

INSR INSURANCE GROUP ASA

INTERIM REPORT

FIRST HALF AND SECOND QUARTER 2018

i n s r
u e

HIGHLIGHTS

- Insurance result impacted by long and hard winter
- Q2 Annualized volume growth 12.4% - low double digit growth target ahead of plan
 - Strong new sales activity and pipeline in Wholesale
 - Significant price measures and migration activities not adversely affecting own brand portfolio retention
- Step change in operations confirmed: Costs on lower trajectory and developing according to plan
- Insr Capital Structure well functioning
 - Reinsurance programme working well - reinsurers take around half the loss
 - Stable solvency margin of 161% (162% 31.03.18)
- Net result loss of NOK 17.4 million

CONSOLIDATED KEY FIGURES

<i>(MNOK except otherwise stated)</i>	Q2 2018	Q2 2017	Pro forma Q2 2017 ³	YTD 2018	Pro forma YTD 2017 ³	FY 2017	Pro forma FY 2017 ³
Gross premium earned ¹	343.4	157.6	329.8	684.1	666.9	716.4	1 341.0
Gross claims incurred	(291.9)	(103.6)	(185.3)	(587.3)	(444.3)	(499.6)	(946.7)
Sales costs	(41.5)	(26.7)	(41.1)	(81.9)	(76.3)	(136.0)	(194.3)
Administration costs	(46.6)	(21.4)	(46.4)	(98.3)	(109.4)	(230.8)	(353.7)
Gross underwriting result	(36.7)	5.9	57.0	(83.4)	37.0	(149.9)	(153.6)
<i>Gross to net adjustment</i>							
Reinsurance share of premium	(186.0)	(102.5)	(229.5)	(376.1)	(484.3)	(461.0)	(922.6)
Reinsurance share of claims	161.4	62.2	116.1	331.0	303.1	315.4	618.2
Commissions received	44.4	17.6	58.2	86.1	117.1	87.0	212.4
Reinsurers' result	(19.8)	22.6	55.6	(40.9)	64.1	58.6	92.0
Net underwriting result	(16.9)	(16.8)	1.4	(42.5)	(27.1)	(209.5)	(245.6)
Investment return	1.9	2.4	2.9	3.7	4.6	3.2	5.0
Other items ²	(2.4)	(0.0)	(0.0)	(3.4)	(2.4)	0.5	(36.8)
Net result	(17.4)	(14.4)	4.3	(42.2)	(24.8)	(205.8)	(277.4)
Solvency ratio	161%	211%				185%	

1) Includes other insurance related income

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

3) Pro forma figures calculated as the sum of reported figures for Nemi Forsikring AS and Insr for the given period. Nemi's 2017 financial reports are available here: <https://www.nemiforsikring.no/om-nemi-forsikring/finansiell-informasjon/>

Compared to the published quarterly reports for Nemi, sales cost figures and deferred tax treatment have been updated to reflect Insr's accounting principles used at year-end.

GROUP PERFORMANCE

(Figures in brackets in this section are pro forma figures for same period prior year unless otherwise stated.)

Results

Second quarter 2018

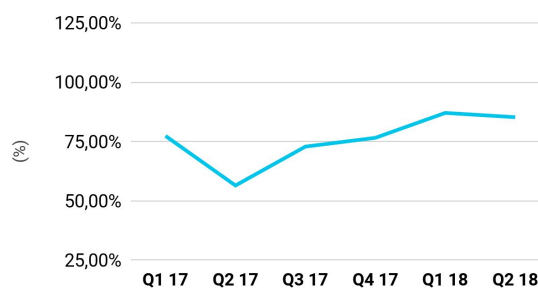
Insr Insurance Group ASA (Insr) reported a gross loss ratio for the second quarter of 85.3% compared to a pro forma loss ratio same quarter last year of (56.5%). The disappointing result reflects a prolonged winter. Winter spilling over into Q2 and continued impact of claims inflation for motor appears to also have affected the Norwegian market. We consider a significant part of this quarter's loss ratio to be temporary, and the effect of our significant ongoing pricing measures will gradually improve claims ratios into, and throughout, 2019.

Last year, both Nemi and Insr had fewer large losses than this year, and run-off gains are around NOK 30 million below same quarter last year. The balance sheet is stronger; claims reserves including IBNR are now 52% of premium compared to 51% after Q1 and 48% at the start of the year¹.

