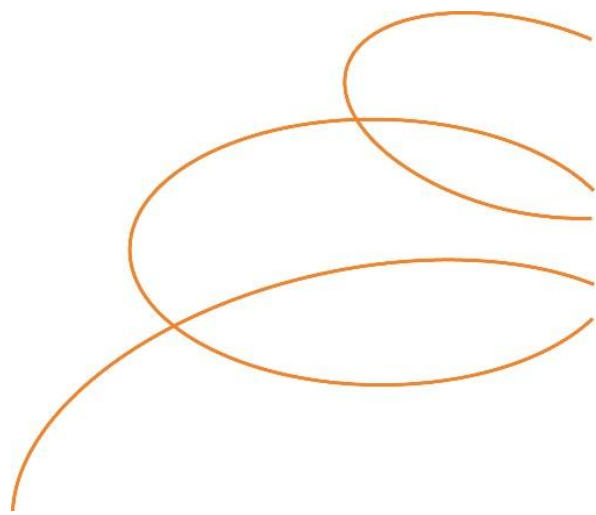




**INTERIM REPORT Q3 2016**  
PROTECTOR FORSIKRING ASA

(UNAUDITED)  
OCTOBER 2016



## Highlights Q3 2016

### Profitable growth continues

Protector delivers an operating profit of NOK 170,5 million in the third quarter of 2016, primarily driven by a strong investment result. Premium growth continues with gross written premiums up 12,6% compared to Q3 2015, whilst combined ratio is up due to a higher number of large property claims and Denmark showing weak results. Measures are implemented in Denmark. Q3 2016 shows the following development compared to Q3 2015:

- Gross premiums written NOK 412,8m, up 12,6% from NOK 366,5m
- Net combined ratio 97,1%, up from 88,7%
- Operating profit NOK 170,5m, up from NOK 40,7m
- Net financial income of NOK 160,7m (2,2%), up from NOK -19,9m (-0,3%)

### Financial highlights and key ratios

[1.000.000 NOK]	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	FY 2015
Gross premiums written	412,8	366,5	3.046,7	2.518,1	2.843,4
Gross premiums earned	825,9	719,9	2.481,8	2.092,4	2.791,1
Gross claims incurred	(775,5)	(585,2)	(2.264,7)	(1.666,6)	(2.283,6)
Earned premiums, net of reinsurance	692,3	562,4	2.044,3	1.640,9	2.176,0
Claims incurred, net of reinsurance	(618,8)	(461,5)	(1.907,8)	(1.385,3)	(1.861,0)
Net commission income	8,6	0,7	128,2	97,2	112,9
Operating expenses	(62,0)	(37,8)	(125,9)	(125,0)	(182,0)
Other income/costs	(10,3)	(3,0)	(17,4)	(9,1)	(13,5)
Net financial income	160,7	(19,9)	349,3	151,0	303,8
<b>Profit before tax</b>	<b>170,5</b>	<b>40,7</b>	<b>470,6</b>	<b>369,6</b>	<b>536,1</b>
Claims ratio, net of ceded business	(1) 89,4 %	82,1 %	93,3 %	84,4 %	85,5 %
Expense ratio, net of ceded business	(2) 7,7 %	6,6 %	-0,1 %	1,7 %	3,2 %
<b>Combined ratio, net of ceded business</b>	<b>(3) 97,1 %</b>	<b>88,7 %</b>	<b>93,2 %</b>	<b>86,1 %</b>	<b>88,7 %</b>
Gross claims ratio	(4) 93,9 %	81,3 %	91,3 %	79,7 %	81,8 %
Gross expense ratio	(5) 9,1 %	6,4 %	6,7 %	6,9 %	7,5 %
<b>Gross combined ratio</b>	<b>(6) 103,0 %</b>	<b>87,6 %</b>	<b>98,0 %</b>	<b>86,5 %</b>	<b>89,4 %</b>
Retention rate	(7) 83,8 %	78,1 %	82,4 %	78,4 %	78,0 %
Earnings per share	(8) 1,66	0,55	4,45	3,80	5,48

(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

## Protector's operations

Protector Forsikring ASA is a Norwegian general insurance company (P&C) operating in the Nordic region with presence in the UK.

Protector entered the Swedish insurance market in 2011, the Danish insurance market in 2012 and Finland and UK in 2016.

The company has three business segments: commercial lines of business, public lines of business and change of ownership insurance in Norway. Protector Forsikring ASA is listed on the Oslo Stock Exchange.

