



Insr Restricted Tier 1

Company presentation, Roadshow October 2018



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Introduction to Insr

Insr in brief



Norwegian company, listed Oslo Stock Exchange
2014



Non-life insurance; property & casualty; retail & SME
Portfolio Q2 '18 NOK 1.40 bn



Currently operating in Norway and Denmark



Equity NOK 437 mn and balance sheet NOK 2.4 bn



Solvency ratio 161 %



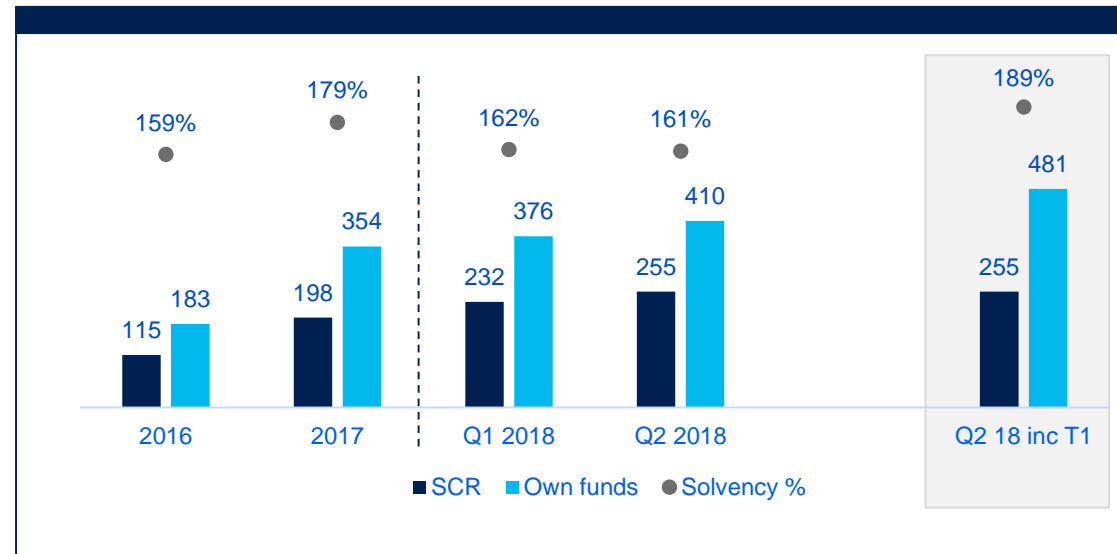
Market Cap (share @ NOK 7.00) NOK 0.95 bn



Approximately 150 colleagues

Securing a strong capital base and an efficient capital structure

SOLVENCY CAPITAL DEVELOPMENT*

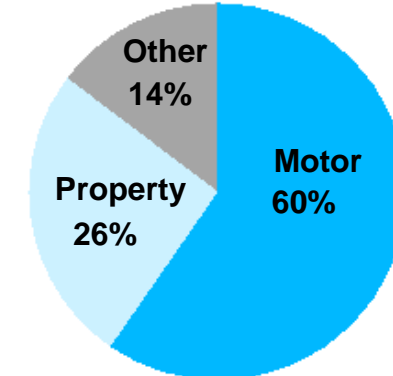
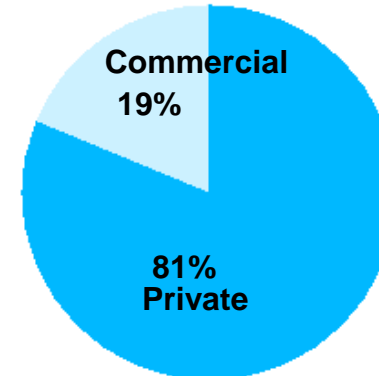
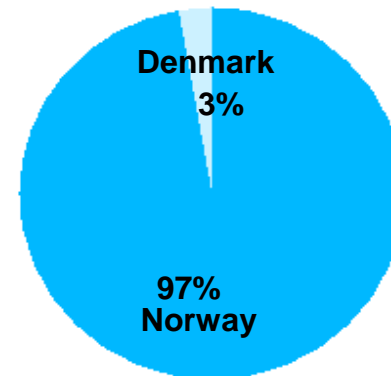


- Pro forma Q2 solvency ratio 189 % post issue of NOK 75mn of Restricted Tier 1 Capital
 - Pro forma surplus capital above requirement NOK 226mn
- Strengthens capital position in a cost efficient manner allowing for profitable growth
 - Strong pipeline of attractive growth opportunities
 - Potential to further reduce quota reinsurance from current 50%
- Proven ability of capital raising and backed by strong owners
 - Raised 500m+ equity in 2017 to reduce quota reinsurance & acquire Nemi
 - Strong owners, including Investment AB Öresund with a history of supporting Insr, and HDI / Talanx, one of Europe's largest insurers