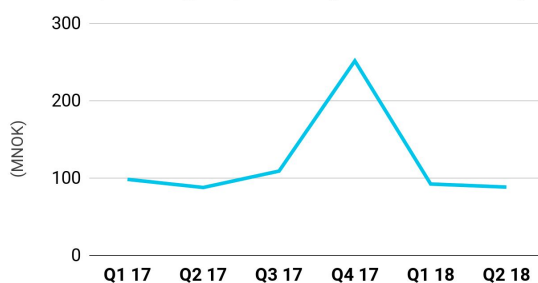
Gross cost ratio was 25.8%, compared to pro forma 26.7% for the second quarter last year, corresponding to gross operating expenses of NOK 88.2 million (NOK 87.5 million). Costs remain higher than they will be post migration, as substantial extra efforts are required to migrate and still run two business processes in many areas.

Gross combined ratio was 111.1% (83.2%). Combined ratio for own account was, like last quarter, similar to the gross ratio at 111.7% (100.6%), demonstrating the well-functioning

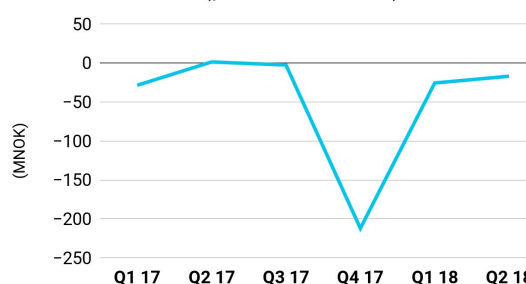
Gross loss ratio (pro forma 2017)



Gross operating expenses (pro forma 2017)



Technical result (pro forma 2017)



¹ Claims reserves + IBNR reserves divided by rolling 12-month earned premium

reinsurance programme, particularly in comparison to last year's programme. The overall loss YTD is evenly split between Insr and the reinsurance panel.

Technical result for the quarter was a loss of NOK 16.9 million (gain of NOK 1.4 million).

Net income from financial assets amounted to NOK 1.9 million (NOK 2.9 million) and net interest paid was NOK 1.1 million.

Net result for the quarter was a loss of NOK 17.4 million (gain of NOK 4.3 million), a loss per share of NOK 0.13.

Year to date 2018

Technical result for the first half of 2018 was a loss of NOK 42.5 million (loss of NOK 27.1 million). The deterioration has two main components, both related to insurance results; the harsh and long winter this year, and significant run-off gains in Nemi same period last year.

Result from operations was a loss of NOK 42.2 million (loss of NOK 24.8 million).

Premium income

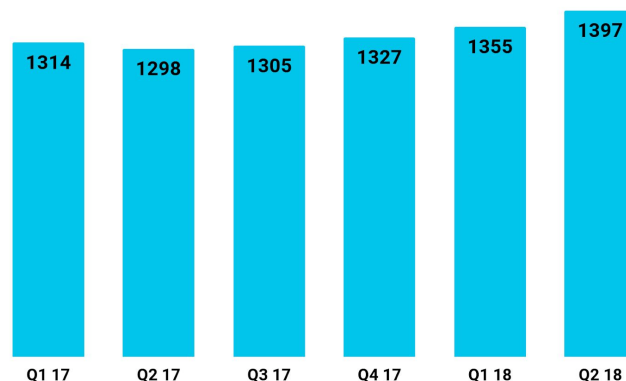
<i>(MNOK except otherwise stated)</i>	Q2 2018	Q2 2017	Pro forma Q2 2017	YTD 2018	Pro forma YTD 2017
Gross premium written	340.3	176.4	341.8	686.0	652.4
Norway	328.7	165.0	329.4	641.7	627.0
Denmark	11.6	12.4	12.4	24.3	25.4
Premium earned f.o.a.	156.0	54.7	98.3	304.9	178.3
Norway	144.4	51.6	95.2	280.6	172.1
Denmark	11.6	3.1	3.1	24.3	6.2
Portfolio	1 397.1	646.2	1 298.0		
Norway	1 353.2	595.8	1 247.6		
Denmark	43.9	50.4	50.4		

Second quarter 2018

Gross premium written amounted to NOK 340.3 million (NOK 341.8 million) during the second quarter.

Premium earned for own account grew significantly from second quarter last year, to NOK 156.0 million, compared to pro forma NOK 98.3 million second quarter 2017. Gross premium written is 2% lower than previous quarter, due to the renewal structure on Nemi's commercial insurance, whilst gross premium earned is up 0.5%

Portfolio development (MNOK, Pro Forma Q1 - Q3 2017)



from last quarter.