## Premiums

Gross premiums written totalled NOK 412,8m, representing a 12,6% growth compared to Q3 2016. In Sweden GWP increased 43,6% to NOK 104,7m compared with Q3 2015. In Norway the increase was 7,1% to NOK 288,6m and Denmark had a decrease of 19,5% to NOK 19,4m.

Gross premiums earned increased by NOK 106,0m to a total of NOK 825,9m. The growth was 41,4% in Sweden, 35,5% in Denmark and 2,2% in Norway compared to Q3 2015.

Gross premiums written within the commercial and public sector totalled NOK 275,0m, an increase of 16,4% compared to the same period last year.

Gross premiums written within the change of ownership insurance totalled NOK 137,7m, up 5,8% from Q3 2015.

Premiums earned for own account totalled NOK 692,3m, an increase of 23,1% compared to Q3 2015.

Gross written premiums year to date rose by NOK 528,7m, or 21,0% from NOK 2.518,1m to NOK 3.046,7m. Gross premiums earned increased by NOK 389,4m to NOK 2.481,8, whilst premiums earned for own account increased by 24,6% to NOK 2.044,3m.

In Sweden GWP increased 54,2% to NOK 737,1m compared with YTD 2015. In Norway the increase was 1,8% to NOK 1.700,6m and Denmark had an increase of 64,7% to NOK 609,0m.

Gross premiums earned increased by NOK 389,4m to a total of NOK 2.481,8m. The growth was 55,7% in Sweden, 54,5% in Denmark and 1,4% in Norway compared to YTD 2015.

## Results

The operating profit before tax totalled NOK 170,5m, up from 40,7m in Q3 2015.

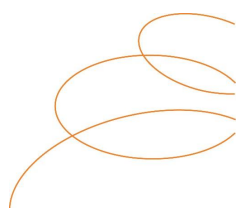
Year to date 2016 the operating profit before tax totalled NOK 470,6m, up 27,3% from the same period last year.

In Q3 the net profit was NOK 133,6m against a net profit of NOK 56,8m in Q3 2015. For Q1-Q3 2016, the net profit totalled NOK 366,0m, compared to NOK 327,9m in Q1-Q3 2015.

The net combined ratio was 97,1%, 8,4 percentage points higher than the 88,7% reported in Q3 2015. Net combined ratio for the quarter was 87,5% in Norway, 86,5% in Sweden and 146,3% in Denmark.

In Q1-Q3, the net combined ratio was 93,2%, compared to 86,1% in Q1-Q3 2015. The YTD net combined ratio was 93,4% (82,9%) in Norway, 81,0% (88,2%) in Sweden and 106,5% (98,4%) in Denmark.

In Q3 the company had run-off losses of 1,5%. Run-off losses year to date 2016 amounted to 4,3% primarily from strengthening reserves in the change of ownership segment.



Gross claims ratio was 93,9%, up from 81,3% in Q3 2015 and net claims ratio was 89,4%, up from 82,1% in Q3 2015. The increased claims ratio in Q3 2016 relates to a higher number of large property claims in the quarter and weak results in Denmark.

The gross expense ratio was 9,1% up from 6,4% in Q3 2015, whilst the net expense ratio was 7,7%, up from 6,6%.

### **Investment return**

Net investment portfolio amounted to a total of NOK 7.512m at 30 September 2016, up 21,2% compared to the portfolio end of Q3 2015.

Investment activities yielded a total return of NOK 160,7m or 2,2% compared to a return of NOK -19,9m or -0,3% in Q3 2015. Equities accounted for a NOK 58,0m gain (3,6%) against a NOK 79,7m gain (12,1%) in Q3 2015. Return on the fixed income portfolio totalled NOK 102,7m or 1,8% against NOK -99,6m or -1,8% in Q3 2015.

YTD, the investment result was NOK 349,3m (4,9%) against NOK 151,0m (2,7%). Equities accounted for a NOK 130,3m gain (9,1%) against NOK 177,6m gain (24,2%) YTD 2015. Return on the fixed income portfolio totalled NOK 219,0m or 3,9% against NOK -26,6m or -0,5% YTD 2015.

End of Q3 2016, 21,5% of Protector's financial assets were invested in equities, up from 13,5% end of 2015.

### **Capital and shareholder matters**

The company is well capitalized under the Solvency II regime. Solvency capital requirement (SCR) ratio using standard formula is 155 % as of 30.09.2016, which is within the company's risk appetite.

