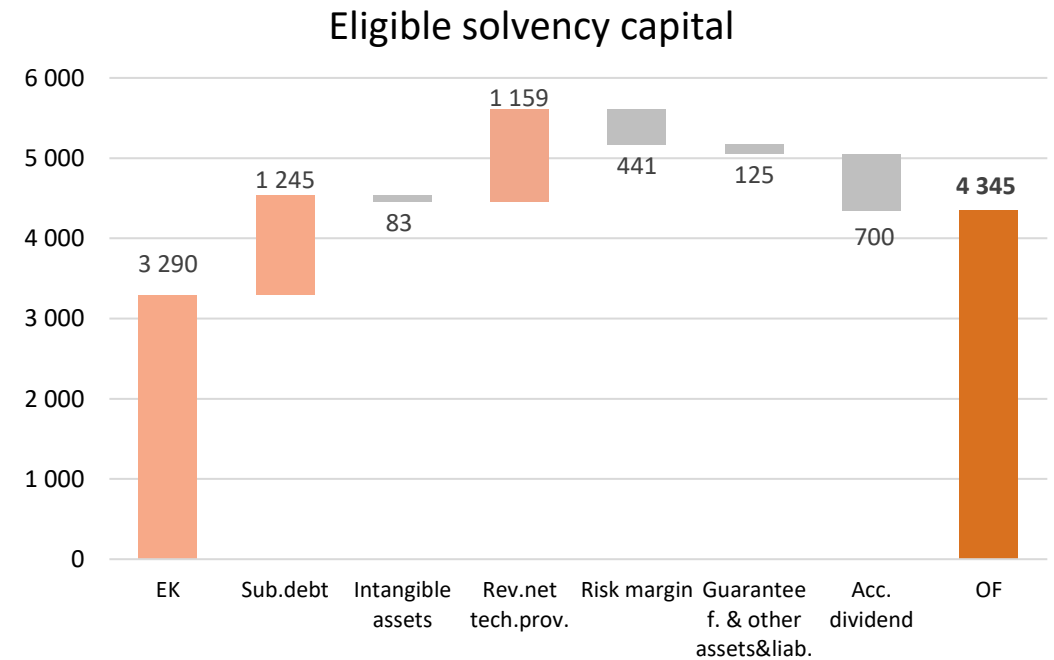
Composition of SCR:

- Net insurance risk 62%
- Net market risk 29%
- Other risks 9%



Eligible solvency capital:

- Accumulated dividend subtracted from eligible capital
- Guarantee provision subtracted from own funds