The portfolio as of June 30th, 2018 was NOK 1 397 million (NOK 1 298 million). This was the fourth consecutive quarter with organic growth. Growth from previous quarter was 3.1%, corresponding to an annualized growth rate of 12.4%. Annualised growth rate since 31.12.17 was 10.6%. This growth is driven by wholesale partnerships. In addition, churn in the direct portfolio is under control, despite ongoing migration efforts and steep price increases.

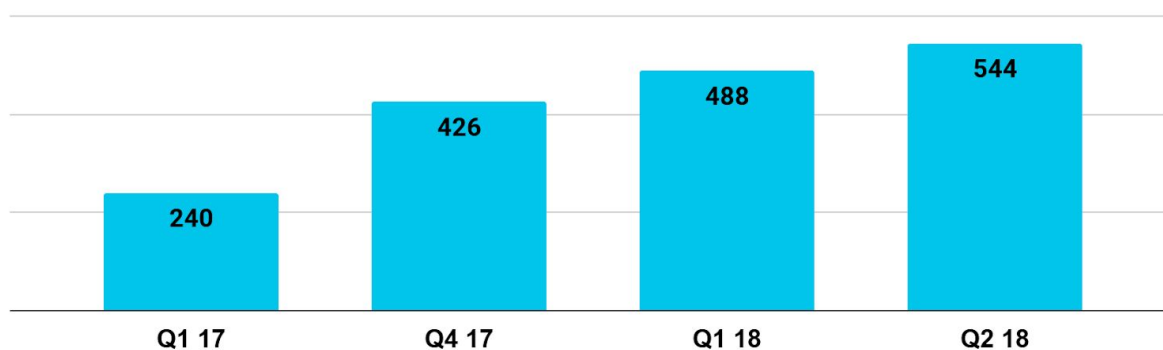
Year to date 2018

Gross premium written year to date was NOK 686.0 million (NOK 652.4 million), gross premium earned NOK 681.0 million (NOK 662.5 million), and premium earned for own account NOK 304.9 million (NOK 172.2 million). The portfolio growth over the past year is now starting to show in the gross earned premium, and the reduced reinsurance cession allows keeping a much higher premium for own account.

Investment income

Net income from financial assets amounted to NOK 1.9 million (NOK 2.9 million); an annualised return of 1.3% in the quarter. The investment portfolio growth continues.

Investment Portfolio Development (MNOK)



Year to date investment income was NOK 3.7 million.

Financial position and liquidity

(Figures in brackets in this section are figures for Insr only for same period prior year unless otherwise stated.)

Consolidated cash flow

Second quarter 2018

Cash inflow from operations was NOK 76.2 million, NOK 93.7 million above the net result. This compares to an operational cash flow for the same period last year for Insr, not including Nemi, of NOK 12.0 million.

NOK 35.9 million was invested in money market funds. Cash flow from financing activities was zero.

The Group recorded cash and cash equivalents of NOK 214.5 million as of June 30th, 2018 (NOK 152.9 million).

Year to date 2018

The operational cash flow year to date is NOK 113.9 million, of which NOK 98.7 million have been invested, the remaining NOK 15.2 million accumulating in the bank.

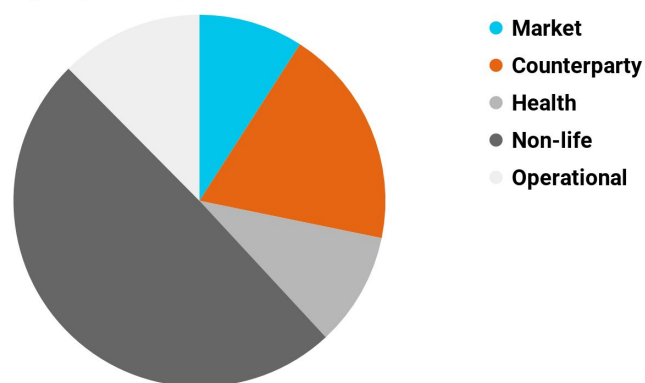
Consolidated financial position and solvency capital

As of June 30th, 2018, total assets amounted to NOK 2 449.5 million (NOK 1 365.9 million). Total equity amounted to NOK 436.6 million (NOK 167.0 million).

The solvency ratio at the end of the quarter was 161%, stable from last quarter's 162%, well above the regulatory requirement of 100%. A common solvency model for the merged company, not deviating much from the model used for last quarter, is now established. Parameter assumptions are regularly revised, however, we do not foresee additional large model revisions near term.