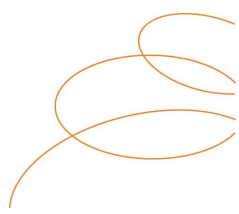
### **Prospects**

The Board is satisfied with the overall premium growth, the financial results, and the measures taken to improve the change of ownership segment. The Board will continue to monitor the claims ratio development in Denmark. The Board expects the combined ratio to be higher than previously guided.

The uncertainty in claims development, and the inherent volatility of capital markets, are regarded as the most important risk factors that could affect the company's profit in 2016.

Oslo, 27th October 2016

*The Board of Directors of Protector Forsikring ASA*

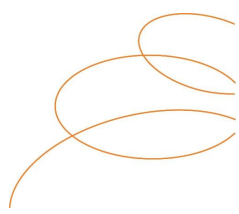


## Income statement

[1.000.000 NOK]	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	FY 2015
<b>Premium income</b>					
Gross written premiums	412,8	366,5	3.046,7	2.518,1	2.843,4
Ceded insurance premiums	(36,5)	(34,5)	(476,7)	(525,1)	(592,1)
Change in provisions for unearned premiums	413,1	353,4	(564,9)	(425,7)	(52,3)
Change in reinsurers' share of provisions for unearned premiums	(97,1)	(123,0)	39,2	73,6	(23,0)
<b>Earned premiums, net of reinsurance</b>	<b>692,3</b>	<b>562,4</b>	<b>2.044,3</b>	<b>1.640,9</b>	<b>2.176,0</b>
<b>Other income</b>	<b>2,1</b>	<b>1,1</b>	<b>13,0</b>	<b>3,0</b>	<b>3,9</b>
<b>Claims incurred</b>					
Claims paid	(479,9)	(394,9)	(1.640,7)	(1.156,7)	(1.657,5)
Reinsurers' share of paid claims	77,7	90,4	276,6	216,6	306,7
Change in provisions for claims	(295,7)	(190,3)	(624,0)	(509,9)	(626,1)
Change in reinsurers' share of claims provisions	79,0	33,2	80,3	64,7	115,9
<b>Claims incurred, net of reinsurance</b>	<b>(618,8)</b>	<b>(461,5)</b>	<b>(1.907,8)</b>	<b>(1.385,3)</b>	<b>(1.861,0)</b>
<b>Operating expenses</b>					
Sales costs	(13,5)	(8,0)	(41,6)	(18,3)	(28,2)
Administration costs	(62,0)	(37,8)	(125,9)	(125,0)	(182,0)
Commission from reinsurers	22,0	8,7	169,7	115,5	141,1
<b>Total operating expenses, net of reinsurance</b>	<b>(53,4)</b>	<b>(37,1)</b>	<b>2,2</b>	<b>(27,8)</b>	<b>(69,1)</b>
<b>Other expenses</b>	<b>(3,5)</b>	<b>(1,4)</b>	<b>(11,6)</b>	<b>(4,0)</b>	<b>(6,5)</b>
<b>Technical result</b>	<b>18,6</b>	<b>63,5</b>	<b>140,2</b>	<b>226,8</b>	<b>243,2</b>
Net income from financial assets	160,7	(19,9)	349,3	151,0	303,8
Other income	0,1	0,1	0,3	0,5	0,5
Other costs	(9,0)	(2,9)	(19,2)	(8,6)	(11,4)
<b>Non-technical result</b>	<b>151,9</b>	<b>(22,7)</b>	<b>330,5</b>	<b>142,9</b>	<b>292,9</b>
<b>Profit before tax</b>	<b>170,5</b>	<b>40,7</b>	<b>470,6</b>	<b>369,6</b>	<b>536,1</b>
Tax	(27,3)	6,7	(87,0)	(55,5)	(71,9)
<b>Profit before components of comprehensive income</b>	<b>143,2</b>	<b>47,4</b>	<b>383,6</b>	<b>314,1</b>	<b>464,2</b>
Actuarial gain and loss from defined benefit pension plans- benefits	(6,8)	6,1	(6,8)	6,1	9,6
Currency changes from foreign enterprise	(6,2)	9,0	(16,9)	15,1	14,4
Taxes on components of comprehensive income	3,4	(5,7)	6,1	(7,4)	(6,5)
<b>Profit for the period</b>	<b>133,6</b>	<b>56,8</b>	<b>366,0</b>	<b>327,9</b>	<b>481,7</b>
Earnings per share	1,66	0,55	4,45	3,80	5,48
Earnings per share, diluted	1,66	0,55	4,45	3,80	5,48