Business

Partnerships & cooperation
core business model

Wholesale & tied agents

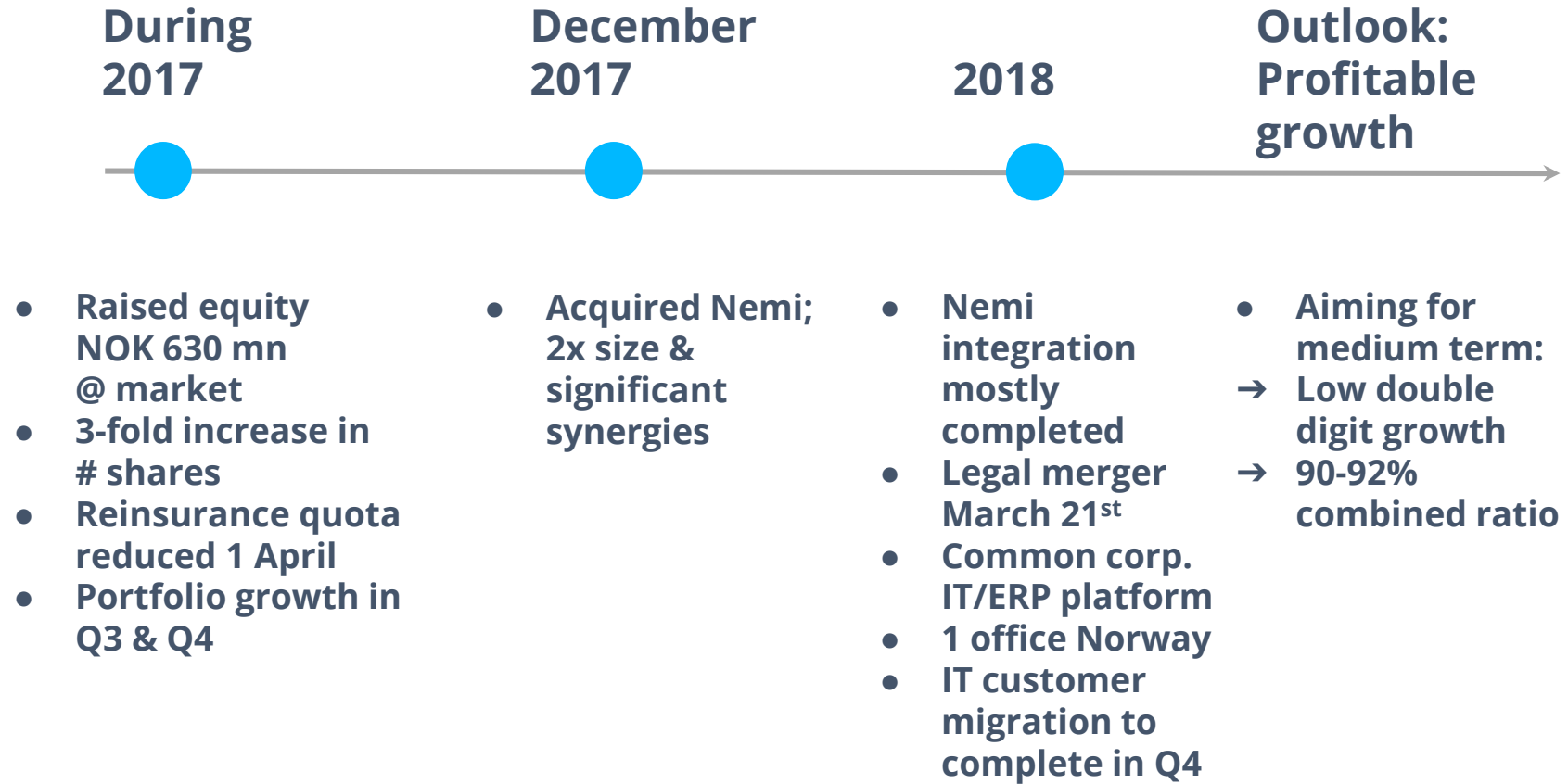


- Distribution strategy highly flexible, supports growth
 - No longer Vardia's costly customer acquisition model
- Wholesale partner types:
 - Associations, Companies (e.g. power & retail), Aggregators & Web services (e.g. finance & bank-sites)

Total makeover

Critical mass achieved

Company restructured 2015 - 2017



Experienced Management & BoD



Espen Husstad, CEO

Espen Husstad has been CEO of Insr since Oct 2015. Husstad has extensive experience in the insurance industry. Before joining Insr, he was CEO of AON Norway from 2008. Husstad has also held several senior positions in If P&C. He has a doctorate in mathematics.



Ingvild Gråberg, EVP Insurance Delivery

Ingvild Gråberg has been EVP Insurance Delivery since Jan 2018. Prior to this, she was EVP Corporate Services since 2016. Gråberg has 17 years experience in the insurance industry, including leader for Broadspire Norway Crawford & Company, and responsible for several products in Storebrand Life Insurance. She has a master from BI.



Bård Standal, CFO

Bård Standal has been CFO of Insr since 2016. Prior to joining Vardia, Standal was SVP of Finance in the Orkla Group, SVP of Strategy at Statkraft and Legal director of Statoil Fuel & Retail. He has held management positions in If P&C including Head of Ifs agent distribution network. Standal has a master in law from the University of Oslo and an MBA from NHH.



Linda Mulehamn, EVP Corporate Insight

Linda Mulehamn has been EVP Corporate Insight since Dec 2017. Before this, Mulehamn was Head of Price and Product in Nemi since 2015. She also has 15 years of insurance experience, mainly from analytics positions in If P&C. She has a master in industrial mathematics from NTNU, an actuarial degree from the University of Oslo, and an MBA from BI.