The Solvency Capital Requirement (SCR) as of June 30th was NOK 255 million (previous quarter NOK 232 million). The majority of the increase is related to increased insurance risk, as expected with reduced quota cession and growth.

Solvency Capital Requirement as of 30 June 2018



The Available Capital is NOK 410 million (Q1' 18: NOK 376 million), a surplus of NOK 155 million above the SCR. The Available Capital has increased NOK 34 million since last quarter despite the loss in the quarter. The main reason is a somewhat conservative assumption on quota cession last quarter.

SOLVENCY CAPITAL (MNOK)

Tier 1	283
Tier 2	98
Tier 3	29
Available capital	410

The solvency figures are those reported to the Norwegian FSA, which, after the merger, reverted to being for Insr Insurance Group ASA, not the Group.

RISK FACTORS AND UNCERTAINTIES

Insr Insurance Group ASA (Insr) and its subsidiaries are exposed to various forms of market, insurance, financial and operational risks. Insurance operations account for the majority of the group's risk exposure.

The Norwegian non-life insurance market is historically cyclical with operating results of insurers having fluctuated significantly because of volatile and sometimes unpredictable events, some of which are beyond direct control of any insurance company. Future events may result in adverse fluctuations in Insr's financial position and results of operations.

Insr faces significant competition in each of the company's lines of business from domestic, Nordic and international insurance companies. If Insr is unable or perceived to be unable to compete efficiently, the company's competitive position may be adversely affected, which, as a result, may have a material adverse effect on its business, results of operations and/or financial condition.

Insr has operating procedures in place which its management believes are sufficient. However, any mismanagement, fraud or failure to satisfy fiduciary responsibilities or to comply with underwriting guidelines and authorization limits, or negative publicity resulting from these activities or accusations by a third part of such activities, could have material adverse effect on the company's business, results of operations and/or financial condition.

If the underwriting guidelines or internal control procedures are inefficient or if the employees do not properly follow these guidelines, the pricing of a product line may be incorrect and the company may not have the proper reserves for claims attributable to the relevant product line. In addition, Insr may not be able to adjust prices to avoid future losses. The company is at risk both from customers who misrepresent or fail to fully disclose the risks against which they are seeking cover before such cover is purchased, and from employees who undertake, or fail to follow procedures designed to prevent, fraudulent activities. Also, the company is exposed to potential risk that the revenue from its customer base could diminish due to customers leaving the company.

The company is dependent on the strength of its reputation with customers and distributors. Any negative publicity related to Insr could adversely affect its reputation and the value of its brand. Insr is exposed, among others, to the risk that litigation, employees' or officers' misconduct, operational failures, disclosure of confidential information, negative publicity, whether or not founded, could damage its reputation. Any erosion of Insr's reputation may have a material adverse effect on its business, revenues, and results of operations or financial conditions.

An important element of Insr's risk management strategy is to purchase reinsurance, thereby transferring parts of the risk the company underwrites to reinsurers. Any decrease in the availability and amount of reinsurance, increase in the cost of reinsurance and/or the inability or refusal of reinsurers to meet their financial obligations or accept reinstatements, could materially adversely affect Insr's business, results of operation and financial conditions. In addition, the complexity of the reinsurance programme exposes Insr to the risk of overlooking mismatches in coverage. Coverage mismatches could have a materially adverse effect on the company's revenues, operating results, financial position and solvency requirements.

Insr relies on other distributors that market and sell the company's insurance products through partnerships. Termination of or any change to these relationships may have a negative effect on Insr's business, results of operations and financial condition.

Insr acquired Nemi with the expectation of realising significant economies of scale and cost synergies. Some of these benefits may not be achieved or not be achieved in the time frame in which they are expected. Transitioning the contract portfolios into one IT-system may also prove more complicated and expensive than estimated. Operating costs above expected levels would negatively impact the company's results of operations and financial condition.

Investment returns are an important part of Insr's overall profitability. Interest rate volatility may adversely affect the value of the company's investment portfolios, adversely impact the financial position and result in volatility in the results. In addition, the company is exposed to counterparty risk in the deposit banks.