## Balance Sheet

[1.000.000 NOK]	30.09.2016	30.09.2015	31.12.2015
<b>Assets</b>			
<b>Intangible fixed assets</b>			
Other intangible fixed assets	15,6	16,4	15,8
<b>Total intangible fixed assets</b>	<b>15,6</b>	<b>16,4</b>	<b>15,8</b>
<b>Buildings and other real estates</b>			
Owner-occupied property	13,6	13,5	13,6
<b>Total buildings and other real estates</b>	<b>13,6</b>	<b>13,5</b>	<b>13,6</b>
<b>Financial assets</b>			
Shares	1.616,4	835,0	860,9
Securities, bonds etc	5.846,3	5.123,7	5.362,5
Financial derivatives	858,9	110,6	252,6
Other financial assets	105,3	299,9	147,1
<b>Total financial assets</b>	<b>8.426,8</b>	<b>6.369,2</b>	<b>6.623,1</b>
<b>Reinsurers share of gross technical provisions</b>			
Reinsurers share of gross premium provisions	151,1	191,5	102,5
Reinsurers share of gross claims provisions	630,8	509,1	563,5
<b>Total reinsurers share of gross technical provisions</b>	<b>781,9</b>	<b>700,5</b>	<b>666,0</b>
<b>Receivables</b>			
Policyholders	114,7	33,7	32,5
Intermediaries	106,3	95,4	59,8
Other receivables	3,8	6,2	3,5
<b>Total receivables</b>	<b>224,8</b>	<b>135,4</b>	<b>95,9</b>
<b>Other assets</b>			
Tangible fixed assets	13,1	13,4	14,2
Cash and bank deposits	127,0	56,3	144,0
<b>Total other assets</b>	<b>140,1</b>	<b>69,6</b>	<b>158,2</b>
<b>Total prepaid expenses</b>	<b>131,6</b>	<b>144,5</b>	<b>132,5</b>
<b>Total assets</b>	<b>9.734,4</b>	<b>7.449,1</b>	<b>7.705,0</b>



## Balance Sheet

[1.000.000 NOK]	30.09.2016	30.09.2015	31.12.2015
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital [86.155.605 shares]	86,2	86,2	86,2
Other paid-in equity	267,7	267,7	267,7
<b>Total paid-in equity</b>	<b>353,8</b>	<b>353,8</b>	<b>353,8</b>
<b>Earned equity</b>			
Natural perils fund	2,0	1,0	0,2
Guarantee scheme	82,0	76,3	77,7
Other equity	1.747,1	1.402,3	1.580,9
<b>Total earned equity</b>	<b>1.831,1</b>	<b>1.479,7</b>	<b>1.658,9</b>
<b>Total equity</b>	<b>2.184,9</b>	<b>1.833,5</b>	<b>2.012,7</b>
<b>Subordinated loan capital</b>	<b>645,9</b>	148,1	148,1
<b>Technical provisions</b>			
Provisions for unearned premiums	959,9	813,4	448,1
Provisions for claims	4.400,1	3.725,9	3.858,4
<b>Total technical provisions</b>	<b>5.360,0</b>	<b>4.539,3</b>	<b>4.306,5</b>
<b>Provisions for other risks and liabilities</b>			
Pension liabilities	22,3	17,7	10,9
Deferred tax liability	154,4	85,4	115,3
<b>Total provisions for other risks and liabilities</b>	<b>176,7</b>	<b>103,1</b>	<b>126,1</b>
<b>Liabilities</b>			
Liabilities in connection with insurance	64,8	30,8	29,0
Liabilities in connection with reinsurance	224,4	317,1	318,8
Financial derivatives	839,0	113,8	260,1
Other liabilities	119,8	258,7	217,1
<b>Total liabilities</b>	<b>1.248,0</b>	<b>720,3</b>	<b>824,9</b>
<b>Incurred expenses and prepaid income</b>			
Other incurred expenses and prepaid income	118,9	104,9	286,7
<b>Total incurred expenses and prepaid income</b>	<b>118,9</b>	<b>104,9</b>	<b>286,7</b>
<b>Total equity and liabilities</b>	<b>9.734,4</b>	<b>7.449,1</b>	<b>7.705,0</b>