Cathrine Christiansen, EVP Wholesale

Cathrine Christiansen has led the business to business sale in Insr since Jan 2017, and was included in the management team Dec 2017. Christiansen has more than 15 years experience from the insurance industry, much of the time managing commercial teams and developing strategy in Aon. She has a master in engineering from NTNU.



Terje Løyning, EVP Corporate Services

Terje Løyning has been EVP Corporate Services in Insr since Jan 2018. Løyning has had a range of managerial roles in Nemi Forsikring since 2007. Prior to this, he worked as a lawyer, and he also has experience from Storebrand and from teaching at university level. He has law degree from the University of Oslo.

Chairman of the Board of Directors:
Board Members:

Åge Korsvold
Ragnhild Wiborg, Mernosh Saatchi, Øystein Engebretsen, Ulf Spång,
Christoffer Rudbeck and Benedicte Gedde-Dahl

Company values

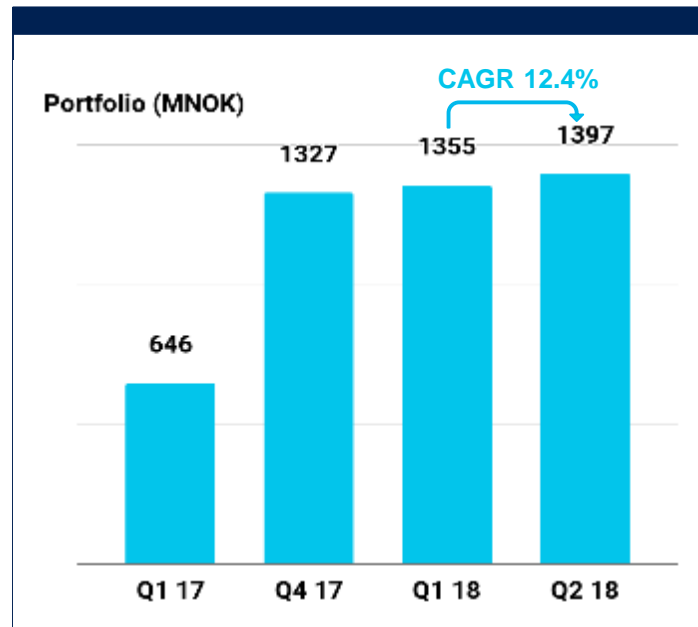
Transparent
Accountable
Challenger
Collaborative



