



Q4 2016 PRESENTATION

28 February 2016

Espen Husstad, CEO
Bård Standal, CFO

i n s r

Disclaimer

This presentation may contain forward-looking statements which are based on our current expectations and projections about future events. The terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. All statements other than statements of historical facts included in this presentation, including statements regarding our future financial position, risks and uncertainties related to our business, strategy and our plans and objectives for future operations, may be deemed to be forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this presentation, and we do not intend and do not assume any obligation to update any statements set forth in this presentation.

Established player in an industry with high entry barriers and attractive dynamics

Flexible and agile business model supporting challenger position

i n s r
u r e

Management with proven track record and extensive insurance expertise

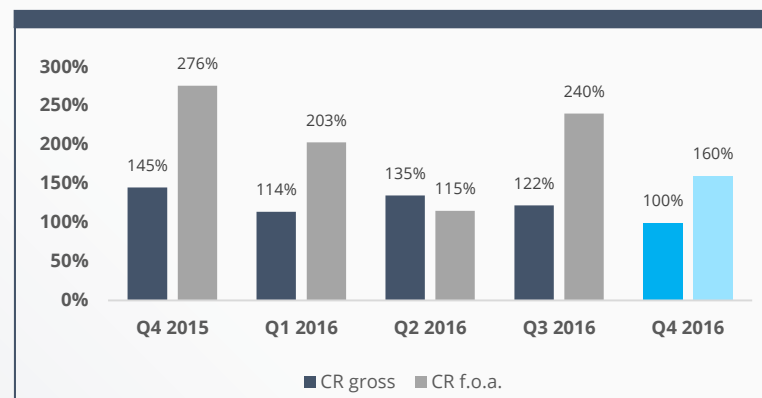
Financially and operationally restructured; ready for disciplined growth

Fourth quarter highlights

- Operational and capital restructuring program ahead of plan providing the company with strategic flexibility and accelerating the strategic transformation to wholesale insurer
 - 2018 cost target will be achieved already in 2017
 - Pricing measures and portfolio pruning proving effective
 - New capital raised in February 2017
- Fourth quarter 2016 results significantly impacted by non-recurring expenses
- Complete top management team in place

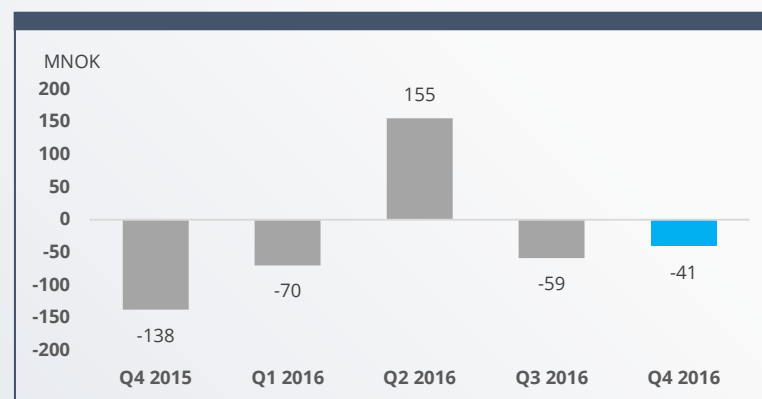
Q4'16 impacted by ongoing restructuring activities

COMBINED RATIO



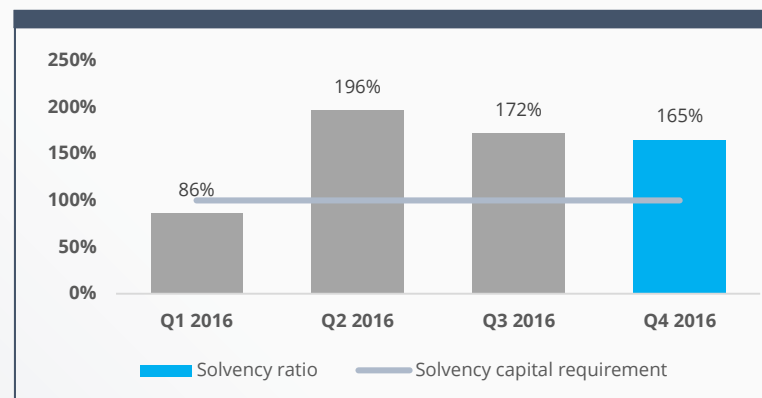
- Continued focus on restructuring and optimizing corporate organization – further measures implemented during Q4'16
- Earnings negatively impacted by non-recurring items