## Cash flow statement

[1.000.000 NOK]	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
<b>Cash flow from operations</b>				
Paid in premiums	528,9	458,1	2.692,5	2.316,1
Paid claims	(393,4)	(416,7)	(1.563,7)	(1.191,9)
Paid reinsurance	(22,5)	(41,6)	(138,8)	(104,6)
Paid operating expenses including commissions	(77,1)	(53,1)	(217,7)	(125,4)
Interest / dividend income	35,5	17,1	136,2	29,8
Net payments from financial instruments	(407,3)	62,2	(1.123,9)	(1.212,8)
Payable tax	(0,1)	-	(122,7)	(75,7)
<b>Net cash flow from operations</b>	<b>(336,0)</b>	<b>25,9</b>	<b>(338,0)</b>	<b>(364,5)</b>
<b>Cash flow from investment activities</b>				
Net investments in equities	-	-	-	262,8
Invested in owner-occupied property	(0,1)	(13,7)	(0,4)	(13,7)
Invested in fixed assets	(1,2)	(0,9)	(4,0)	(3,4)
Invested in intangible assets	(2,2)	(2,3)	(6,2)	(8,6)
<b>Net cash flow from investment activities</b>	<b>(3,5)</b>	<b>(16,8)</b>	<b>(10,6)</b>	<b>237,2</b>
<b>Cash flow from financial activities</b>				
Dividend paid	-	-	(193,9)	(165,2)
Proceeds from subordinated loan	(2,3)	-	497,8	-
Interest payments on subordinated loan	(6,3)	(2,9)	(14,1)	(11,7)
<b>Net cash flow from financial activities</b>	<b>(8,6)</b>	<b>(2,9)</b>	<b>289,8</b>	<b>(176,9)</b>
<b>Net cash flow for the period</b>	<b>(348,0)</b>	<b>6,3</b>	<b>(58,8)</b>	<b>(304,2)</b>
Net change in cash and cash equivalents	(348,0)	6,3	(58,8)	(301,0)
Cash and cash equivalents opening balance	580,4	349,8	291,1	657,2
<b>Cash and cash equivalents closing balance</b>	<b>232,3</b>	<b>356,2</b>	<b>232,3</b>	<b>356,2</b>



## Statement of changes in equity

	Share Capital	Own shares	Other paid-in equity	Natural perils fund	Guarantee scheme	Other equity	Total
Equity at 31.12.2014	86,2	(3,6)	4,8	16,7	70,5	816,9	991,4
Change of accounting principle - security provisions						426,6	426,6
Equity at 01.01.2015	86,2	(3,6)	4,8	16,7	70,5	1.243,5	1.418,1
Profit for the period				(21,5)	5,3	176,3	160,0
Equity at 31.03.2015	86,2	(3,6)	4,8	(4,9)	75,8	1.419,8	1.578,1
Dividend pay out						(165,2)	(165,2)
Own shares	-	3,6	262,8	-	-	-	266,4
Profit for the period				5,3	(1,2)	107,1	111,1
Equity at 30.06.2015	86,2	-	267,6	0,4	74,5	1.361,7	1.790,4
Profit for the period				0,6	1,8	54,4	56,8
Equity at 30.09.2015	86,2	-	267,6	1,0	76,3	1.402,3	1.833,5
Profit for the period				(0,8)	1,4	153,2	153,8
Equity at 31.12.2015	86,2	-	267,6	0,2	77,7	1.580,9	2.012,7
Profit for the period				(8,8)	1,3	17,2	9,7
Equity at 31.03.2016	86,2	-	267,6	(8,6)	79,1	1.598,1	2.022,5
Dividend pay out						(193,9)	(193,9)
Profit for the period				5,8	1,7	215,3	222,7
Equity at 30.06.2016	86,2	-	267,6	(2,8)	80,7	1.619,5	2.051,3
<b>Profit for the period</b>				-	<b>(3,4)</b>	<b>137,0</b>	<b>133,6</b>
<b>Equity at 30.09.2016</b>	<b>86,2</b>	<b>-</b>	<b>267,6</b>	<b>(2,8)</b>	<b>77,4</b>	<b>1.756,5</b>	<b>2.184,9</b>

## Accounting principles

These interim accounts have been prepared in accordance with IAS 34 and in line with the accounting principles described in the annual report for 2015. The company's financial statements are prepared in accordance with the Norwegian Accounting Act, financial statement regulations for insurance companies and generally accepted accounting principles. For further information, please see the 2015 annual report.