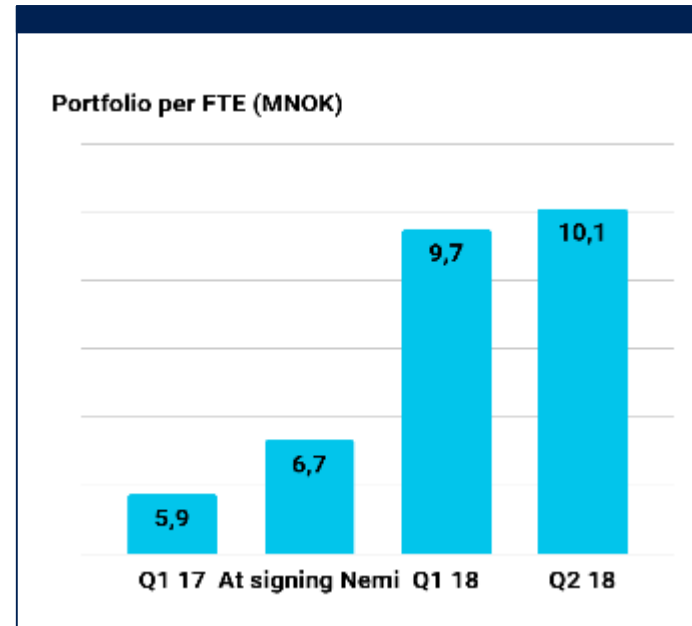
Financial Highlights Q2 2018

Step change materializing

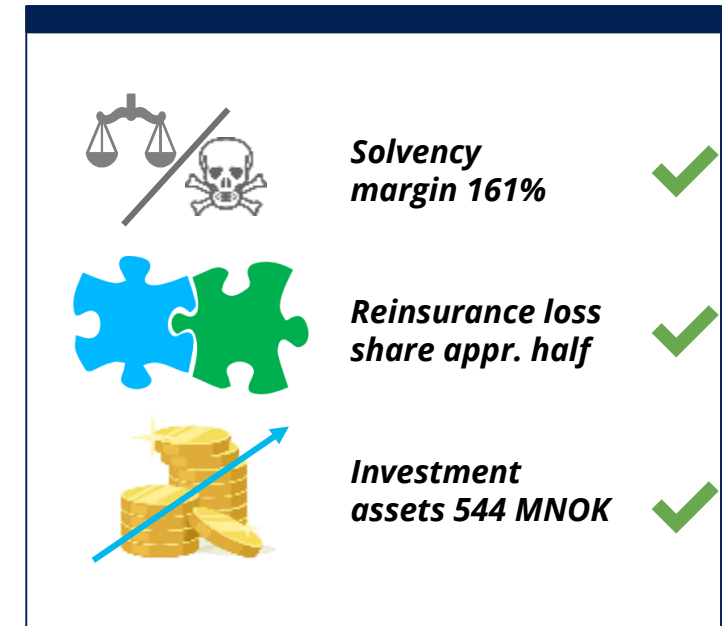
LOW DOUBLE DIGIT GROWTH



LEANER OPERATIONS*



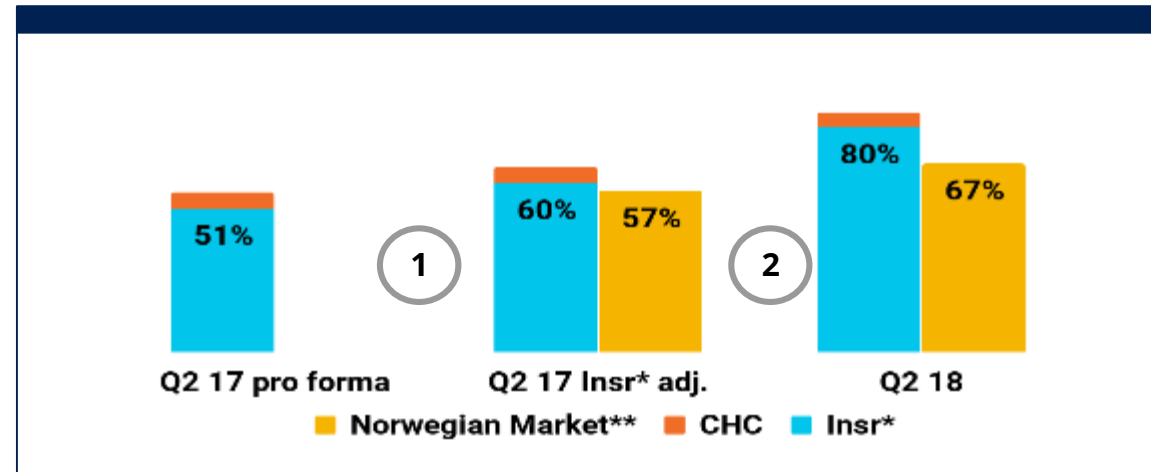
EFFICIENT CAPITAL STRUCTURE



*) Pro forma figures combining Legacy Insr and Nemi at signing of Nemi transaction

Q2 18 Loss ratios worse across market

GROSS LOSS RATIO



- 1 Higher run-off gains in Nemi Q2 2017
- 2 Adverse development in the whole market
 - Spill-over from harsh and late winter
 - Continued motor claims inflation

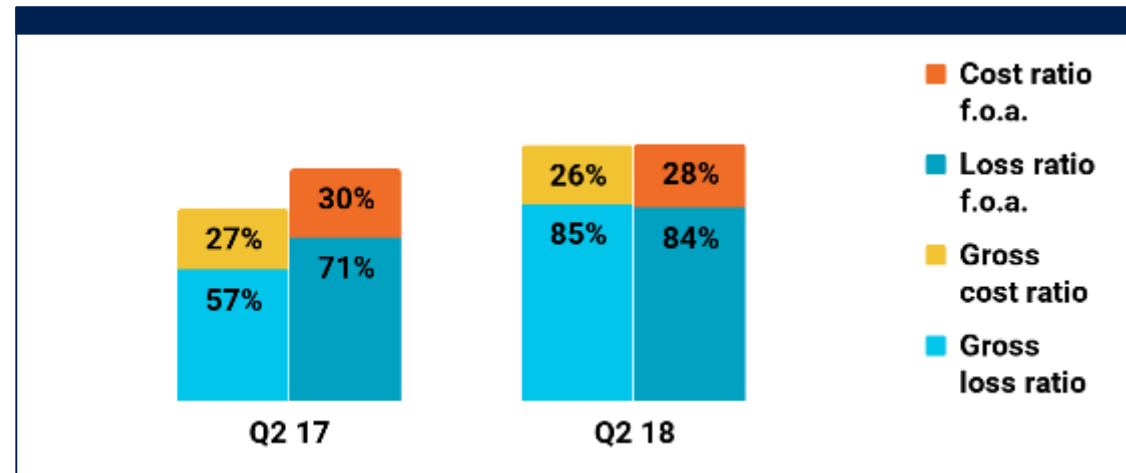
*)

**)

*Pro forma figures combining Legacy Insr and Nemi for Q2 '17, deducting claims handling costs (CHC)
 Weighted average of Sparebank 1 Skadeforsikring, Gjensidige Private and Commercial, If Norway (ex. claims handling cost)
 Not adjusted for run-off*