PROFIT/LOSS FROM OPERATIONS



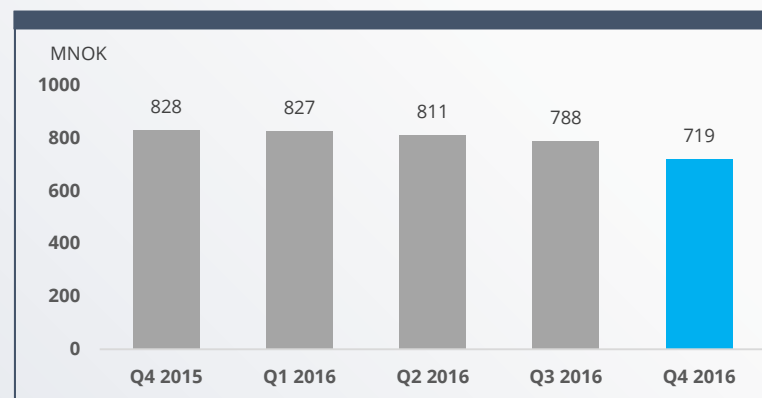
Solvency and portfolio developed as expected

SOLVENCY RATIO¹



- Solvency ratio significantly above target of 130%
- Portfolio reflecting restructuring of distribution and profitability actions

PORTFOLIO



1) Solvency ratio is calculated and reported for Insr Insurance Group ASA.

A wide-angle photograph of a sunset over a large body of water. The sky is a mix of orange, yellow, and light blue, with some clouds. The water is calm, reflecting the colors of the sky. In the distance, two people are on paddleboards. The horizon is low, showing some distant landmasses.

Financial review

i n s r

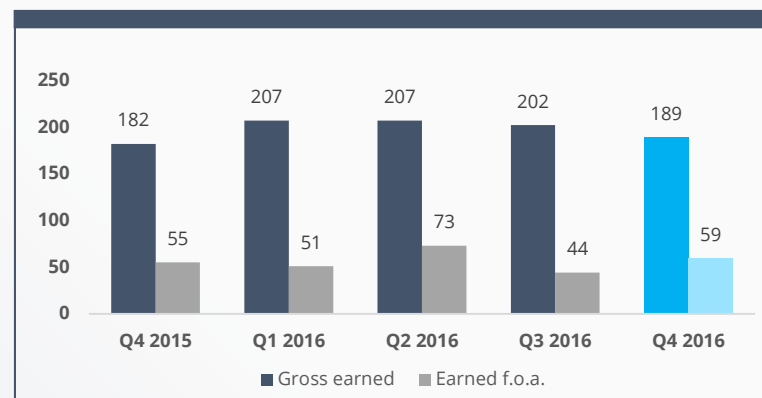
Q4'16 earnings impacted by restructuring costs

MNOK	Q4 2016	Q4 2015 ¹	FY 2016	FY 2015 ¹
Loss from operations	(41.4)	(138.1)	(23.7)	(276.8)
Non-recurring items	(46.3)			
Premiums earned f.o.a.	58.9	55.1	227.2	209.9
Gross premiums earned	188.9	182.1	804.6	751.7
Gross premiums written	177.2	246.1	723.9	846.9
Claims incurred f.o.a.	(19.5)	(53.0)	(158.9)	(189.7)
Gross incurred claims	(87.8)	(133.7)	(615.4)	(683.5)
Operating expenses f.o.a.	(74.6)	(99.1)	(228.0)	(224.4)

¹⁾ Numbers have been restated and are excluding Sweden.

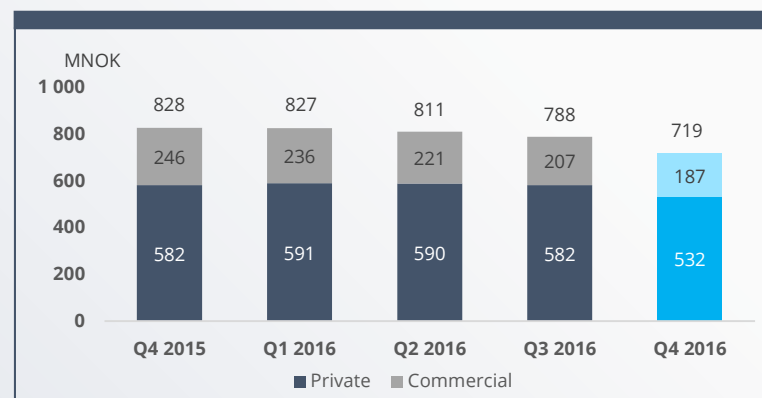
Planned reduction of sales activities and portfolio optimization

PREMIUMS - GROSS EARNED & EARNED F.O.A.