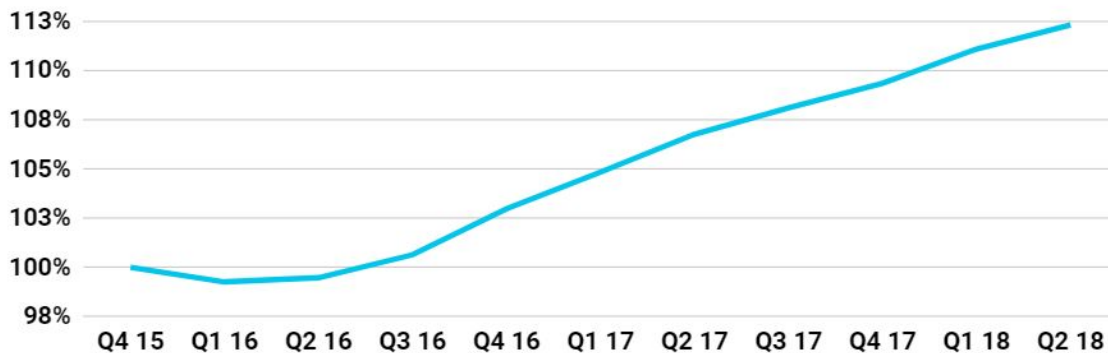
STRATEGIC UPDATE

The focus in 2018 remains integration and profitable growth. The adverse claims development in H1 has resulted in significant pricing measures.

An unusually harsh winter has, together with an uptick in motor claims inflation, put its mark on the Norwegian insurance market. To quickly address this situation, Insr is in the process of implementing significant pricing measures. As the entire Norwegian market is currently repricing, no material uptick in customer churn is expected

Insr is well positioned to do so, being the insurance player in Norway with the most recent experience implementing extensive such measures. Prices in the Vardia portfolio have been continuously increased since the fall of 2016, as seen in the graph below..

VARDIA PRIVATE MOTOR AVERAGE PREMIUM indexed to Q4' 15



Similar measures for Nemi and wholesale partners started reaching end customers during the second quarter of of this year, and will gradually flow into earned premium over the next 24 months.

Integration efforts following the acquisition of Nemi are progressing according to plan, with the entire company being on one accounting and ERP solution from ultimo June. With this in place, Insr has started to gradually migrate commercial Vardia-customers to the Nemi-platform. A full migration of all private Vardia-customers will take place in the fourth quarter. When this migration completes, Insr will be positioned to realize the remaining 13 MNOK of communicated synergies.

The organizational integration is also on schedule. As communicated in the first quarter, the Porsgrunn office was closed ultimo June. After this closure, Insr now runs the Nemi and Insr operations from only one location in Norway.

OUTLOOK

Migration to one core IT system and joint work processes is on track, and will be completed in the fourth quarter of 2018.

Insr expects continued organic portfolio growth in the rest of 2018. The medium term target of low double digit growth is within reach already for 2018.

The quality of the insurance portfolio is expected to improve as a result of pricing and pruning measures. Cost synergies will materialize in the financials post migration.

Insr targets a gross combined ratio in the medium term of 90-92%, and aims for low double digit portfolio growth.

Insr Insurance Group ASA complies with statutory solvency requirements, reporting a solvency ratio of 161% as of June 30th, 2018. The company will optimize capital management with a sustainable solvency margin above 130% going forward.

Oslo, August 13th, 2018

The Board of Directors
Insr Insurance Group ASA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED FOR THE PERIOD ENDED JUNE 30TH, 2018

Consolidated Income Statement		(NOK 1,000)				
	Note	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017 ¹
Premium income	2					
Gross premium earned		342 078	157 172	681 018	320 563	714 219
Reinsurance share		(186 046)	(102 478)	(376 147)	(228 836)	(461 034)
Premium earned for own account		156 029	54 694	304 871	91 727	253 185
Other insurance-related income		1 352	464	3 042	918	2 207
Claims	2					
Gross claims incurred		(291 932)	(103 642)	(587 301)	(232 782)	(499 561)
Reinsurance share of gross claims incurred		161 374	62 226	330 958	157 983	315 414
Claims incurred for own account		(130 559)	(41 416)	(256 343)	(74 799)	(184 147)
Operating expenses						
Sales costs		(41 508)	(26 727)	(81 899)	(45 778)	(135 978)
Insurance-related administration costs		(46 647)	(21 405)	(98 270)	(51 226)	(230 784)
Commission received		44 443	17 610	86 072	43 336	87 011
Total operating expenses for own account		(43 711)	(30 522)	(256 343)	(53 669)	(279 751)
Unexpired risk			-		-	(1 041)
Technical result		(16 889)	(16 779)	(42 526)	(35 822)	(209 547)
Non-technical result						
Investment income		1 888	2 405	3 718	-	3 189
Interest paid		(1 135)	-	(2 424)	(1 036)	(5 403)
Non-technical result		753	2 405	1 294	(1 036)	(2 213)
Result before tax		(16 136)	(14 374)	(41 232)	(36 858)	(211 760)
Tax						-
Result before comprehensive income and expenses		(16 136)	(14 374)	(41 232)	(36 858)	(211 760)
Comprehensive income and expenses						
Currency effects		(1 288)	(40)	(948)	1 908	5 922
Total comprehensive income and expenses		(1 288)	(40)	(948)	1 908	5 922
Net result		(17 423)	(14 414)	(42 180)	(34 950)	(205 838)