Reinsurers take around half the loss

COMBINED RATIO*



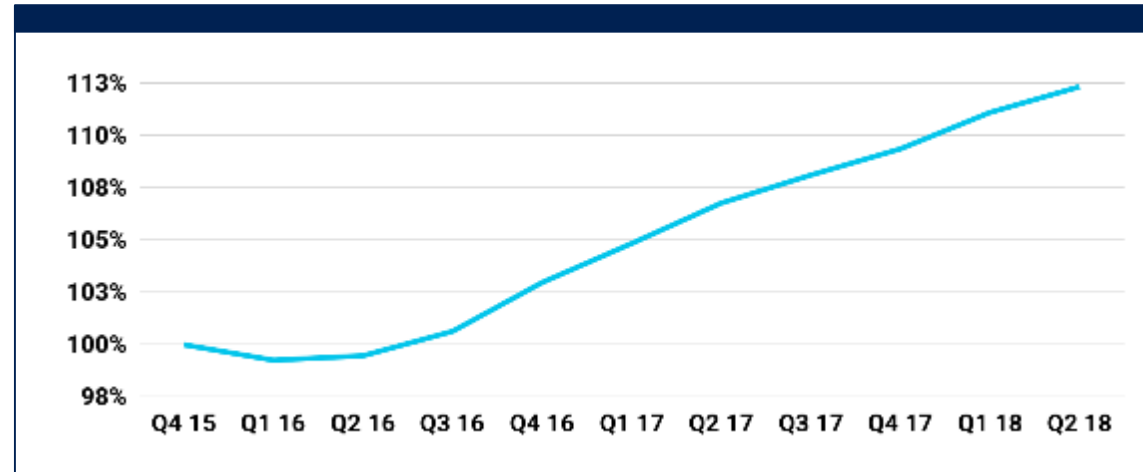
- Combined f.o.a. ratio in line with gross
 - Improved reinsurance contracts
 - Cost ratio approaching reinsurance commission
- Q2 17: Reinsurers got 56 MNOK profit, Insr only 1 MNOK**
- Q2 18: Reinsurers share loss evenly with Insr

*) Pro forma figures combining Legacy Insr and Nemi for Q2 '17

***) Pro forma net underwriting result

Well on the way with price measures

VARDIA PRIVATE MOTOR AVERAGE PREMIUM indexed to Q4' 15



- Proven track-record of significant price increases
- Repricing Nemi and partners similarly
- Additional churn not observed; clear sign of price increases in the whole market

Q2 '18 consolidated statement



<i>(MNOK)</i>	Q2 2018	Pro forma Q2 2017 ³	YTD 2018	Pro forma YTD 2017 ³	Pro forma FY 2017 ³
Gross premium earned ¹	343.4	329.8	684.1	666.9	1 341.0
Gross claims incurred	(291.9)	(185.3)	(587.3)	(444.3)	(946.7)
Sales costs	(41.5)	(41.1)	(81.9)	(76.3)	(194.3)
Administration costs	(46.6)	(46.4)	(98.3)	(109.4)	(353.7)
Gross underwriting result	(36.7)	57.0	(83.4)	37.0	(153.6)
<i>Gross to net adjustment</i>					
Reinsurance share of premium	(186.0)	(229.5)	(376.2)	(484.3)	(922.6)
Reinsurance share of claims	161.4	116.1	340	303.1	618.2
Commissions received	44.4	58.2	86.1	117.1	212.4
Reinsurers' result	(19.8)	55.6	(40.9)	64.1	92.0
Net underwriting result	(16.9)	1.4	(42.5)	(27.1)	(245.6)
Investment return	1.9	2.9	3.7	4.6	5.0
Other items ²	(2.4)	(0.0)	(3.4)	(2.4)	(36.8)
Net result	(17.4)	4.3	(42.2)	(24.8)	(277.4)
Solvency ratio	161%	211%			

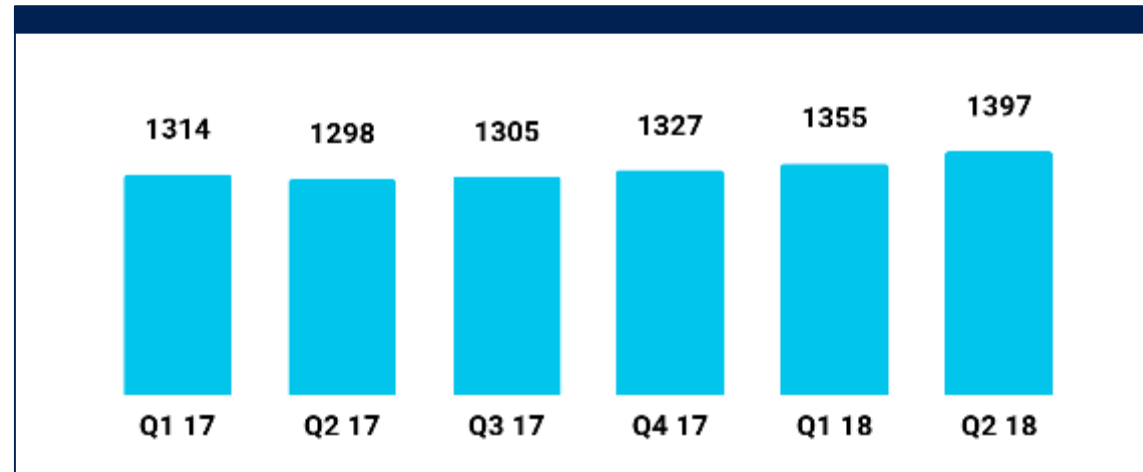
1) Includes other insurance related income

2) Includes interest paid, currency effects, unexpired risk, other income and costs

3) See note in Q2 Report on calculation of pro forma figures

Portfolio Growth

PORTFOLIO DEVELOPMENT (Pro Forma Q1 - Q3 2017)