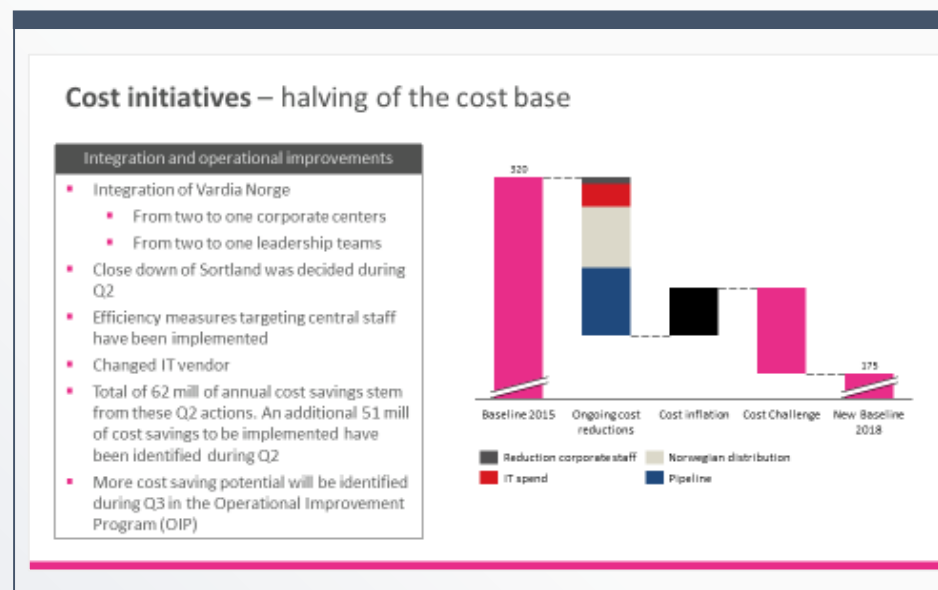
- Earned premiums impacted by shift in strategic focus
- Pruning and pricing measures proving effective

PORTFOLIO BY CUSTOMER SEGMENT



2018 cost target will be achieved in 2017, one year ahead of plan

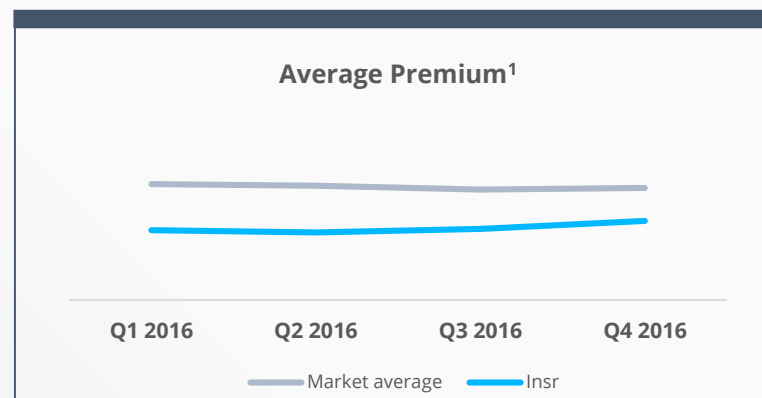
OPERATIONAL IMPROVEMENT PROGRAM¹



- Full-year 2017 cost forecast is below the 2018 target
- Completed deliveries
 - From six to two site locations
 - Headcount reduced from approx. 330 to 100 during 2016
 - IT vendor change completed
 - Further cost reductions realized through full vendor review

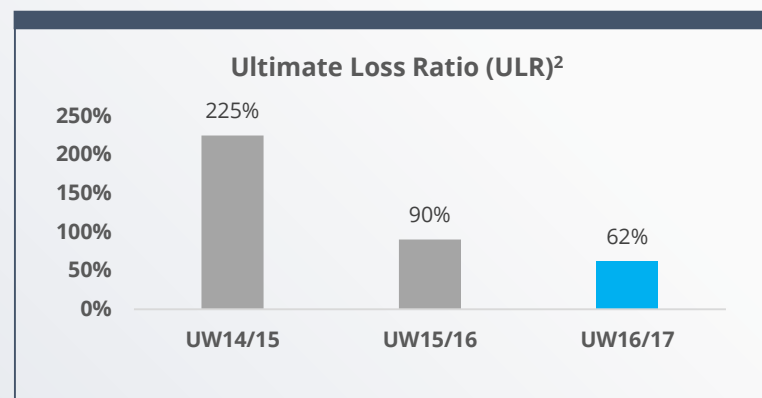
Price and pruning measures improving portfolio