¹ Nemi is included in the figures from 1 December 2017, as the purchase closed 30 November.

Consolidated Statement of Financial Position				(NOK 1,000)
ASSETS	Note	Q2 2018	Q2 2017	31.12.2017
Intangible assets				
Goodwill		219 372	64 810	219 432
Other intangible assets	3	82 695	53 689	96 197
Total intangible assets		302 066	118 499	315 629
Investments				
Investments in shares		2 606	2 156	2 607
Bonds and other fixed-income securities	5	524 467	225 892	425 911
Total investments		527 073	228 049	428 518
Reinsurance share of gross technical provisions				
Reinsurance share of gross premium provisions		347 051	204 223	437 395
Reinsurance share of non-adjusted risk		2 379	3 753	2 379
Reinsurance share of gross claims provisions		449 979	319 545	430 766
Total reinsurance share of gross technical provisions		799 410	527 520	870 540
Receivables				
Receivables in connection with direct insurance and reinsurance		576 853	272 714	578 685
Other receivables		8 036	52 398	55 253
Total receivables		584 889	325 034	633 938
Other assets				
Plant and equipment		10 226	3 130	11 173
Cash and cash equivalents		214 533	152 904	199 383
Total other assets		224 759	156 034	210 556
Prepaid expenses and earned income not received				
Prepaid costs and earned income not received		11 265	10 715	12 292
Total prepaid expenses and earned income not received		11 265	10 715	12 292
Total assets		2 449 461	1 365 930	2 471 473

Consolidated Statement of Financial Position		(NOK 1,000)		
EQUITY AND LIABILITIES	Note	Q2 2018	Q2 2017	31.12.2017
Paid-in equity				
Share capital		107 759	50 891	107 759
Share premium		1 449 333	1 019 036	1 449 333
Other paid-in-equity		9 828	6 731	7 933
Total paid-in equity		1 566 920	1 076 658	1 565 024
Provision for Guarantee scheme		23 584	24 891	54 923
Provision for Natural perils pool		54 923		27 740
Other equity		(1 208 788)	(934 570)	(1 170 843)
Total equity	4	436 639	166 980	476 844
Subordinated loan				
		74 212	74 099	74 156
Technical provisions				
Gross premium reserve		723 860	338 672	719 613
Unexpired risk reserve		4 671	5 004	4 671
Gross claims reserve		730 955	416 539	665 667
Total technical provisions		1 459 487	760 215	1 389 951
Financial liabilities				
Pension liabilities		2 939		2 939
Other liabilities		150 304	11 946	115 915
Liabilities in connection with direct insurance and reinsurance		200 113	248 319	240 972
Total financial liabilities		350 417	260 265	359 826
Premium deposits from reinsurance companies				
		8 930		7 290
Accrued costs and received unearned income				
Accrued costs and received unearned income		116 837	104 371	163 407
Total accrued costs and received unearned income		116 837	104 371	163 407
Total liabilities		2 012 822	1 198 950	1 994 630
Total equity and liabilities		2 449 461	1 365 930	2 471 473

Consolidated statement of cash flow					(NOK 1,000)
	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Cash flow from operations					
Paid-in premium	346 581	148 140	720 906	312 318	655 457
Paid claims	(269 466)	(102 196)	(517 143)	(219 434)	(513 241)
Received from reinsurers	42 461	40 726	31 930	86 600	68 160
Other paid operating expenses incl. interest	(43 327)	(74 699)	(121 803)	(146 131)	(243 050)
Net cash flow from operations	76 249	11 971	113 890	33 345	(32 674)
Cash flow from investment activities					
Acquisition of assets		-	(2 869)	-	106
Investment in money market funds	(35 871)	(2 055)	(95 871)	(2 055)	(173 303)
Acquisition of subsidiaries		-		-	(248 748)
Investment in shares		-		-	(2 000)
Net cash flow from investment activities	(35 871)	(2 055)	(98 740)	(2 055)	(421 945)
Cash flow from financing activities					
Proceeds from issued capital		3 780		126 765	523 928
Net cash flow from financing activities		3 780		126 765	523 928
Currency effects on cash and cash equivalents					5 811
Cash and cash equivalents in acquired company per 30.11.2017					22 531
Net cash flow for the period	40 378	13 695	15 159	158 063	97 651
Net cash flow					
Cash and cash equivalents at the beginning of the period	174 155	365 101	199 383	220 733	101 732
Cash and cash equivalents at the end of the period	214 533	378 796	214 533	378 796	199 383
Net cash flow for the period	40 378	13 695	15 149	158 063	97 651
Cash in bank	214 533	378 796	214 533	378 796	199 383