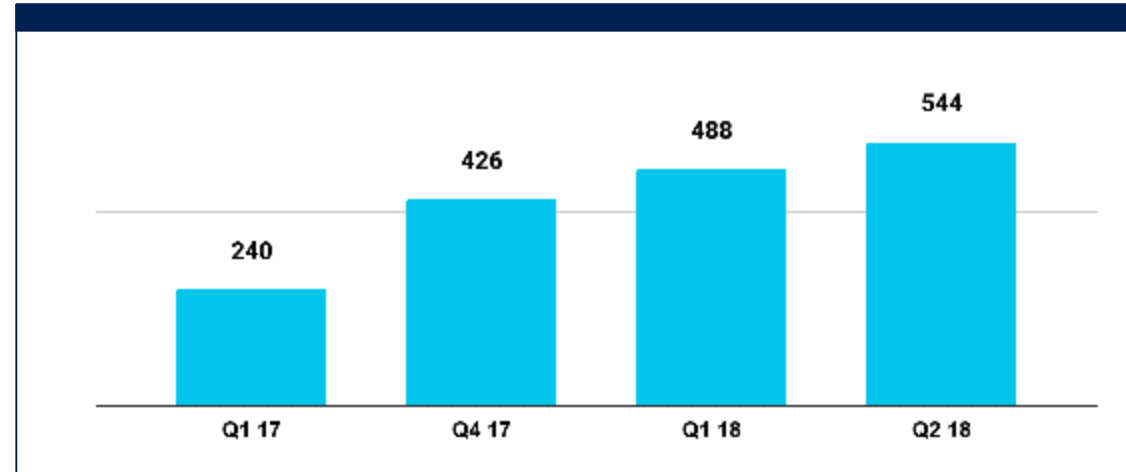


- Growth continues; 4th consecutive quarter
 - Despite ongoing repricing
 - Despite organisational focus on migration
- Premium portfolio grew 3.1%
 - Annualised 12.4%