The financial statement regulation for insurance companies has been revised effective as of January 1, 2016. These revisions led to a change in the accounting policies regarding the security provision, which is no longer required by the regulations. As of December 31, 2015, the provision, which was included in the balance sheet with NOK 584,4m, was restated with 75% as other (earned) equity and 25% as deferred tax liability. The comparative amounts for prior periods have been restated accordingly.

Furthermore, allocated return on investments are no longer transferred from non-technical to technical account due to the changes in the regulation. All comparative amounts for prior periods have been restated.

## Segment information

### Quarter

[1.000.000 NOK]	Norway			Sweden			Denmark		
	Q3 2016	Q3 2015	FY 2015	Q3 2016	Q3 2015	FY 2015	Q3 2016	Q3 2015	FY 2015
Gross premiums written	288,6	269,4	1.891,7	104,7	72,9	520,7	19,4	24,2	430,9
Gross premiums earned	482,8	472,5	1.863,3	187,5	132,7	493,9	155,5	114,8	433,9
Gross claims incurred	(433,4)	(390,6)	(1.506,7)	(123,3)	(90,4)	(386,5)	(218,8)	(104,2)	(390,4)
Earned premiums, net of reinsurance	426,0	371,1	1.453,2	150,6	105,4	394,5	115,7	85,9	328,3
Claims incurred, net of reinsurance	(352,6)	(305,6)	(1.235,9)	(105,2)	(68,6)	(298,7)	(161,0)	(87,3)	(326,5)
Net commission income	8,4	7,1	94,9	(8,2)	(7,1)	(6,6)	8,4	0,7	24,5
Operating expenses	(28,5)	(23,5)	(93,8)	(16,9)	(7,9)	(37,8)	(16,6)	(6,4)	(50,4)
Other income/costs	(10,3)	(3,1)	(13,3)	(0,0)	(0,0)	(0,2)	0,1	0,1	0,0
Net financial income	129,7	(9,0)	292,4	15,6	(5,7)	12,9	15,5	(5,3)	(1,5)
<b>Operating profit before tax</b>	<b>172,6</b>	<b>37,0</b>	<b>497,5</b>	<b>35,8</b>	<b>16,0</b>	<b>64,1</b>	<b>(38,0)</b>	<b>(12,3)</b>	<b>(25,5)</b>
Claims ratio, net of ceded business	82,8 %	82,4 %	85,0 %	69,9 %	65,1 %	75,7 %	139,2 %	101,6 %	99,4 %
Expense ratio, net of ceded business	4,7 %	4,4 %	-0,1 %	16,6 %	14,2 %	11,2 %	7,1 %	6,6 %	7,9 %
<b>Combined ratio, net of ceded business</b>	<b>87,5 %</b>	<b>86,8 %</b>	<b>85,0 %</b>	<b>86,5 %</b>	<b>79,3 %</b>	<b>87,0 %</b>	<b>146,3 %</b>	<b>108,2 %</b>	<b>107,3 %</b>
Gross claims ratio	89,8 %	82,7 %	80,9 %	65,8 %	68,2 %	78,3 %	140,7 %	90,8 %	90,0 %
Gross expense ratio	6,1 %	5,1 %	5,1 %	15,7 %	11,6 %	13,0 %	10,7 %	5,5 %	11,6 %
<b>Gross combined ratio</b>	<b>95,8 %</b>	<b>87,7 %</b>	<b>86,0 %</b>	<b>81,5 %</b>	<b>79,8 %</b>	<b>91,3 %</b>	<b>151,3 %</b>	<b>96,3 %</b>	<b>101,6 %</b>