Consolidated statement of changes in equity							(NOK 1,000)
	Share capital	Share premium	Other equity	Other earned equity	Natural Perils Pool	Guarantee scheme	Total
Equity as at 1 January 2017	35 829	907 334	5 536	(904 310)	-	21 966	66 356
Increase in equity	14 400						14 400
Subscribed equity		111 600					111 600
Cost related to capital issue		(3 015)					(3 015)
Changes in provisions in Q1 2017				(1 534)		1 534	-
Result before OCI				(19 549)			(19 549)
Other result components (net after tax)				(2 079)			(2 079)
Option expenses			641				641
Equity as at 31 March 2017	50 229	1 015 919	6 177	(927 472)	-	23 500	168 354
Equity as at 1 April 2017	50 229	1 015 919	6 177	(927 472)	-	23 500	168 354
Increase in equity	662						662
Subscribed equity		5 132					5 132
Cost related to capital issue		(2 015)					(2 015)
Changes in provisions in Q2 2017				(1 391)		1 391	-
Result before OCI				(14 906)			(14 906)
Other result components (net after tax)				1 585			1 585
Option expenses			554				554
Equity as at 30 June 2017	50 891	1 019 036	6 731	(942 184)	-	24 891	159 366
Equity as at 1 July 2017	50 891	1 019 036	6 731	(942 184)	-	24 891	159 366
Changes in provisions				(400)		400	-
Profit before OCI				(27 064)			(27 064)
Other result components (net after tax)				2 083			2 083
Other expenses			392				392
Equity as at 30 September 2017	50 891	1 019 036	7 123	(967 565)	-	25 291	134 777
Equity as at 1 October 2017	50 891	1 019 036	7 123	(967 565)	-	25 291	134 777
Increase in equity	56 868						56 868
Subscribed equity		440 721					440 721
Cost related to capital issue		(10 425)					(10 425)
Changes in provisions				(57 372)	27 740	29 632	-
Profit before OCI				(150 241)			(150 241)
Other result components (net after tax)				4 333			4 333
Option Expenses			811				811
Equity as at 31 December 2017	107 759	1 449 333	7 933	(1 170 843)	27 740	54 923	476 844
Equity as at 1 January 2018	107 759	1 449 333	7 933	(1 170 843)	27 740	54 923	476 844
Change in Natural Perils Pool capital				(7 091)	7 091		
Profit before OCI				(24 677)			(24 677)
Equity as at 31 March 2018	107 759	1 449 332	7 933	(1 188 429)	20 649	54 923	452 169
Equity as at 31 March 2018	107 759	1 449 332	7 933	(1 188 429)	20 649	54 923	452 169
Change in Natural Perils Pool capital				(2 935)	2 935		
Profit before OCI				(16 136)			(16 136)
Other result components (net after tax)				(1 288)			(1 288)
Option Expenses			1 895				1 895
Equity as at 30 June 2018	107 759	1 449 332	9 829	(1 208 788)	23 584	54 923	436 639

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Accounting principles

These interim accounts have been prepared according to IFRS and IAS 34 Interim Reporting, and are in line with the principles described in the annual report for 2017. For further information, please see the annual report.