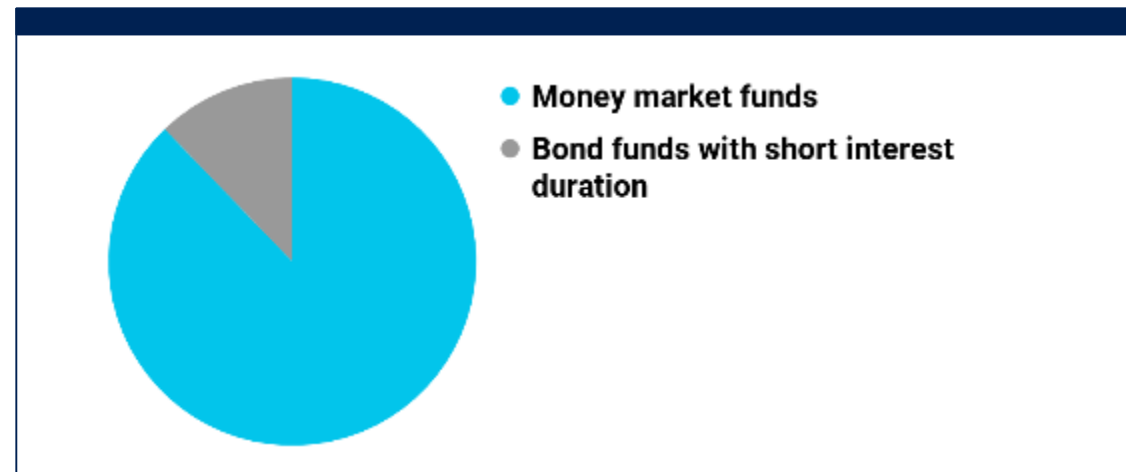
Investment portfolio growing

Q2 return
1.9 MNOK;
Annualised
1.3%

INVESTMENT ASSETS



INVESTMENT PORTFOLIO MIX

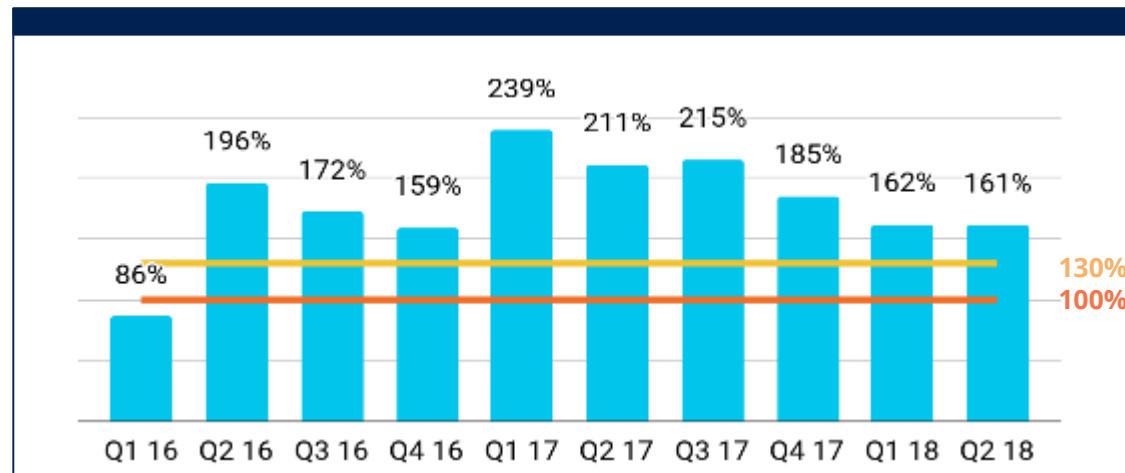


Solvency ratio 161%

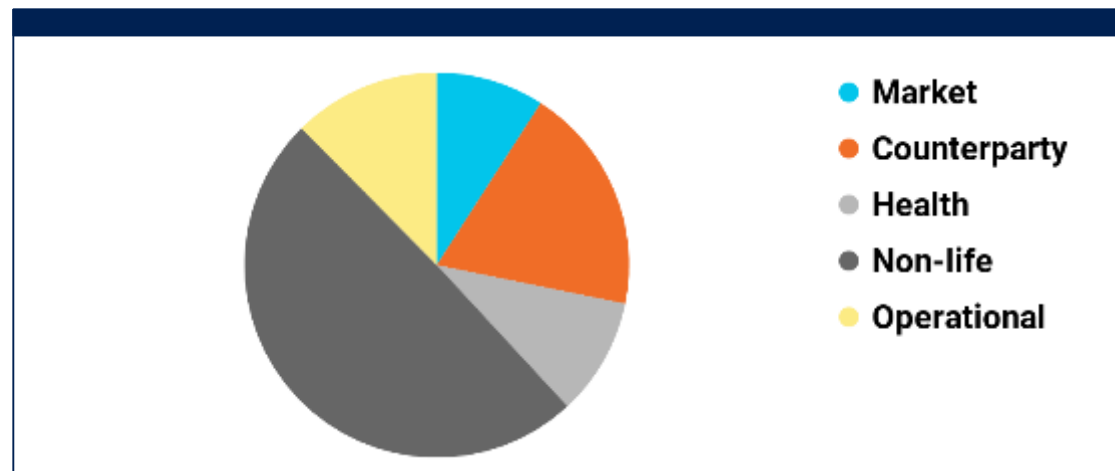
SOLVENCY CAPITAL (MNOK)

Tier 1	283
Tier 2	98
Tier 3	29
Available capital	410
- SCR	- 255
Surplus capital	155

SOLVENCY RATIO DEVELOPMENT*



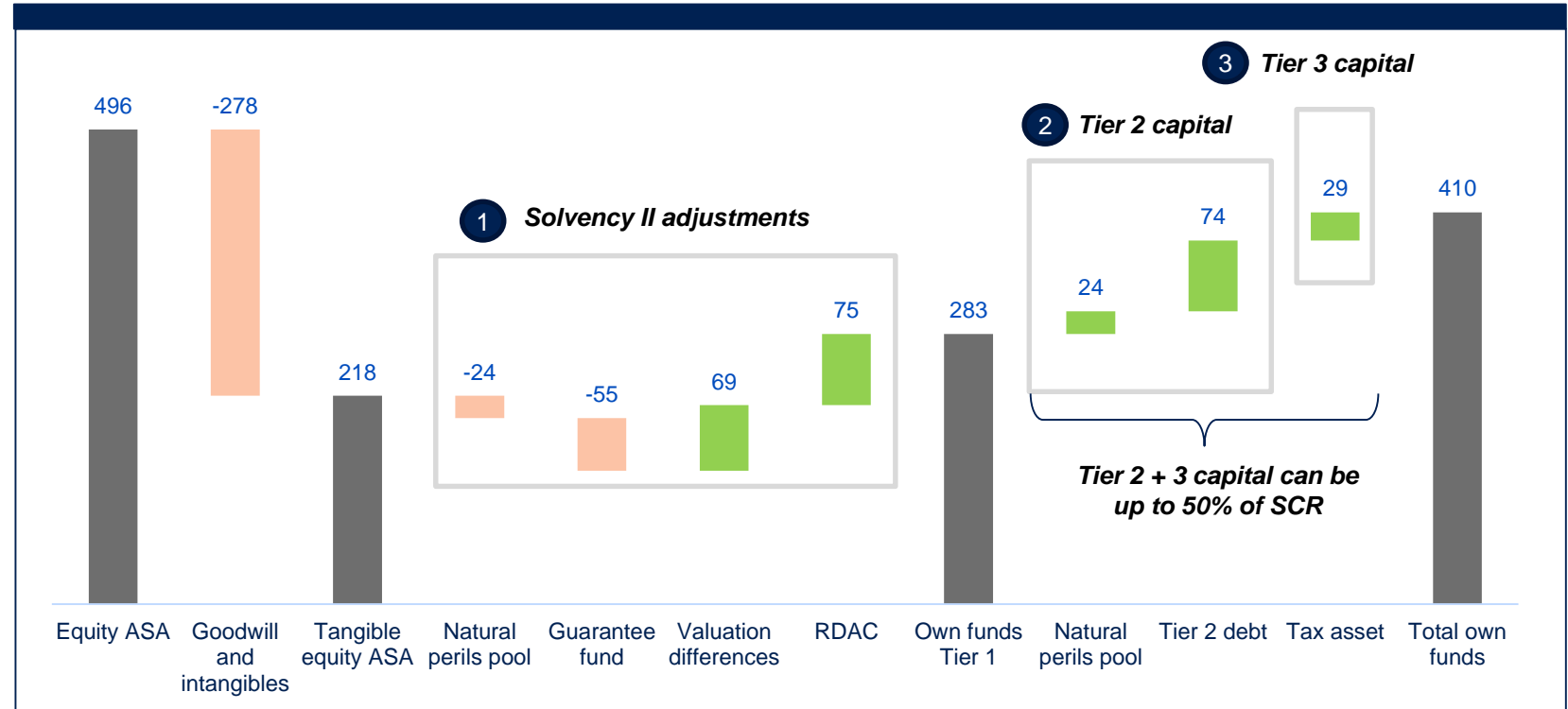
SOLVENCY CAPITAL REQUIREMENT (SCR): 255 MNOK



*) The solvency ratios are the solvency ratios reported to the Norwegian FSA. These are for Insr Insurance Group ASA, with the exception of Q4 '17, when Group solvency was reported.