INCREASING AVERAGE PREMIUM



- Price adjustments reduced gap to market prices
- Effects from portfolio pruning increasingly materializing

PRUNING IMPROVING EXISTING PORTFOLIO

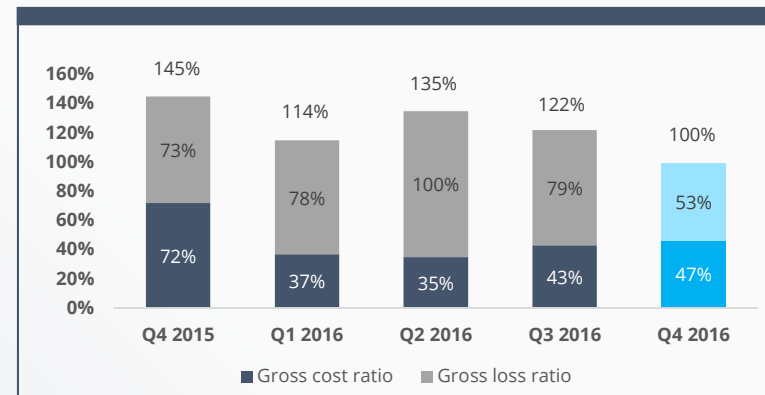


1) Weighted average of motor and property CL. Market average is calculated based on Finance Norway statistics

2) ULR (incl. IBNR) for Commercial Lines Property Portfolio in Norway

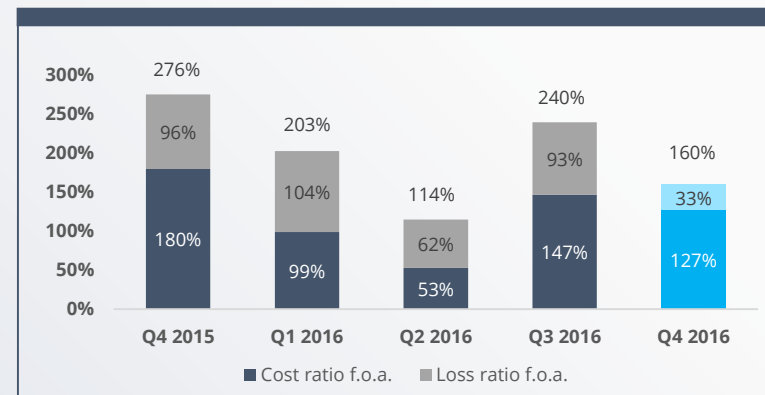
Significant improvement in combined ratio f.o.a.

GROSS COMBINED, COST AND LOSS RATIO



- Gross combined ratio impacted by earlier vintages
- Combined ratio f.o.a. improved by lower claims provisions, partly offset by non-recurring expenses

COMBINED, COST AND LOSS RATIO F.O.A.