NOTE 2 Segment information

Norway (NOK 1,000)	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Gross premium earned	330 446	144 219	656 686	308 415	665 890
Premium earned f.o.a.	149 580	51 584	293 808	87 848	237 153
Other income	1 352	464	3 042	918	1 166
Incurring claims and operating expenses f.o.a.	(160 124)	(67 729)	(327 851)	(90 602)	(438 152)
Technical result	(9 193)	(15 680)	(34 042)	(21 936)	(199 832)
Cost Ratio f.o.a.	28%	65%	30%	54%	113%
Loss Ratio f.o.a.	79%	89%	83%	83%	72%
Net Combined Ratio	107%	154%	113%	137%	185%

Denmark (NOK 1,000)	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Gross premium earned	11 629	12 953	24 333	12 149	48 329
Premium earned f.o.a.	6 450	3 110	14 106	3 880	16 032
Other income	-	-	-	-	-
Incurring claims and operating expenses f.o.a.	(14 146)	(4 209)	(22 589)	(8 371)	(25 746)
Technical result	(7 696)	(1 099)	(8 484)	(4 492)	(9 714)
Cost Ratio f.o.a.	38%	35%	57%	160%	69%
Loss Ratio f.o.a.	182%	100%	103%	56%	91%
Net Combined Ratio	219%	135%	160%	216%	160%

NOTE 3 Intangible assets

Goodwill of NOK 219.4 million relates to the purchase of Vardia Norge and Nemi. Intangible assets of NOK 82.7 are mainly intangible assets added to the Group when purchasing Nemi, such as databases and customer relationships.

NOTE 4 Earnings per share

Earnings per share

Earnings per share is calculated by dividing the result from operations on a weighted average of outstanding ordinary shares through the quarter, own shares deducted.

The Group has one category of potential shares that can cause dilution: stock options. The options have dilutive effects if the exercise price is below the market price of the share. As of 30 June 2018, no options had dilutive effect, and diluted earnings per share equal earnings per share.

(NOK 1,000)	Q2 2018	Q2 2017	FY 2017
Result from operations	(17 424)	(14 414)	(205 838)
Earnings per share	(0.13)	(0.24)	(2.97)

NOTE 5 Bonds and other fixed-income securities

The value of the portfolio by end of June 2018 was NOK 524 million, the majority invested in Norwegian money market funds and a small portion in Nordic investment grade bond funds with low interest duration. The funds are managed externally.

NOTE 6 Transactions with related parties

Transactions with companies within the Group have been eliminated in the Group accounts.

DECLARATION

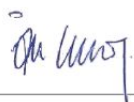
The presented set of condensed financial statements for the period 1 January to 30 June 2018 have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

We confirm, to the best of our knowledge, that the information disclosed in the financial statements provides a true and fair view of the Group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the presented set of financial statements. It also provides a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, October 4th, 2018

The Board of Directors
Insr Insurance Group ASA



Åge Korsvold

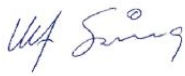
Chairman



Ragnhild Wiborg



Mernosh Saatchi



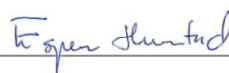
Ulf Spång



Øystein Engebretsen



Terje Moen



Espen Husstad

CEO

GLOSSARY

Available capital: Capital available for solvency purposes, determined under regulatory rules

Solvency capital requirement (SCR): The amount of capital the company is required to hold to fulfil regulatory requirements under Solvency II. The Standard formula is used to calculate SCR.

Solvency ratio: Available capital / Solvency capital requirement

Vintages: Policies written in prior underwriting years.

Underwriting year: The year commencing with the effective date of a policy or with the renewal date of that policy.

Portfolio: Sum of annualised premium for all insured as of given date

Written premium: Total premium on policies issued during a specific period

Earned premium: premium recorded during a specific period based on the ratio of the time passed on the policies to their coverage period

Technical result: Result before return on investment, other income, other costs and taxes

Gross underwriting result: $(1 - \text{Gross combined ratio}) * \text{Gross premium earned}$

Net underwriting result: $(1 - \text{Net combined ratio}) * \text{Earned premium f.o.a.}$

Gross loss ratio: Gross claims incurred / Gross premium earned

Gross cost ratio: Sales and administration costs / Gross premium earned

Gross combined ratio: Gross loss ratio + Gross cost ratio

For own account (f.o.a.): Net of reinsurance

Loss ratio f.o.a.: Claims incurred f.o.a. / Earned premium f.o.a.

Cost ratio f.o.a.: Administration costs f.o.a. / Earned premium f.o.a.

Combined ratio f.o.a.: Loss ratio f.o.a. + Cost ratio f.o.a.

Unexpired risk (previously termed non-adjusted risk): The excess risk, if expected claims and claims handling costs for future claims related to insurance contracts effective at the reporting date exceed the unearned premium reserves.

Disclaimer

This report 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 report, 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 report, and we do not intend and do not assume any obligation to update any statements set forth in this report.

FINANCIAL CALENDAR

Q3 2018 Results

13 November 2018

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