Solvency Capital

Reporting solvency capital at the parent company level



- 1 Differences between IFRS and solvency balance sheet, as solvency regime includes expected value of future cash flow, excluding unmarketable assets
 - Valuation differences on insurance related liabilities and assets
 - RDAC is unearned reinsurance commissions, cash already received
- 2 Natural perils pool capital, part of equity under IFRS, counts as Tier 2 capital
- 3 Carry forward tax loss can be included as Tier 3 capital, which can be up to 15% of SCR



Strategy & Outlook

Strategic Platform:

The regulated insurance company

Nemi fits multi-brand strategy



Being regulated is complex, expensive & capital intensive

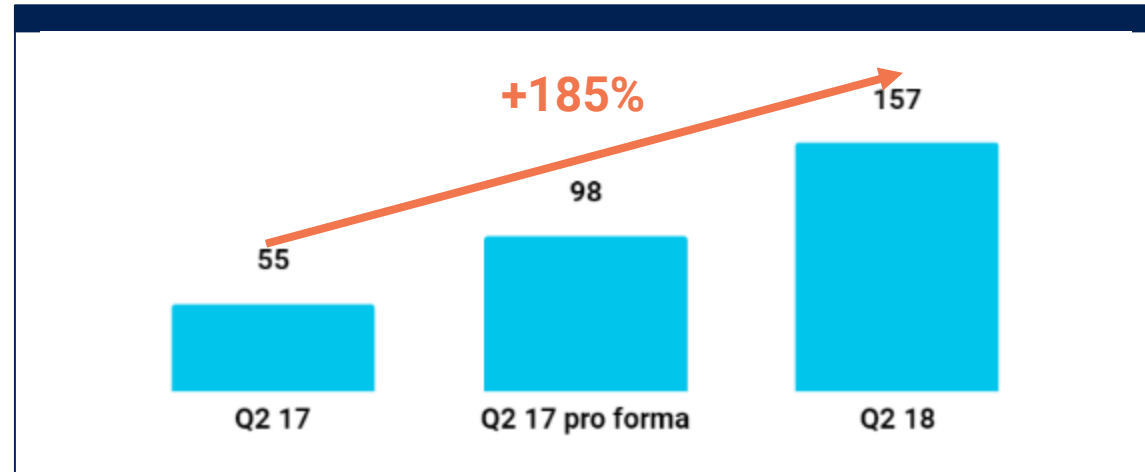
- Partners avoid this complexity and focus on end-consumer
- Insr is the insurance specialist & risk carrier
- Insr business model adapt to & accelerate value chain break-up

Wholesale distribution

- Plug and play insurance solutions; flexible insurance concepts & cooperation models
- Partners handle retail distribution

**Tripled
own
topline
year on
year**

NET EARNED PREMIUM (MNOK)



Organic growth, financial restructuring and M&A:

- Wholesale strategy
- Revised reinsurance programme
- Nemi acquisition

Continued progress

MEDIUM TERM TARGETS

Portfolio growth	Low double digit
Gross combined ratio	90 - 92%
Solvency ratio	Above 130%

- Q2 key takeaways
 - Low double digit growth
 - Integration on track
 - Efficient capital structure
 - Harsh winter and underlying claims inflation still affecting results
 - Price increases in the market
- Outlook
 - Low double digit growth within reach already in 2018
 - Nemi integration to complete in Q4 2018

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

Flexible and agile business model supporting challenger position

i n s r . i o

Management with proven track record and extensive insurance expertise

Financially and operationally restructured; ready for disciplined growth

Appendix

Restricted Tier 1 capital details

- Tier 1 capital may consist of unrestricted (i.e. equity) and restricted Tier 1 own funds (i.e. deeply subordinated debt)
- Restricted Tier 1 capital can make up at most 20% of total Tier 1 own-fund items
 - Excess Restricted Tier 1 capital may count as Tier 2 capital
- Interest payment on Restricted Tier 1 capital may be cancelled
 - Optionally at the discretion of the company
 - Mandatorily under conditions required by applicable regulations
- Restricted Tier 1 capital will absorb losses once there is significant non-compliance with the SCR or the MCR, and shall be written down in case any of the following conditions are met:
 - The amount of own-fund items eligible to cover the SCR is equal to or less than 75% of the SCR
 - The amount of own-fund items eligible to cover the MCR is equal to or less than the MCR
 - Compliance with the SCR is not re-established within a period of three months of the date when non-compliance with the SCR was first observed
- Under certain circumstances, if the company's solvency position develops positively, the regulator may permit reinstatement of written down capital