Strategic flexibility established

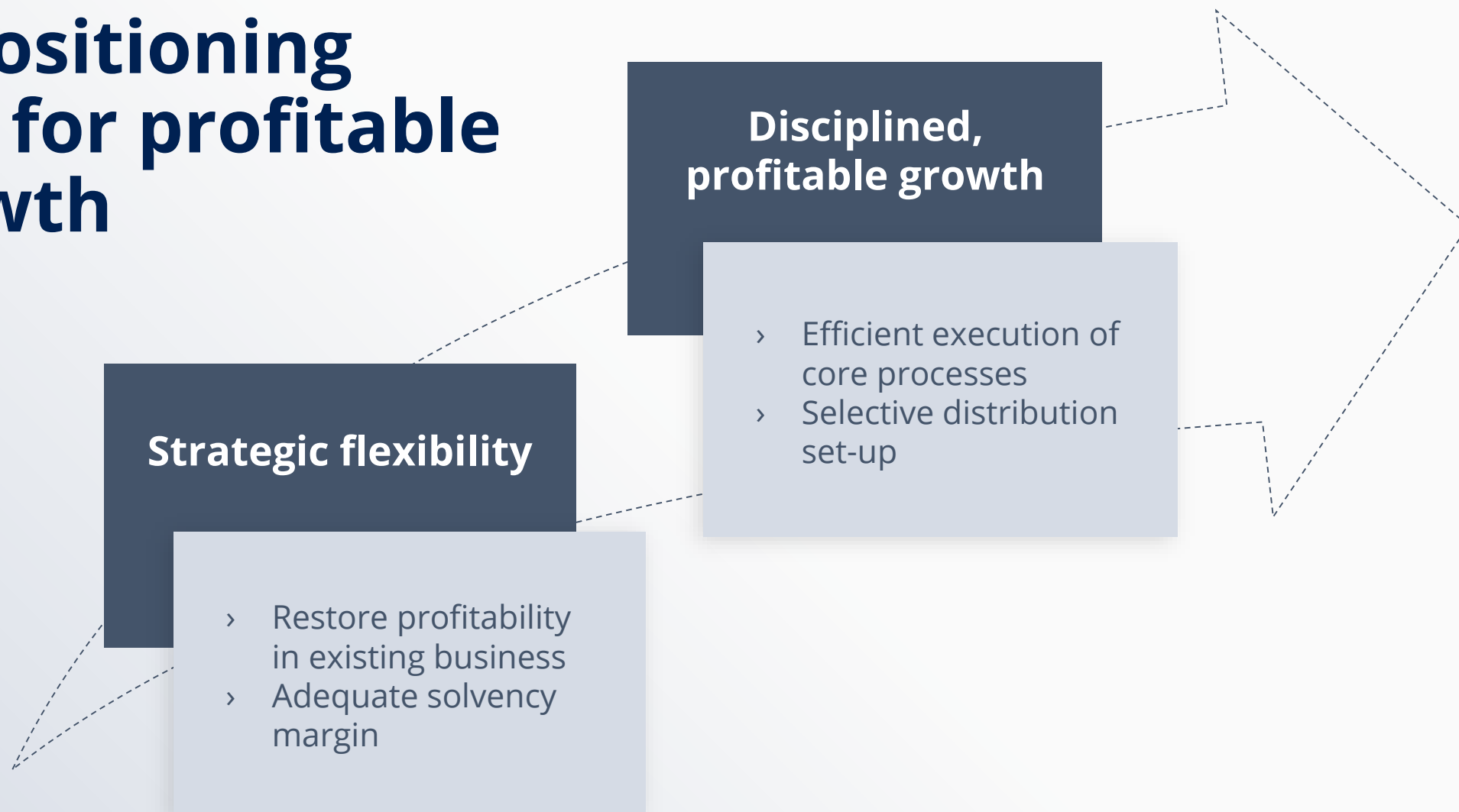
Strategic objective	Completed Q1 – Q3	Completed Q4/ongoing
Restoring solvency and providing financial headroom	<ul style="list-style-type: none"> ✓ Swedish portfolio divested 	<ul style="list-style-type: none"> ✓ New funds raised (Q1 2017)
Efficient distribution channels	<ul style="list-style-type: none"> ✓ Norwegian distribution acquired ✓ Molde and Sortland sales offices closed 	<ul style="list-style-type: none"> ✓ Established Danish operations as an external agency ✓ Hamar sales office closed
Lean organisational structure	<ul style="list-style-type: none"> ✓ New exec. management ✓ Co-location of corp. centers ✓ Staff reduction in Porsgrunn 	<ul style="list-style-type: none"> ✓ Significant staff reduction at headquarter in Oslo ✓ Additional staff reduction in Porsgrunn
Competitive cost base	<ul style="list-style-type: none"> ✓ New IT vendor ✓ Increased internal claims handling 	<ul style="list-style-type: none"> ✓ Completed restructuring of in-house sales ✓ Significant restructuring of customer service organization
New market positioning	<ul style="list-style-type: none"> ✓ Pricing and pruning measures ✓ Shift in customer segmentation, targeting and positioning 	<ul style="list-style-type: none"> ✓ Customer segmentation and target list created ✓ Recruitment within sales, risk and analysis

A wide-angle photograph of a sunset over a large body of water. The sky is a mix of orange, yellow, and light blue, with some clouds. The water is calm, reflecting the colors of the sky. In the distance, two people are on paddleboards. The horizon is low, showing some distant landmasses.

Concluding remarks

i n s r

Repositioning Insr for profitable growth



Summary & outlook

- Operational and capital restructuring program ahead of plan
 - 2018 cost target will be achieved already in 2017
 - Pricing measures and portfolio pruning proving effective
 - New capital raised in February 2017
- Fourth quarter 2016 results significantly impacted by non-recurring expenses
- Complete top management team in place
- Loss ratio expected to improve going forward
- Portfolio decline to continue during the next quarters
- Forecast solvency ratio > 200% through 2017

i n s r . i o

i n s r