### Year to date

[1.000.000 NOK]	Norway			Sweden			Denmark		
	Q1-Q3 2016	Q1-Q3 2015	FY 2015	Q1-Q3 2016	Q1-Q3 2015	FY 2015	Q1-Q3 2016	Q1-Q3 2015	FY 2015
Gross premiums written	1.700,6	1.670,1	1.891,7	737,1	478,2	520,7	609,0	369,8	430,9
Gross premiums earned	1.442,2	1.422,3	1.863,3	547,7	351,8	493,9	491,8	318,3	433,9
Gross claims incurred	(1.418,8)	(1.127,5)	(1.506,7)	(346,8)	(278,9)	(386,5)	(499,1)	(260,2)	(390,4)
Earned premiums, net of reinsurance	1.246,2	1.119,1	1.453,2	427,2	280,1	394,5	370,9	241,6	328,3
Claims incurred, net of reinsurance	(1.199,6)	(946,1)	(1.235,9)	(306,8)	(219,0)	(298,7)	(401,4)	(220,2)	(326,5)
Net commission income	77,9	83,2	94,9	1,5	(2,1)	(6,6)	48,8	16,1	24,5
Operating expenses	(42,7)	(65,4)	(93,8)	(40,8)	(26,0)	(37,8)	(42,4)	(33,6)	(50,4)
Other income/costs	(16,3)	(9,0)	(13,3)	(0,1)	(0,1)	(0,2)	(1,1)	0,1	0,0
Net financial income	304,4	146,8	292,4	21,8	8,9	12,9	23,2	(4,7)	(1,5)
<b>Operating profit before tax</b>	<b>369,9</b>	<b>328,6</b>	<b>497,5</b>	<b>102,8</b>	<b>41,8</b>	<b>64,1</b>	<b>(2,0)</b>	<b>(0,8)</b>	<b>(25,5)</b>
Claims ratio, net of ceded business	96,3 %	84,5 %	85,0 %	71,8 %	78,2 %	75,7 %	108,2 %	91,1 %	99,4 %
Expense ratio, net of ceded business	-2,8 %	-1,6 %	-0,1 %	9,2 %	10,0 %	11,2 %	-1,7 %	7,3 %	7,9 %
<b>Combined ratio, net of ceded business</b>	<b>93,4 %</b>	<b>82,9 %</b>	<b>85,0 %</b>	<b>81,0 %</b>	<b>88,2 %</b>	<b>87,0 %</b>	<b>106,5 %</b>	<b>98,4 %</b>	<b>107,3 %</b>
Gross claims ratio	98,4 %	79,3 %	80,9 %	63,3 %	79,3 %	78,3 %	101,5 %	81,8 %	90,0 %
Gross expense ratio	3,0 %	4,7 %	5,1 %	14,8 %	12,3 %	13,0 %	8,6 %	10,6 %	11,6 %
<b>Gross combined ratio</b>	<b>101,4 %</b>	<b>84,0 %</b>	<b>86,0 %</b>	<b>78,1 %</b>	<b>91,5 %</b>	<b>91,3 %</b>	<b>110,1 %</b>	<b>92,3 %</b>	<b>101,6 %</b>

## Financial assets, fair value estimation

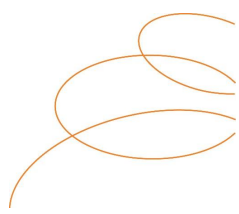
Financial assets through profit or loss [1.000.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Shares	NOK	1580,4	36,0	0,0	1.616,4
Bonds and other fixed income securities	NOK	3.501,5	2.344,8	0,0	5.846,3
Cash and cash equivalents	NOK	105,3	0,0	0,0	105,3
Foreign currency contracts	NOK	0,0	858,9	0,0	858,9
<b>Total assets Q3 2016</b>		<b>5.187,1</b>	<b>3.239,7</b>	<b>0,0</b>	<b>8.426,8</b>
<b>Total assets Q3 2015</b>		<b>2.486,5</b>	<b>3.882,7</b>	<b>0,0</b>	<b>6.369,2</b>

Financial liabilities at fair value through profit or loss [1.000 NOK]	Currency	Level 1	Level 2	Level 3	Total
Foreign exchange contracts	NOK	0,0	-839,0	0,0	-839,0
Liabilities to credit institutions	NOK	-75,4	0,0	0,0	-75,4
<b>Total financial liabilities Q3 2016</b>		<b>-75,4</b>	<b>-839,0</b>	<b>0,0</b>	<b>-914,4</b>
<b>Total financial liabilities Q3 2015</b>		<b>0,0</b>	<b>-43,9</b>	<b>0,0</b>	<b>-43,9</b>

Fair value of financial assets traded in active markets are based on market value on the accounting day. A market is considered active if the market rates are easily and regularly available from a stock exchange, distributor, broker, industrial classification, price-setting service or regulatory authority, and these prices represent actual and regularly occurring market transactions at arm's length. The market price applied to financial assets is the existing bid price. These instruments are included in level 1.

Fair value of financial instruments not traded in an active market is determined by using valuation methods. These valuation methods maximise the use of observable data where available, and are based as little as possible on own estimates. The instrument is included in level 2 if all essential data are based on observable market data.

The instrument is included in level 3 if one or more essential data are not based on observable market data.