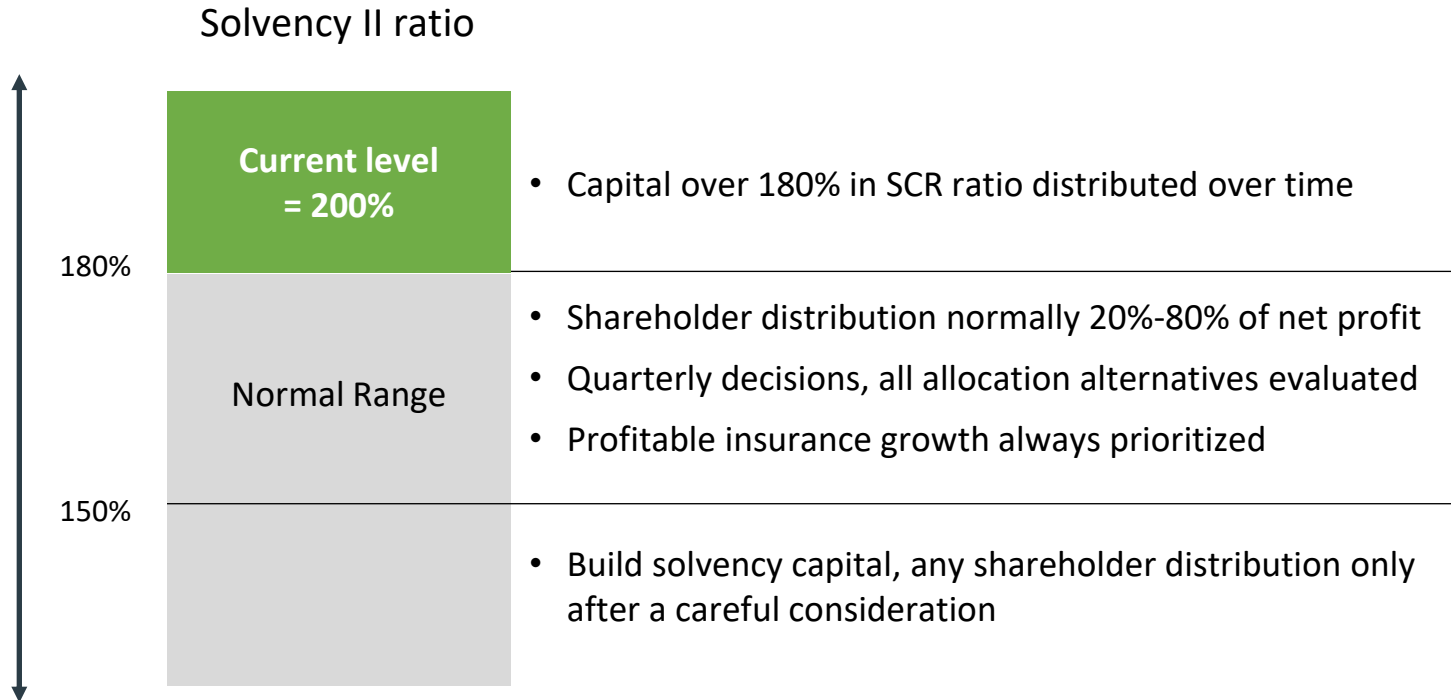
Profit and loss Q1 22

Profit of MNOK -45 | EPS at NOK -0.2

MNOK	Q1 22	Q1 21	FY 21
Gross premiums written	3 111	2 880	5 951
Earned premiums, net of reinsurance	1 337	1 175	4 921
Claims incurred, net of reinsurance	(1 158)	(923)	(3 810)
Sales cost	(93)	(101)	(362)
Administration cost	(60)	(82)	(257)
Commission from reinsurer	13	36	131
Other insurance related income/expenses	(8)	(13)	(29)
Technical result	32	92	594
Other income/costs	(14)	(17)	(56)
Net financial income	(9)	523	878
Profit before tax	8	598	1 416
Tax	(25)	(71)	(252)
Discontinued operations	(3)	51	67
Net comprehensive income	(24)	(5)	(28)
Profit for the period	(45)	573	1 204
Claims ratio, net of reinsurance	86.6 %	78.5 %	77,4 %
Expense ratio, net of reinsurance	10.4 %	12.6 %	9,9 %
Combined ratio, net of reinsurance	97.0 %	91.1 %	87,3 %
Gross claims ratio	83.3 %	74.6 %	77,8 %
Gross expense ratio	10.0 %	13.2 %	10,8 %
Gross combined ratio	93.3 %	87.8 %	88,5 %
Retention rate	87.6 %	84.7 %	85,6 %
Earnings per share	-0.2	7.0	0,0

Dividend policy

A special dividend of NOK 1.50 per share – Flexible shareholder distribution policy



• Special dividend of MNOK 124 (NOK 1.50 per share); to be paid out around 12 May (ex. dividend 4 May)

• Quarterly assessment continued going forward

Result summary Q1 2022

Combined ratio at 97 % | Investment return at -0.1 % | EPS at NOK -0.2

	Q1
• Net combined ratio	97 %
• Gross written premium	MNOK 3 111 (+8 %)
• Investment return	MNOK -10 (-0.1 %)
• Profit for the period	MNOK -45
• Earnings per share	NOK -0.2
• Solvency Capital Ratio	200%





PROTECTOR
insurance