## Quarterly outline

[1.000.000 NOK]	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Gross premiums written</b>	<b>412,8</b>	<b>721,8</b>	<b>1.912,2</b>	<b>325,3</b>	<b>366,5</b>	<b>635,8</b>	<b>1.515,8</b>	<b>281,8</b>	<b>341,8</b>	<b>542,2</b>	<b>1.208,6</b>
Gross premiums earned	825,9	873,0	782,9	698,7	719,9	706,1	666,3	593,7	591,5	590,9	530,7
Gross claims incurred	(775,5)	(781,4)	(707,7)	(617,0)	(585,2)	(518,7)	(562,8)	(451,6)	(457,7)	(473,2)	(472,0)
Earned premiums, net of reinsurance	692,3	720,4	631,6	535,1	562,4	560,5	518,0	453,4	458,0	460,7	403,2
Claims incurred, net of reinsurance	(618,8)	(679,0)	(610,0)	(475,7)	(461,5)	(467,9)	(455,9)	(337,7)	(370,6)	(387,8)	(343,5)
Net commission income	8,6	34,3	85,3	15,6	0,7	20,5	76,0	4,5	7,2	23,8	62,8
Operating expenses	(62,0)	(30,7)	(33,2)	(56,9)	(37,8)	(40,4)	(46,8)	(42,0)	(44,1)	(31,1)	(41,5)
Other income/costs	(10,3)	(10,6)	3,4	(4,4)	(3,0)	(3,0)	(3,0)	(2,0)	(3,1)	(2,7)	(2,4)
Net financial income	160,7	220,5	(31,9)	152,8	(19,9)	48,7	122,2	13,6	27,9	111,6	83,8
<b>Profit before tax</b>	<b>170,5</b>	<b>254,9</b>	<b>45,2</b>	<b>166,5</b>	<b>40,7</b>	<b>118,4</b>	<b>210,5</b>	<b>89,8</b>	<b>75,3</b>	<b>174,5</b>	<b>162,4</b>
Tax	(27,3)	(31,1)	(28,6)	(16,4)	6,7	(19,5)	(42,7)	(6,8)	(21,0)	(33,4)	(38,8)
<b>Profit before components of comprehensive income</b>	<b>143,2</b>	<b>223,8</b>	<b>16,6</b>	<b>150,1</b>	<b>47,4</b>	<b>98,9</b>	<b>167,8</b>	<b>83,0</b>	<b>54,3</b>	<b>141,1</b>	<b>123,6</b>
Components of comprehensive income	(13,0)	(1,5)	(9,2)	2,8	15,1	13,8	(7,7)	(20,4)	(2,5)	(4,0)	(6,0)
Taxes on components of comprehensive income	3,4	0,4	2,3	0,9	(5,7)	(1,6)	-	5,5	0,7	1,1	1,6
<b>Profit for the period</b>	<b>133,6</b>	<b>222,7</b>	<b>9,7</b>	<b>153,8</b>	<b>56,8</b>	<b>111,1</b>	<b>160,0</b>	<b>68,1</b>	<b>52,5</b>	<b>138,3</b>	<b>119,2</b>

### Key ratios

Claims ratio, net of ceded business	89,4%	94,3 %	96,6 %	88,9 %	82,1 %	83,5 %	88,0 %	74,5 %	80,9 %	84,2 %	85,2 %
Expense ratio, net of ceded business	7,7%	-0,5 %	-8,2 %	7,7 %	6,6 %	3,5 %	-5,6 %	8,3 %	8,1 %	1,6 %	-5,3 %
<b>Combined ratio, net of ceded business</b>	<b>97,1%</b>	<b>93,7 %</b>	<b>88,3 %</b>	<b>96,6 %</b>	<b>88,7 %</b>	<b>87,0 %</b>	<b>82,4 %</b>	<b>82,7 %</b>	<b>89,0 %</b>	<b>85,8 %</b>	<b>79,9 %</b>
Gross claims ratio	93,9%	89,5 %	90,4 %	88,3 %	81,3 %	73,5 %	84,5 %	76,1 %	77,4 %	80,1 %	88,9 %
Gross expense ratio	9,1%	5,1 %	6,1 %	9,6 %	6,4 %	6,7 %	7,5 %	8,2 %	8,4 %	6,0 %	8,1 %
<b>Gross combined ratio</b>	<b>103,0%</b>	<b>94,6 %</b>	<b>96,5 %</b>	<b>97,9 %</b>	<b>87,6 %</b>	<b>80,2 %</b>	<b>92,0 %</b>	<b>84,3 %</b>	<b>85,7 %</b>	<b>86,1 %</b>	<b>97,0 %</b>